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OFFICIAL REPORT
(HANSARD)

Tuesday, May 15, 2007

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Tuesday, May 15, 2007

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

● (1000)

[*Translation*]

OFFICIAL LANGUAGES

The Speaker: Pursuant to section 66 of the Official Languages Act, I have the honour to table the annual report of the Commissioner of Official Languages for the period April 1, 2006 to March 31, 2007.

[*English*]

Pursuant to Standing Order 108(3)(f) this report is deemed permanently referred to the Standing Committee on Official Languages.

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COMMITTEES OF THE HOUSE

HEALTH

Mr. Rob Merrifield (Yellowhead, CPC): Mr. Speaker, I have the honour to present, in both official languages, the eighth report of the Standing Committee on Health.

Your committee has considered votes 1, 5, 10, 15, 20, 25, 30, 35 and 40 under Health in the main estimates for the fiscal year ending March 31, 2008 and reports the same less the amount granted in interim supply.

PUBLIC ACCOUNTS

Hon. Shawn Murphy (Charlottetown, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the 14th report of the Standing Committee on Public Accounts on the premature release or leaking of reports of the Auditor General to the media before their presentation in the House of Commons.

In addition, pursuant to Standing Order 109, the committee requests that the government table a comprehensive response to this report.

GOVERNMENT OPERATIONS AND ESTIMATES

Hon. Diane Marleau (Sudbury, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the eighth report of the Standing Committee on Government Operations and Estimates on main estimates for the fiscal year ending March 31.

Your committee has considered vote 1 under Governor General, vote 1 under Parliament, votes 1, 5, 10 and 25 under Privy Council, votes 1 and 5 under Public Works and Government Services, as well as votes 1, 2, 5, 10, 20, 25, 30 and 35 under Treasury Board for the fiscal year ending March 31, 2008, and reports the same less the amounts voted in interim supply.

* * *

COMPETITION ACT

Mr. Ken Boshcoff (Thunder Bay—Rainy River, Lib.) moved for leave to introduce Bill C-441, An Act to amend the Competition Act (protection of purchasers from vertically integrated suppliers).

He said: Mr. Speaker, this bill amends the Competition Act to provide for the enforcement of fair pricing by a supplier who sells a product at retail either directly or through an affiliate and also supplies the product to a purchaser who competes with the supplier at the retail level so as to give the purchaser a fair opportunity to make a similar profit.

The bill also provides that a supplier who coerces or attempts to coerce a customer in relation to the establishment of a retail price or pricing policy may be dealt with as having committed an anti-competitive act.

This bill seeks to address concerns raised by my constituents about unfair gas pricing.

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

* * *

● (1005)

OIL AND GAS OMBUDSMAN ACT

Ms. Chris Charlton (Hamilton Mountain, NDP) moved for leave to introduce Bill C-442, An Act to establish the Office of the Oil and Gas Ombudsman to investigate complaints relating to the business practices of suppliers of oil or gas.

She said: Mr. Speaker, it is my great privilege today to introduce this bill on behalf of irate consumers who are tired of getting hosed at the pumps.

My bill creates an office of the oil and gas ombudsman that would be charged with providing strong and effective consumer protection to make sure that no big business could swindle, cheat or rip off hard-working Canadians. I am pleased to report that the bill has been endorsed by the Consumers' Association of Canada.

We all learned last week that gas companies have been overcharging consumers between 15¢ and 27¢ per litre. It is not fair and it is not right. It just does not pass the nod test that on long weekends prices go through the roof, or that companies' prices climb in the same direction at the same speed on the same day.

Currently, people can only complain to each other about being gouged at the pumps. My bill creates a meaningful vehicle for having those complaints taken seriously with mechanisms for investigation and remediation to help consumers fight the squeeze.

Since this is not just an issue in my riding of Hamilton Mountain, I am pleased to have my bill seconded by the member for Windsor West. I am hopeful that members from all regions of this country and indeed from all political parties will endorse my efforts to put an end to highway robbery.

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

* * *

COMMITTEES OF THE HOUSE

PUBLIC ACCOUNTS

Hon. Jay Hill (Secretary of State and Chief Government Whip, CPC): Mr. Speaker, there have been discussions between all parties. I think if you were to seek it you would find unanimous consent for the following motion. I move:

> That, notwithstanding the Special Order of Thursday, May 10, 2007, the deferred division on the motion to concur in the 13th report of the Standing Committee on Public Accounts be held at the end of Government Orders today, Tuesday, May 15, 2007.

The Speaker: Does the hon. Chief Government Whip have the unanimous consent of the House to propose this motion?

Some hon. members: Agreed.

[*Translation*]

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

Some hon. members: Agreed.

(Motion agreed to)

* * *

[*English*]

PETITIONS

VISITOR VISAS

Mr. Borys Wrzesnewskyj (Etobicoke Centre, Lib.): Mr. Speaker, pursuant to Standing Order 36, it is my privilege to present a petition signed by over 200 concerned Canadians that was collected by the Alberta branch of the Canadian Polish Congress.

The petitioners demand that Parliament pass and the government adopt private member's Motion No. 19 calling for the lifting of visitor visas for the following EU member states: Poland, Lithuania, Slovakia, the Czech Republic, Latvia and Hungary. These countries are European Union members and the same visa regime should apply to them as to the other EU member states.

Canada's burdensome visa regime is a throwback to the days of the cold war and should be modernized to reflect new geopolitical realities. The iron curtain has come down. It is time for Canada's visa curtain to come down as well.

SENTENCING

Mr. Leon Benoit (Vegreville—Wainwright, CPC): Mr. Speaker, my constituents and others are upset with the sentence given in the Shane Rolston murder case and believe that in the case of other crimes, sentences simply do not match the crime committed.

The petitioners go on to say that the Young Offenders Act is not effective in deterring criminal activities in youths.

The petitioners call on Parliament to re-evaluate the sentences handed down to criminals to ensure that sentences are adequate in comparison to the crime, regardless of age, class or race.

FEDERAL MINIMUM WAGE

Mrs. Irene Mathyssen (London—Fanshawe, NDP): Mr. Speaker, I have a petition from the good citizens of London—Fanshawe who are concerned because the federal minimum wage was eliminated in 1996 by the Liberals. A $10 an hour minimum wage just approaches the poverty level for a single worker. A federal minimum wage would establish best practice for labour standards across the country.

The petitioners request that their government ensure that the workers in the federal jurisdiction are paid a fair minimum wage by passing the NDP bill sponsored by the member for Parkdale—High Park. I am pleased to present this petition.

SENTENCING

Mr. Blaine Calkins (Wetaskiwin, CPC): Mr. Speaker, it gives me great pleasure to rise in the House to table a petition on behalf of the constituents of Wetaskiwin, many from Breton, Warburg, Alix, Winfield in my riding.

The petitioners say that due to the inadequate sentences passed in Shane Rolston's murder and other crimes, sentences placed on criminals are lacking when compared to the crimes committed. The Young Offenders Act is not effective in deterring criminal activities in youth. Plea bargaining and minimizing sentences are not dissuading criminals of any age, race or class.

The petitioners call on the government to re-evaluate the sentences handed to criminals and ensure that the sentences are adequate in comparison to the crime, regardless of age, class or race.

● (1010)

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.

GOVERNMENT ORDERS

[*Translation*]

SALES TAX AMENDMENTS ACT, 2006

The House resumed from May 14 consideration of the motion that Bill C-40, An Act to amend the Excise Tax Act, the Excise Act, 2001 and the Air Travellers Security Charge Act and to make related amendments to other Acts, be read the third time and passed.

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Mr. Speaker, today it gives me great pleasure to speak to Bill C-40, An Act to amend the Excise Tax Act, the Excise Act, 2001 and the Air Travellers Security Charge Act and to make related amendments to other Acts.

First, I would like to say that the Bloc Québécois and I will support Bill C-40, which amends various acts and breathes a little life into a number of industrial sectors and charitable organizations and lends a hand to some of society's more vulnerable members, including children and seniors.

Bill C-40 includes three parts that amend three or four important acts. It will make a number of products and services tax exempt for some people and some industrial sectors, such as Quebec's wine industry, which is growing fast. This bill will offer some administrative and tax relief to these sectors.

The first part of Bill C-40 concerns measures relating to the GST. The second proposes amendments to legislation in order to lift the tax on certain goods and services. Third, Bill C-40 sets out various measures pertaining to the excise tax on wine, beer and other spirits. Lastly, the bill contains amendments to the air travellers security charge rules.

The measures in the first part of Bill C-40 that relate to the GST fall into five main categories, the first being the exemption of certain health services. The second category consists of exemptions of certain services for charities, which I will talk about a bit later. The third category comprises measures pertaining to business arrangements, including arrangements for banking institutions and foreign banks that want to invest to restructure their Canadian branches or subsidiaries. The fourth category includes governmental and administrative amendments. Lastly, the process of applying the GST would not change a great deal, but significant changes would be made so as to streamline the administration of our taxation system, which is often a barrier to expansion and growth of some sectors.

The first area that is affected is health. The bill proposes to lift the tax on speech-pathology services.

My colleague from Saint-Maurice—Champlain touched on this yesterday, sharing his expertise in child psychiatry with the House of Commons. He explained that some children and groups in our society are more vulnerable than others. I am thinking about children who have serious language disorders and whose parents cannot use public services. To address their child's essential needs, they must use services other than public services. Often, GST is charged on these services, but we believe that they should be tax exempt. Such services are often expensive for needy families, but they are services the parents expect to receive. Consequently, this bill will lift the tax on speech-pathology services, which are essential to children's development.

● (1015)

Second, services for seniors with cardiovascular disease will be tax exempt. We know that cardiovascular disease is on the rise in Quebec, contrary to what we might have expected, because consumption of products that contribute to cardiovascular disease has decreased considerably. I am referring to smoking and drug use, among other things.

Nonetheless, we feel something needs to be done to alleviate the burden on seniors who are in precarious financial situations. Removing the tax from such services is as important as what is being presented in Bill C-40.

Another exemption in Bill C-40 has to do with social work services. Currently tax is applied directly to social work services. These services are particularly essential in areas of growing poverty.

In Montreal, there are so-called high-risk neighbourhoods that need essential resources and services. Unfortunately, for people in need of direct assistance—as it was called—and social support, believe it or not, these services are still being taxed. This bill proposes an exemption for these social services.

Nonetheless, the government could have gone further. Why stop at these exemptions? Why apply tax exemption only to speech therapy services, social work services, health services for our seniors who are experiencing cardiovascular problems? Why not extend this measure to other equally essential services? I am referring to services provided by certain health practitioners such as psychologists. If a child needs to consult a psychologist, his or her parents should not have to be taxed to use such a service.

We know that in our school boards there is currently a serious shortage of professionals. I am not talking about teachers, but professionals who are essential to the development of our children in our ever changing society. We must ensure that our children and youth in our schools can get the support they need. Unfortunately, limited financial resources often prevent these children from getting these services and force parents to use external services to meet essential needs. In my opinion, these services should also be tax exempt.

Another aspect has to do with the tax free status of certain products, specifically, the sale and imports of a product that can replace blood. Lastly, certain anti-anxiety drugs such as Valium and Ativan are also being given tax free status.

Basically, this bill makes certain essential services exempt from the GST, specifically in health care. However, the government could have made an even bolder move by expanding the types of services covered by Bill C-40.

Bill C-40 also covers another aspect, namely, the GST rebate for motor vehicles that are specially equipped for use by individuals with disabilities. In my view, in our so-called just society that aims to give everyone equal opportunity—and Quebec society has already asserted this equal opportunity approach—people with disabilities must be given everything they need to fully integrate into Quebec society, into our society.

● (1020)

This mobility is crucial for people who are losing their functional independence and people with disabilities, so they may access public services. Some Canadians are confined to their homes—for all kinds of reasons, including disabilities—which limits their integration into our society. We therefore welcome this GST rebate for motor vehicles that are specially equipped for use by individuals with disabilities.

Bill C-40 covers another aspect, namely, another GST measure, this time concerning charitable organizations. As we all know, these organizations are in precarious financial situations and are often forced to organize fundraising initiatives to survive or just to maintain administrative services. This is a common problem. Lack of funding is clearly a problem for charitable organizations. Yet, they provide a great deal of support to groups that, once again, are often very vulnerable. We see these well-established charities at work in our ridings, as they solicit us every year for a little help. Unfortunately, we have no programs or financial means available to be able to help them.

Examining a bill like Bill C-40 is a perfect opportunity for us to say yes, we can help them when it comes to taxes. We will support a bill that will exempt goods supplied with a property under short-term leases. What does that mean? It means that if a charity decides to acquire a good supplied by a property lessor in a short-term lease, this product would be exempt from GST.

To repeat, this helps out these charities and lightens their financial load. At the end of the day, we are not only helping charities, but also the individuals and groups who benefit from the services offered by the non-profit organizations. We commend the measure in Bill C-40 which aims to make goods supplied with a property for non-profit organizations GST-exempt.

The second GST measure is the transitional GST relief for a foreign bank that decides to restructure its Canadian subsidiary into a Canadian branch. We must have a better harmonized tax system. There is currently competition, which must be harmonized, particularly in terms of existing taxation in the United States. Transitional GST reliefs for the foreign banks that decide to restructure and set up shop here, in Canada, will only strengthen our financial market, our banking system, and the economies of Quebec and Canada.

The third measure is the exclusion from the GST/HST base of beverage container deposits that are refundable to the consumer. This is an interesting measure because our society has decided that sustainable development will serve as the cornerstone for its development. Such a society must encourage recycling initiatives. This is an unequivocal fact. However, although Quebeckers and Canadians have clearly affirmed their desire to focus on and accelerate the implementation of a beverage container recycling system—particularly in Quebec—there are still tax irritants, elements that prevent us from doing more in the areas of deposit-refund systems and recycling.

● (1025)

We must therefore make it easier to manage recycling and to exclude beverage container deposits from GST/HST. I believe that is a step in the right direction. Naturally it is not a panacea. It not enough to ensure that there will be a Quebec or Canada-wide recycling system based on a deposit refund system. However, it does remove a tax constraint and lessens the administrative burden on the application of a deposit refund system and recycling. In this regard, it is definitely a step in the right direction. It certainly will help organizations such as Recyc-Québec, which has carried out several studies and promoted this vital debate about the importance of implementing a deposit refund system.

There are other measures pertaining to the excise tax. I am thinking of, among others, part 2 of the bill, which amends the Excise Tax Act, 2001. Two significant changes are made by Bill C-40. First, the bill seeks to improve the operation of the excise tax and then to adjust administrative practices in order to develop and promote the growth of a certain number of industries, particularly measures pertaining to alcohol and specifically wine.

The objective of Bill C-40 is to encourage the growth of the wine industry in Canada. It is not a measure that benefits only the rest of Canada; it is a measure that will also benefit Quebec. We know that there are currently 42 vineyards in Quebec. More than 1,000 hectares of vines are now under development and 300,000 bottles of wine are produced each year. That shows that there is a vibrant wine sector at work in Quebec.

The latest competitions held in Quebec and in Canada have demonstrated the strength of this sector. Last month, from April 20 to 22, an important competition known as the Coupe des Nations was held as part of the Festival de la gastronomie de Québec. Believe it or not, Quebec was one of the standouts. The Quebec vineyards really stood out. They won 34 new medals for Quebec wines. Quebec vineyards won almost 35% of the medals awarded during this festival, at which many vineyards were represented. What does that prove? It proves that there is energy at work that we must maintain and that we must strengthen in the future to ensure that these vineyards can benefit from tax breaks.

What is there in Bill C-40 that will provide major benefits to this industry? It provides for deferral of tax by small vintners selling wine on consignment. They will not have to pay the GST until the product is sold. That is significant because it means that the vintners, who are very often small businesses—not even medium-sized businesses, except in very rare cases—with very limited resources at their disposal, will be able to put off an expense until the product has been sold.

Small producers will make their tax payments once the product has been sold. This will provide much more breathing room to the small vintners. In addition, our homegrown products in all regions of Quebec will certainly benefit from such a measure.

● (1030)

I will close by saying that we are in favour of Bill C-40, because it gives hope to the people who are most vulnerable in our society, it ensures increased growth in some essential sectors of Quebec economic activity, and it lightens the tax burden on certain groups in our society. All of this promotes a more sustainable society that favours fairness and economic growth.

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Mr. Speaker, first I would like to congratulate my colleague for his excellent speech on Bill C-40.

At the very beginning of his address, he mentioned the tax relief for speech language pathology services in order to help our young people and seniors, for example.

He drew the quite obvious connection between increasing poverty in certain areas and the use of various services, especially social services, speech language pathology services, and certain other ones. He also said that Bill C-40 would correct certain deficiencies in these regards because the poorest people often cannot pay for these services. That is what I understood him to say, and I would appreciate it if he could explain a bit more for us. What would he think of exempting even more services or professions?

Mr. Bernard Bigras: Mr. Speaker, I would like to thank my colleague from Saint-Maurice—Champlain for his question and comments. This is a good example of the kind of social democracy we want to have in Quebec. We are a progressive political party. We on this side of the House do not think that essential services should be taxable. It is fine to tax luxury goods, but things as essential as speech language pathology services are currently subject to tax and this is contrary to the equal opportunity principles that the Government of Canada is supposed to stand for. This is why Bill C-40 is helping to shed light on the situation. I was surprised to learn a few years ago—and am still surprised—that diapers for babies are taxable.

Why must we tax essential goods and thereby impose an additional burden on the poorest people in society? Some industrial sectors—and I would point again to the oil, gas and hydrocarbon industry in Canada—are making fabulous profits and still get tax breaks. We pass bills here in the House to reduce the fees and taxes paid by corporations that rake in $250 million a year.

It is time to exempt essential services for our children and for everyone. If we can expand the range of exempted services, that is all to the good. We will have made progress towards equal opportunity.

● (1035)

[*English*]

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: The question is on the motion.

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

The Deputy Speaker: I declare the motion carried.

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

* * *

SETTLEMENT OF INTERNATIONAL INVESTMENT DISPUTES ACT

Hon. Carol Skelton (for the Minister of Foreign Affairs) moved that Bill C-53, An Act to implement the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (ICSID Convention), be read the second time and referred to a committee.

Hon. Helena Guergis (Secretary of State (Foreign Affairs and International Trade) (Sport), CPC): Mr. Speaker, I wish to split my time with the member for Macleod. I would ask for unanimous consent.

The Deputy Speaker: Is there unanimous consent?

Some hon. members: Agreed.

Hon. Helena Guergis: Mr. Speaker, it is with great pleasure that I speak at second reading of Bill C-53, An Act to implement the Convention on the Settlement of Investment Disputes between States and Nationals of Other States. The convention is an international treaty establishing the International Centre for the Settlement of Investment Disputes, ICSID. Bill C-53 will implement the ICSID convention for Canada.

Allow me to give hon. members of this House, first, a description of what ICSID is, second, an overview of the bill and what it does, and lastly, an explanation of the benefits of this convention for Canada and Canadian businesses.

ICSID is an organization devoted to the resolution of international investment disputes between states and nationals of other states through arbitration and conciliation.

ICSID provides mechanisms for arbitration and conciliation of such disputes provided that both the state of the investor and the host state are parties to ICSID. This means that once Canada ratifies ICSID, a Canadian investor abroad in any of the 143 countries that have already ratified ICSID may have recourse to ICSID to resolve disputes that may arise with the country in which it is doing business.

ICSID is a highly reputable World Bank institution based in Washington, D.C., and one of the most frequently used institutions for investment arbitrations.

ICSID and international investment arbitration have traditionally been used in cases of expropriation or nationalization. A hypothetical example is a takeover by a host government of a Canadian business exploiting natural resources such as oil or minerals. Such an expropriation may represent a substantial loss for the investor and fair compensation is not always easily obtained.

However, the Canadian investor may have insisted on an investment agreement with an ICSID arbitration clause before investing, or Canada may have an investment treaty with the host government making reference to ICSID arbitration. If so, once Canada ratifies ICSID, the Canadian investor owning the business will have the right to use ICSID arbitration to pursue fair compensation for its losses before an independent arbitral panel.

ICSID provides an efficient, enforceable mechanism for such dispute resolution. This is why our government believes ICSID is a good way to protect Canadian business and its investment in foreign countries. It also complements our investment protection treaties and existing arbitration clauses in investment contracts of Canadian businesses.

Bill C-53 will implement this convention. This bill needs to be passed before Canada can ratify the convention. This bill will make an ICSID award enforceable in a Canadian court. It will ensure that persons using conciliation under the convention cannot abuse that process. This bill also provides for governor in council appointments of persons to ICSID lists of potential panellists and it provides privileges and immunities as required by the convention.

The key provision making ICSID awards enforceable is clause 8, which states:

> (2) The court shall on application recognize and enforce an award as if it were a final judgment of that court.

This provision will apply to an ICSID award for or against Canada or a foreign government. This provision is the key to the ICSID system for enforcing arbitration awards.

An ICSID award is reviewable by an ICSID tribunal, but not by national courts. Once final, an ICSID award will be recognized and enforced in Canada as if it is a final judgment of a Canadian court.

While Canada will be giving full effect to awards, in turn the convention guarantees similar enforcement in all states that are party to ICSID. Thus, Canadian businesses with an ICSID award in their favour have a very powerful tool to ensure the award is paid. This ensures the protection of their rights and interests in foreign countries.

There are three important related provisions. Clause 6 makes the act binding on the Crown. This ensures that awards against the federal government can be enforced.

Clause 7 prevents a party from seeking court intervention by way of judicial review applications or applications to a similar effect. A party cannot therefore attack the validity of a final ICSID award.

Clause 8 also gives all superior courts, including the Federal Court of Canada, jurisdiction to enforce ICSID awards.

The provisions with respect to conciliation are brief. Clause 10 ensures that the ICSID conciliation process can be conducted in a manner that is without prejudice to the rights of the parties. In other words, testimony given during conciliation cannot be used in other proceedings. This gives investors a further option to ensure their rights are respected.

● (1040)

I should also mention that the bill proposes provisions ensuring the required privileges and immunities for the centre, its employees and its arbitrators. Such immunities guarantee the independence of the tribunal when seated in Canada.

As I indicated before, once adopted, the settlement of international investment disputes act will allow Canada to ratify the ICSID Convention. In today's world, there are many situations where Canadian businesses could be significantly harmed by foreign governments' activities or decisions.

Canadian businesses are increasingly active in foreign markets. They invest in foreign countries by buying plants, establishing new businesses or acquiring rights to natural resources, for example. While disputes with foreign governments affect only a small portion of the $465 billion in assets owned by Canadian investors abroad, when disputes do arise, mechanisms such as ICSID are necessary to ensure that the dispute is resolved fairly and efficiently.

We as a government have worked hard to promote Canada abroad, facilitate the free flow of international investment and help Canadian businesses succeed abroad.

To date, Canada has negotiated 22 foreign investment protection and promotion agreements, or FIPAs, and is actively negotiating others. These agreements provide for investor state dispute settlement by means of arbitrations.

ICSID arbitration is an option under these agreements but only if both countries are party to ICSID. These agreements create a more predictable and transparent climate for Canadian investors abroad by setting out rules for the treatment of investors and offering dispute settlement to adjudicate claims when their rights have been violated.

Canadian investors who need to use dispute settlement to enforce their rights, whether those rights exist pursuant to a FIPA, an FTA or an investment contract with an arbitration clause will welcome this bill. Promoting fair trade rules and equitable treatment for our businesses must go hand in hand with efficient dispute resolution mechanisms that allow investors to obtain redress.

We have proposed this bill today to pave the way for ratification of the ICSID Convention. Canadian businesses demand that Canada join this important convention to ensure protection of their investments abroad and because it is consistent with our foreign trade investment policy.

This convention entered into force in 1966, over 40 years ago, and 143 states have ratified the convention, including most of our major trading partners. This represents virtually three-quarters of all the states in the world. By way of comparison, there are 191 states that are members of the UN.

The ICSID Convention represents one of the most ratified treaties in the world and Canada is not yet a party to it.

This government is committed to fair international trade rules. We are committed to protecting Canadians' interest throughout the world and this is why we take action today for the implementation of the ICSID Convention.

Canadian businesses support the adoption of this convention. The convention is good for investment in this country, as well as Canadian investors abroad. It ensures efficient resolution of disputes between governments and foreign investors. Those are the reasons that our government presents Bill C-53 for second reading.

● (1045)

Hon. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, it sounds like a good idea to ratify this convention with Bill C-53. I initially think, of course, of Canadian oil companies in a country like Venezuela, for example, where Mr. Chavez has gone on a rampant nationalization program. I am not sure if we have Canadian companies in Venezuela but I think it would be a good thing to be part of that if the compensation is fair.

However, another thought occurs to me. What would happen if foreign countries, through state-owned enterprises, were to come to Canada to try to nationalize some of our energy assets or some of our national resource companies? What comes to mind is the case of China Minmetals, a state-owned enterprise in the People's Republic of China, that made a proposed takeover bid of Noranda but which did not proceed.

With the failed policies of the government with respect to energy trusts and with respect to the non-deductibility of interest, many energy and natural resource companies will become subject to takeovers.

The more preferred way, certainly from my perspective, would be to make changes to the Investment Canada Act so that the government would need to deal with these in terms of the national interest. However, the government has been totally silent on that issue.

Will this convention at least help with the nationalization of Canadian companies by foreign and state-owned enterprises?

Hon. Helena Guergis: Mr. Speaker, to be truthful, the question is irrelevant to the bill that we are discussing today.

I will say that Canada respects its international obligations. This bill does underscore that Canada is open for business but we have always respected our international obligations. When the Government of Canada has been at fault with a foreign investor, we have always lived up to our obligations so it will not change anything. What it will do is protect our businesses abroad.

I have a couple of very important supportive, positive quotes for Canada ratifying this convention, which I would like to read for the hon. member. The first one is by Michael Murphy, the executive vice-president for policy, from the Canadian Chamber of Commerce. He states, “For Canadian businesses investing abroad, ratifying the ICSID Convention is an effective way for the Government of Canada to provide these investors with a means of protecting their investment: an efficient avenue for seeking a remedy should their investment be compromised”.

He also said that “Canadian businesses investing abroad would finally be afforded the same level of protection as our competitors. In addition, ratification of the ICSID Convention would enable the Government of Canada to conclude its foreign investment and protection agreement for the negotiations with China much sooner, allowing the government to produce real benefits for Canadian businesses”—

The Deputy Speaker: I think there is another question. The hon. member for Mississauga South.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am surprised that the secretary of state either would not or could not answer a straight question. I will give her a simpler question.

This will not be in effect for Canada until all of the provinces and territories sign on. I understand that the other provinces have expressed interest but I wonder if there is a timeline in which the other provinces will be signing on to this treaty so that it can be in effect for Canada.

Hon. Helena Guergis: Mr. Speaker, as it is right now, five provinces have implemented legislation to proceed with this convention. All the provinces have been in ongoing negotiations with the federal government for many years.

I would note again that this has been on the table for over 40 years, since 1966, so it has been a couple of decades that the federal government has been working and negotiating with the provinces. The provinces actually want us to proceed with this federal legislation. It does not mean that a province must participate. In fact, if a province chooses not to, it does not need to put legislation in place.

However, five provinces do want to proceed and in order for them to do so, we must have federal legislation. I cannot see any province wanting to hold back another province.

● (1050)

Mr. Ted Menzies (Parliamentary Secretary to the Minister of International Trade and Minister of International Cooperation, CPC): Mr. Speaker, it is a pleasure to speak to Bill C-53, An Act to implement the Convention on the Settlement of Investment Disputes between States and Nationals of Other States.

The convention is also known as the ICSID Convention. We are renowned in the House for using acronyms but it is far simpler to use that when we are referring to the International Centre for the Settlement of Investment Disputes established by the convention.

I was first made aware of ICSID by a constituent of mine, a Mr. David Haigh, an internationally renowned dispute settlement arbitrator and a lawyer with Burnet, Duckworth and Palmer in Calgary, who has long advocated for Canada to bring ICSID into force. This gentlemen brought this to my attention back in my dark days when I was in opposition. We tried at that time to bring it forward at that time but were unsuccessful. However, now that we have a new government in this country we are actually able to get on with creating a business environment that is friendly to businesses.

I know that David, along with many Canadian investors, will be pleased that the government is moving forward with Bill C-53, and it is my pleasure to take part in the debate today.

Before a country can ratify the ICSID Convention, it needs to pass legislation providing for ICSID awards to be enforceable in its courts. For Canada, this means that it must pass and bring the act into force. In addition, any province or territory that is designated a constituent subdivision must bring similar legislation into force.

I would first like to discuss some of the pressing reasons for hastening Canada's ratification of the convention. I hesitate to use "hasten" because, as my hon. colleague just raised, we have been working on this since 1966.

There are three reasons why Canada should become a party to the ICSID Convention. It would provide additional protection to Canadian investors abroad by allowing them to have recourse to ICSID arbitration in their contracts with foreign states. It would also allow investors of Canada and foreign investors in Canada to bring investment claims under ICSID arbitral rules where such clauses are contained in our foreign investment protection agreements and free trade agreements. Also, it would contribute to reinforcing Canada's image as an investment friendly country.

I will tell the House more about the other advantages. When Canada ratifies the ICSID Convention, Canadian businesses investing abroad would finally be afforded the same level of protection as their competitors. There are numerous disadvantages associated with the absence of Canada from this convention. Canadian businesses are hurt. Even though Canadian investment abroad continues to rise, the ability of Canadian businesses to arbitrate investor state disputes is hurt by the fact that they must arbitrate without the infrastructure that ICSID would and could afford them.

Investors prefer ICSID to other arbitration mechanisms for many reasons, such as: the ICSID regime is an extremely efficient mechanism for the resolution of investment disputes; it provides better guarantees regarding enforcement of awards and more limited local court intervention; and ICSID's roster of arbitrators gives investors access to well-qualified arbitrators at ICSID at controlled rates and with extensive experience in international investment arbitration.

Since Canada has not ratified ICSID Convention, we are not granted a voice on ICSID's administrative council and cannot vote on changes to the ICSID arbitral rules.

I will turn now to the second advantage of ICSID: improving the dispute settlement process available under our treaties.

NAFTA and Canada's foreign investment protection agreements, or FIPAs, provide for ICSID dispute settlement as one of several options. However, up to now this option could not be used. Ratification of ICSID will provide investors with the option to use ICSID to resolve certain investor state disputes.

● (1055)

Chapter 11 of NAFTA provides that ICSID arbitrations may be used in cases where both the state of the complaining investor and the state complained against are party to ICSID. The U.S. is party to ICSID but not Mexico.

In the case of FIPA, most of our FIPA partners are already party to the ICSID convention. Consequently, when Canada ratifies the ICSID convention, arbitration using ICSID will become available under those agreements.

My final point is a simple one. Canada's absence from ICSID does little to augment our international image as a country which is open to free trade and foreign investment.

Already, as earlier mentioned, 143 countries are party to ICSID. It is time for Canada as well to become a party to ICSID. I will now explain why ratification is increasingly urgent.

First, we do not know when an investment dispute might arise in which Canadian membership in ICSID might be an important factor in preserving a Canadian investor's rights. Periodically, and again this year, we have been approached by investors who could have benefited significantly if Canada had already ratified the convention.

Second, some states that have ratified ICSID restrict enforcement of investor state arbitral awards unless such awards are made by an ICSID tribunal. It is difficult to persuade such a state to modify this practice when a solution is as simple as Canadian ratification of ICSID. Yet, until there is a solution, Canadian investors lack the protection provided by the availability of effective investor state dispute settlement mechanisms.

The Canadian business and legal communities support Canada's ratification of the ICSID convention.

The provinces and territories support ICSID. The convention allows Canada to designate provinces or territories as constituent subdivisions that will also be able to use the ICSID arbitration for disputes with international investors.

The Chamber of Commerce passed a policy resolution unanimously. Over 200 local chambers of commerce from coast to coast, at their AGM in September of 2006, passed a resolution which calls on the Government of Canada to ratify this convention.

I urge the House to listen to the call of Canada's investors, legal community and constituents like Mr. Haigh, and give expedient consideration to the bill in the interests of Canada's continuing international stature and healthy economy.

Hon. Maurizio Bevilacqua (Vaughan, Lib.): Mr. Speaker, I was really struck by something that the hon. member said in reference to reinforcing Canada's image abroad and making indeed Canada an investment friendly country and giving a positive image to the world.

As a member of a government that inherited a $42 billion deficit that we had to eliminate; that provided Canadians with the largest tax cut in Canadian history of $100 billion, both personal as well as corporate; and that made investments in R and D and innovation, it really gave an image to the world that in fact Canada was no longer a country threatened by the IMF knocking on its doorstep but was rather a country that was able to have great economic growth through the wise investments that were made.

While I of course support the principle of the bill, I do want to express, after conversations with individuals particularly in the business community, a concern I have about recent measures taken by the government. It relates to, for example, the tax on income trusts. How does that bring greater confidence to the investment markets, not to mention the issue of interest deductibility?

While this measure that we are talking about today is indeed a positive measure, I must say that we as a country and the Conservative government need to be aware of the fact that these types of measures will not give confidence to foreigners to look at Canada as a friendly investment place.

There has to be greater consistency. I am just wondering whether or not the hon. member shares the concern that I have on income trusts, the billions of dollars that seniors lost as well as the issue of interest deductibility that really hinders Canadian companies to further expand in a world that is truly globalized.

● (1100)

Mr. Ted Menzies: Mr. Speaker, I guess there was a question in there. I do appreciate the fact that the member recognizes how important it is to our investor companies to have a piece of legislation like this in place.

This government has had to make some difficult decisions mainly because no difficult decisions were made in the previous 13 years, and I think we all recognize that. When a country has been left behind, it is always a challenge for it to catch up.

I might share with the hon. member some of the messages that we have been receiving at our trade committee from the business community in this country. It told us not to bring up the issue of income trusts, but the fact that it felt it had been abandoned.

Businesses are glad that they have a government now that recognizes the fact that they need an environment in which they are able to expand and in which they are able to compete on a level playing field with companies around the world. It is important that we provide a safe investment environment not only here in Canada for companies that want to invest here but for our companies that wish to grow and become investors in the world.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the member may not want to listen to members of Parliament as we talk about foreign investment and what people have to say. As the secretary of state likes to read out quotes, I will read a couple of quotes to the member and see his response. Here is one:

> Allan Lanthier, a retired senior partner of Ernst & Young said "I've been practising tax for 35 years—this is the single most misguided proposal I've seen out of Ottawa in 35 years".
>
> Tom d'Aquino, CEO of the Canadian Council of Chief Executives said, "We are worried that the change...undermines the competitiveness of Canada's homegrown champions."

That is how they feel. How does the member respond to leaders who deal in foreign investment?

Mr. Ted Menzies: Mr. Speaker, I travelled with Mr. d'Aquino to India a few weeks ago and that comment was never made to me. Mr. d'Aquino and the other members of the Council of Chief Executives said what a wonderful idea it was for this new government to be actually looking at trade opportunities for Canadian businesses. He was very supportive of the fact that we introduced them to some companies in India that are looking for partners and investors. It was a great opportunity.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am pleased to participate in the debate on Bill C-53, the settlement of international investment disputes act.

Should this bill pass, it will bring Canada one step closer to becoming a signatory country of the 1965 World Bank convention on the settlement of investment disputes. The convention is designed to facilitate the settlement of investment disputes between governments and foreign investors, thereby improving the conditions for international investment, which is what has been discussed today and certainly has been reflected in the questions that hon. members have posed to the government.

Any such disputes are argued before a tribunal at the International Centre for Settlement of Investment Disputes or ICSID, as members have been referring to it. Canada signed the treaty last December in Washington and in so doing, as has been mentioned, became the 143rd country in the world to sign on.

It will not come into effect until all the provincial and territorial governments have also signed on. Five have already done that, including Ontario in 1999. It is my understanding and the government's representation that the remaining provinces and territories have expressed approval in principle and interest, and are hopefully going to be signing in the near future.

Essentially, what the ICSID convention does is ensure that the domestic courts and any of the signatory countries have the power to enforce any arbitration amounts awarded by this tribunal. Although agreeing to the hearings is voluntary on the part of each party, once they have agreed to a hearing neither one can unilaterally withdraw from the process or refuse to pay any damages awarded by the tribunal.

In order to ensure an unbiased hearing, the arbiters are selected by contesting parties themselves. The ICSID then provides the hearings with a venue and the administrative support required to facilitate them.

At this time we in the official opposition will be supporting this bill. We believe it will help to provide recourse for Canadian investors who are sometimes hurt by the actions of foreign governments when those actions violate existing trade or investment treaties.

It will also let investors around the world know that Canada is committed to honouring its international treaties on trade and investment. This sentiment was expressed by the Minister of International Trade who said in his press release of March 30:

> The ICSID Convention will contribute to Canada's prosperity by providing additional protection to Canadian investors and reinforcing Canada's investment-friendly image abroad.

With regard to the last part of that quote, the Conservative government has kept itself very busy over the past year doing just the opposite and in fact tarnishing Canada's investment image abroad. The most glaring example was the broken promise on income trusts. This particular event caused the largest meltdown in the financial markets in the history of Canada. There was $25 billion of investment value wiped out by a broken promise.

To remind members, it was the promise of the government not to tax income trusts. In fact, the Prime Minister himself said that the greatest fraud is a promise not kept. That promise was not kept to Canadians. During the election campaign the Prime Minister said that he will never, never, never tax income trusts.

That gave assurances to the marketplace and particularly seniors, 70% of whom do not have defined pension benefit plans and, as a consequence, were looking for investment instruments that would emulate a pension plan, and that was income trusts. That meant that they could receive regular cashflows from these investments in income trusts to pay their bills. On Halloween of last year, $25 billion worth of wealth was wiped out simply by that broken promise.

● (1105)

This has to do with the credibility of Canada. It has to do with foreign and bilateral investment. Investors feel secure dealing with a country when they know the rules of the game and they know they are not going to be arbitrarily changed at the whim of a government for whatever reason.

I had the opportunity to participate in the public hearings before the finance committee. It was clear that foreign investment issues were very key in this regard. The change of the rules of the game in the middle of the program had damaged the credibility of Canada in terms of foreign investment.

There is no question that there will be more on this subject. Over 2 million Canadians are very angry with the government.

The finance committee heard from some of the seniors. Some members would say that they were paper losses. However, that is like me saying I paid $50,000 for my house, which is now worth $300,000. However, if my property taxes go up 31% and my house value goes down that is okay because I still have the $50,000 value or more than that. The appreciation in the house price is not a paper gain.

Anyone who held an income trust lost that kind of money. One of my own constituents lost $125,000. An 82-year-old veteran has no way of recouping that lost investment value. The credibility of the financial markets of Canada is extremely important in terms of foreign investment.

There is also another angle to this issue that has not been discussed as much in the House. I am speaking of the damage that has been done to Canada's international reputation as a safe place to invest. In the weeks following the announcement many investors were likening Canada's Conservative government to a banana republic.

I realize the term "banana republic" gets thrown around a bit. If we take the time to consider it in this instance, there are some striking parallels. The term is considered to have been coined to describe Honduras in the late 19th century and the early 20th century. At that time the Honduran government was eager to encourage as much foreign investment as possible in its agricultural sector in the hopes of improving the nation's overall economy. In particular, the government sought out investment in its burgeoning banana sector and in new railroads to support that growth.

In 1893, in order to protect local farmers, the government unveiled a new tax on banana exports that caught all those foreign investors off guard. It was the new 2¢ tax levied on every banana exported from the country. That would be almost 50¢ per banana in terms of 2007 dollars.

Needless to say, investors, particularly American investors who had invested millions of dollars in the industry under one set of rules, were not very happy when the Honduran government changed the rules in mid-game. It is exactly what I described with regard to the income trust decision in Canada, a broken promise.

This is not the 19th century in Honduras. This is Canada and we have a 21st century G-7 economy. When the leader of a G-7 country promises never to tax something, a lot of people around the world will believe him and make their investment decisions accordingly.

When the Prime Minister promised arbitrarily that he wanted to levy a 31.5% tax hike on the trust sectors that affected particularly seniors. It undoubtedly raised questions about Canada's image as a safe and secure place to invest. That is the crux of this. It is nice to be part of treaties, but if people break their word, if promises are broken, if the rules of the game are changed in midstream, then their credibility and integrity certainly come into question.

That is one example of where the government has dropped the ball involving foreign investment.

Let us not forget the finance minister's ever changing story on interest deductibility. We can talk about relevant issues to the security of foreign investment and the implications to that investment, the credibility of that.

● (1110)

Earlier when I asked a question and I wanted to put a couple of quotes on the table. I should take the opportunity to do this now.

The question of interest deductibility is another flip-flop. It is to announce one thing, disrupt the marketplace and then all of a sudden change the story. It is a moving target. It is not will I tax it, will I allow the deductibility of interest on foreign investments or will I not. Now we are talking about double-dipping and double deductibility of interest in an offshore tax haven. We are talking about tower schemes.

There is more smoke and mirrors on the interest deductibility issue simply to confuse Canadians about the facts. The facts are the government, the finance minister particularly, did not do the homework. When we look at the reaction of the market and of the key leaders in the investment community, the retired senior partner of Ernst & Young and immediate past president of the Canadian Tax Foundation, Mr. Allan Lanthier, said, “this is the single most misguided proposal I've seen out of Ottawa in 35”.

Thomas d'Aquino, president and chief executive officer of the Canadian Council of Chief Executives said:

> —we are worried that the change announced in the budget may seriously undermine the competitiveness of Canada’s homegrown champions—the companies that are most active and most successful in building global businesses from head offices in Canadian communities. It may also damage Canada’s standing as an international centre for financial services.

Nancy Hughes Anthony, president of the Canadian Chamber of Commerce, said:

> The proposal appears to be driven by revenue enhancement rather than a desire to build a competitive advantage....It's a real step in the wrong direction.

How about Len Farber, senior adviser at the law firm of Ogilvie Renaud, who said:

> I thought this government was interested in Canadian companies having a competitive edge...This takes away that competitive edge.

What can I say? If members of Parliament cannot have their words accepted by the government, we have to look at the words of those who are responsible, the leaders within the business community, the leaders who look to having a competitive economy, to making Canada a real force not only domestically but certainly abroad.

In his March 19 budget, the minister said that he was intending to end the deductibility of interest incurred on loans to invest overseas. The budget was very clear that he meant all interest deductibility on foreign investment would come to an end by 2009.

We have gone through a litany of changes and the minister has flip-flopped on many occasions, saying that he is open to changes to the measure and the next day saying that there will not be any changes. At some point in time we have to take a decision, but when we keep changing direction, it makes it very difficult for the investment community to understand where we are.

On May 14, this past Monday, we saw the finance minister in full retreat in Toronto. He was taking advice in fact from the Leader of the Opposition. We even had an opposition day to encourage and to urge the government to fix this serious mistake that would damage competitiveness in Canada. He came up with a cute slogan. He said that today the budget was known as the anti-tax haven initiative.

We can keep calling things by different names, but the fact is there is back pedalling going on, and we need some clarity. That is really important in this issue.There has to be some clarity on these important matters on which Canadian businesses make decision.

● (1115)

There is something particularly interesting about how this issue has played out over the past six weeks. As legislators, we know that on every decision we can always find a number of interest groups or experts who are able to support a point of view or attack a point of view. In this case, however, everyone in the country, every serious commentator on this issue, were unanimous in their condemnation of the measure. In fact, as I read in some of the quotes, they basically said that this was the single most misguided policy Ottawa had seen in 35 years.

The chair of the task force, Jack Mintz, also backed away from the government on this one. As I indicated, the president of the Canadian Council, the chief executives and the chair of the Canadian Chamber of Commerce were quick to tell the government it made a mistake and to fix it before the damage is irreparable.

A minister stood alone defending the merits of the policy until last week when he said he would clarify his position. It turns out, according to the minister, that every CEO, every commentator and journalist in the country had simply misunderstood his intentions. It is hard to make that argument when the statement in the budget is as clear as clear can be.

I think it is pretty clear to all Canadians that the finance minister is in full retreat from his original plan, thanks largely to the efforts of the leader of the official opposition who saw this was a bad policy for Canada.

It is absolutely clear, once again, that the finance minister did not think things through before acting. He tried to change the very complicated area of tax policy with a very simplistic blanket solution.

This is key. There is a pattern of not thinking things through. There are consequences and they are not linear, they are multi-dimensional. When we get situations, for instance, on income trusts, where there is a gap between the tax paid by income trusts compared to dividend-paying corporations and we close that gap so there is some equity, we want to be sure that there are no other consequences. What were the consequences? It was to tax the income trusts and not only close that gap, but actually tax it so much that we had a $25 billion meltdown.

It even gets worse than that when we look a little further down the road. Ever since the Halloween massacre of income trusts, there have been 20 or more takeovers of income trusts by private equity, a couple Canadian, but mostly foreign. Why? Because the value of these income trusts were driven down enormously. Private equities can purchase these at fire sale prices. They can structure their affairs so they do not pay taxes to Canada.

Now it gets more complicated. In fact, those 20 income trust takeovers, because their structure permits them to no longer pay Canadian taxes, will pay in a foreign jurisdiction. What is the loss of tax revenue to the Canadian government, in fact, to the taxpayers of Canada? It is $6 billion per year of tax hemorrhaging, lost revenue to the Government of Canada. The problem the finance minister said he was trying to fix was that there might be about $5 billion of tax leakage over six years. This seems to indicate the minister did not think it through.

That is the issue. We cannot take a nuclear bomb to every problem. Sometimes it takes a little thinking and a little consultation before these snap decisions are made, which have such devastating consequences not only to Canadians, but to Canada's credibility and integrity in terms of foreign investor relations.

● (1120)

Mr. Brian Murphy (Moncton—Riverview—Dieppe, Lib.): Mr. Speaker, could the member comment on the following proposition?

The current Minister of Finance having had such a deleterious effect on the finances of Ontario while he was there, does the member feel that in his current capacity perhaps he is wilfully replicating his role or reprising his role as the destroyer of a once proud economy? Could he not compare that $6 billion a year are more than $5 billion over five years?

Could explain how the current Minister of Finance has not taken his own simplistic advice?

Mr. Paul Szabo: Mr. Speaker, the member is quite right. We are talking about history. The history is that we have three ministers in the current federal government who were ministers for Mike Harris.

● (1125)

Mr. Brian Murphy: Repeat offenders.

Mr. Paul Szabo: Repeat offenders, there you go. I think the member probably has coined it.

Notwithstanding that there was a $6 billion deficit, today's Minister of Finance, who was the minister of finance in the province, continues to deny. He says that he did not leave any problems back there. How does one deny history? How does one deny the facts?

In fact, they left roadkill behind them as they left and disappeared from Ontario. They are coming here and the pattern is clear. The same things that happened in Ontario with this finance minister, the same kind of draconian and poorly thought out policies and practices—

The Acting Speaker (Mr. Andrew Scheer): The hon. secretary of state is rising on a point of order.

Hon. Helena Guergis: Mr. Speaker, when the Liberals and other members in the House rise to speak about Bill C-53, which is about protecting our Canadian businesses abroad, I would hope that they at least could use the words "business" or "foreign investment" at some point and at least keep some of the debate relevant to what we are talking about today, just a small attempt—

The Acting Speaker (Mr. Andrew Scheer): I will ask members to stay as close as possible to the topic of the bill, both in their questions and their—

Some hon. members: Oh, oh!

The Acting Speaker (Mr. Andrew Scheer): Order, please. The hon. member has made a point about relevance. I will ask all members to try to stay on the subject material of the bill as much as possible in both their questions and their responses.

Does the hon. member for Mississauga South want to wrap up in a very short comment?

Mr. Paul Szabo: Yes, Mr. Speaker. When it gets down to the competitiveness of Canada and foreign investment, our credibility is fundamental. It is a prerequisite, that integrity and the view of foreign investors. We want to invest abroad, but when we have domestic practices that do not sustain the integrity or credibility of the government, foreign investment suffers.

[*Translation*]

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Mr. Speaker, earlier I heard the member for Mississauga South say that if Bill C-53 is passed, it will enable Canada to become a member of the International Centre for Settlement of Investment Disputes, or ICSID. He added that to become a member, all Canadian provinces and territories must commit.

What does he think the impact of becoming a member will be for Quebec and the other provinces?

[*English*]

Mr. Paul Szabo: Mr. Speaker, I could go on at length about how important it is that Canada have this instrument, which is effectively a dispute resolution mechanism. It provides the framework if there is an award made. There is going to be a tribunal to deal with this.

All provinces and all territories in Canada, including Quebec, have extensive involvement in foreign investment transactions. The structure that has been presented in this treaty, which has been around since 1966, is going to be a good instrument for us to be part of, but the only concern right now is whether or not the government has the support. It says it does, but I do not know whether I have seen the commitment of the government such that we will see the other provinces come on board so that the competitiveness of Canada continues to flourish.

Hon. Maurizio Bevilacqua (Vaughan, Lib.): Mr. Speaker, I want to take up the challenge raised by the secretary of state. I think she is right when she says that we need to talk about the issues related to giving Canada a more investment-friendly image. As the member for Mississauga South correctly pointed out, it is important that the fundamentals be put in place so that Canada can be viewed as a great place to invest.

If I may draw a little on the history of how we came to be the country that we are this year, I remember early on when we, the Liberal government, had inherited a $42 billion deficit and a skyrocketing national debt. We also had a tax system that was burdening the business community as well as individuals.

We had to turn all that around. We were very fortunate that we were very disciplined. We gave a strong signal to the IMF and the *Wall Street Journal* that in fact we were going to roll up our sleeves and bring about the type of positive change that the Canadian economy required. This is the connection between foreign investment and giving our country a friendly image abroad.

The point I am raising is that on interest deductibility and income trusts, there is not the type of signal that we want to send to foreign investors. It is not the type of signal that people are going to applaud. That is my concern with the manner in which the government is acting.

● (1130)

Mr. Paul Szabo: Mr. Speaker, the member for Vaughan, who is a past chair of the Standing Committee on Finance and has also been in cabinet, knows what challenges Canada faced directly. Tough decisions had to be made because we were compared to a banana republic in terms of our integrity and our financial position.

We were a basket case when it really came down to it, but when a government works hard, moves things in the right direction and gets its fiscal house in order, that means other things can happen. Good things happen. In fact, we grew to be probably one of the best-performing countries in the G-7, year after year. For how many years did the United Nations say that Canada was the best country in the world in which to live, work and raise a family?

The member is right. If the fundamentals are not there, if the perception is not there, and if the integrity and credibility of a government are in question, how are we to promote foreign investment and international trade?

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, I have a brief question. I very much regret that I was not able to be here when the secretary of state spoke on the introduction of Bill C-53. When this bill was introduced, she may very well have addressed this question.

I am not now in a position to ask her the question, but I am interested in asking members of the official opposition a question. Why now we are seeing a bill to propose that Canada become an implementer of this international convention on the settlement of investment disputes?

It is my understanding, and perhaps the hon. member for Mississauga South can correct me if I have not understood this accurately, that this convention has actually been open for signature ever since March 18, 1965. During many years of Liberal government, the decision was taken not to be a signatory to this, not to bring in legislation that would implement it. I wonder if he could comment on the reasons for not having done so.

Mr. Paul Szabo: Mr. Speaker, it is a question that I am not sure everyone can answer without knowing why half of the provinces, even today, have given only an expression of interest. It must indicate to all hon. members that this is not just about saying, "Let us sign onto a treaty because it is going to provide an instrument in which we can arbitrate damages".

It sounds so simple, but it is not. It is a very complex agreement. I believe the schedule is 50 pages long. One does not need 50 pages to say, "Let us set up a tribunal".

Yes, it has been around since then, but Canada has come through some very tumultuous times since that time. Indeed, we continue to have disputes on trade issues. Softwood lumber is one. How do those disputes tie into the mechanisms? We have to understand this. Even under the free trade agreement, how many times were there lawsuits going back and forth, dragging on, never to be resolved?

What happened to the effectiveness of a dispute resolution mechanism? We thought that had to work. International treaties and agreements may not be as simple as we would like them to be, but all I know is that Canada has signed on and—

The Acting Speaker (Mr. Andrew Scheer): Resuming debate, the hon. member for La Pointe-de-l'Île.

● (1135)

[*Translation*]

Ms. Francine Lalonde (La Pointe-de-l'Île, BQ): Mr. Speaker, from the beginning the Bloc Québécois has supported Bill C-53. Passing this bill will enable Canada to ratify the convention on the settlement of investment disputes between states and nationals of other states, and to become a member of the International Centre for Settlement of Investment Disputes, better known by its acronym, ICSID.

Bill C-53 integrates the requirements of the international convention in the laws of a country, in particular to ensure that arbitral awards are respected and to provide for the immunities required by the centre and its staff. As my colleague opposite said, ICSID was created by the World Bank by the Washington Treaty in 1965. There are currently 156 member countries. ICSID is responsible for settling disputes between a state and a foreign investor. There may be two types of conflicts. The first type are disputes over bilateral foreign investment protection treaties. The second are disputes over treaties between governments and foreign investors, for example the type that the Government of Quebec concludes regularly by eliciting foreign investments with the promise of providing electricity at an agreed price.

Canada's membership will not have any impact on the provinces, except that they too may have recourse to the ICSID when they conclude agreements with investors. As for bilateral treaties binding the federal government to other countries, they already provide for recourse to ICSID arbitration, but not through the regular mechanism, since Canada has not ratified the convention. In fact the only thing that Canada's membership in the centre will change is that Canada will be able to intervene in negotiations to amend the convention or the rules of the centre and it will enjoy the assurance of being able to join in the appointment of arbitration tribunals.

Ultimately the ICSID is only a tribunal. I could have said so at the beginning, but I am saying it at the end. Where there are settlement difficulties, however, the problem is not usually the tribunal, but rather the poor investment protection treaties concluded by Canada.

The Bloc Québécois, of course, supports the conclusion of investment protection agreements, as long as they are good agreements. It is completely natural for investors, before making an investment, to try and make sure they will not be divested of their property or that they will not become victims of discrimination. This is the sort of situation that foreign investment protection agreements are meant to cover. In fact this is not a new phenomenon. Agreements to protect investments have been signed by France and the United States since 1788. Today there are over 2,400 bilateral investment protection agreements around the world.

The Bloc is in favour of concluding such agreements and recognizes that they promote investment and growth. However—and it is important to say so—almost all these agreements rest on the same principles: respect for property rights regardless of the owner's nationality; no nationalization without fair and prompt financial compensation; prohibition against treating property located on one's territory differently depending on its owner's origins; free movement of capital arising from the operation and the disposal of the investment.

In all cases, if there is non-compliance, states can submit a dispute respecting compliance with the agreement to an international arbitration tribunal. In most cases, investors themselves can submit disputes to an international tribunal, but only once they have got the state's consent, and this is something to be noted. In many cases, the international arbitration provided for under the agreement takes place before the ICSID. Belonging to it, as is provided for under Bill C-53, also means belonging to the international order in the area of investments.

● (1140)

In the investment protection agreements they have signed, only two countries, Canada and the United States, systematically give investors the right to apply directly to the international tribunals, and we have repeatedly spoken out against this.

This is a deviation from the norm. By allowing a company to operate outside government control, it is being given the status of a subject of international law, a status that ordinarily belongs only to governments.

The agreements that Canada signs with other countries contain a number of similar deviations, giving multinational corporations rights that they should not have and limiting the power of states to legislate and take action for the common good.

We said no—and we still say no—to chapter 11 of NAFTA. That chapter of NAFTA, the trade agreement between the United States, Canada and Mexico, deals with investments and provides that a dispute can be taken to ICSID. That chapter is a bad agreement in three respects.

The definition of expropriation is so vague that the slightest government action—other than a general tax provision—can be challenged by a foreign investor if it reduces the profits from its investment. For instance, a plan to implement the Kyoto accord that forced the oil companies, the big polluters, to pay large sums could be challenged under chapter 11 and result in the government paying them compensation.

Let us remember that the Alberta oil companies are mainly owned by American interests. Chapter 11 could open the door wide to the most abusive proceedings.

Second, the definition of investor is so broad that it includes any shareholder. This means that virtually anyone can bring proceedings against the state and seek compensation in relation to a government action that allegedly reduced a company's profits.

Third, the definition of investment is so broad that it even includes the profits an investor hopes to earn from its property in future. In expropriation cases, not only is the state then forced to pay the fair market value, but it must add the amount of the income that the investor anticipated earning in future. In that case, it would no longer be possible to nationalize electricity as was done in Quebec in the 1960s.

The dispute resolution mechanism allows corporations to apply directly to the international tribunals to seek compensation, without even getting the consent of the state—if they do, without going through the dispute resolution mechanism under the agreements signed in NAFTA.

How is it conceivable that a multinational corporation could, on its own authority, create a trade dispute between two countries? And yet this is the absurd situation that the investment chapter of NAFTA, chapter 11, permits.

Because of these flaws, chapter 11 of NAFTA reduces the state's capacity to take action for the common good, to legislate about the environment, and is a sword of Damocles that could come fall at any moment on any legislative or regulatory measure that might reduce corporate profits.

In 2005, the United States changed some of the provisions in their model investment protection agreement. In 2006, Canada followed suit, thus agreeing that they were extreme.

Since both countries have now acknowledged the harmful nature of chapter 11 of NAFTA, the time is ripe for the government to move quickly to initiate discussions with its American and Mexican partners to amend chapter 11 of NAFTA. It is important to bring this up now. Obviously, therefore, we are saying no to bad investment protection agreements.

In addition to chapter 11 of NAFTA, and although its extreme nature has been widely decried, the government has entered into 16 other bilateral foreign investment protection agreements, and all are identical. All those foreign investment protection agreements—sometimes called FIPAs—are bad and should be renegotiated.

In 2006, the government more or less acknowledged that these agreements were bad. It copied the changes made by the Bush administration the previous year.

● (1145)

Indeed, the Conservative government made some amendments to its FIPA program to correct the most glaring weaknesses. For example, they clarified the concept of expropriation by specifying that a non-discriminatory government measure that seeks to protect health and the environment or promote a legitimate government objective should not be considered as expropriation and should not automatically generate compensation. It is too early to evaluate the final effect of that clarification, but at first glance, it seems to be an improvement and we salute that.

It also restricted the concept of investment by specifying that the value of a good is equal to its fair market value. That put an end to the folly that added together all the potential profits that an investor hoped to earn from an investment. As for the rest, the model investment protection agreement continues to be based on Chapter 11 of NAFTA.

In our opinion, the government must continue to improve this model agreement, especially in terms of dispute settlement mechanisms. Multinational corporations must be brought under the authority of the state, like any other citizen.

Before ending my remarks, I want to emphasize that the government must submit treaties and international agreements to the House of Commons before ratifying them. At the beginning of the year, the government issued a news release to announce that it had just ratified a new foreign investment protection agreement with Peru. It was only by reading that news release that parliamentarians and the public became aware of this agreement. Parliament was never informed and never approved it. That is completely anti-democratic.

During the last election, however, the Conservative election platform was clear: the Conservatives made a commitment to submit all treaties and international agreements for approval before ratifying them. Since the Conservatives came to power, Canada has ratified 24 international treaties.

Apart from the amendments to the NATO treaty, which were the subject of a brief, last-minute debate and vote, none of these international treaties were submitted to the House. Today, international agreements have an effect of our lives that is comparable to the impact that the law can have on the lives of the citizens of all the countries with which Canada has signed bilateral agreements. There is no way to justify these treaties being concluded unilaterally and stealthily by the government, going over the heads of the representatives of the people.

The Bloc Québécois has introduced bills in the past to restore democracy and ensure the respect of Quebec and provincial jurisdictions in the conclusion of international treaties. Since the government promised to do this, we did not bring the issue up again at the time.

We are now seeing that the word of the Conservatives is not worth very much. The Bloc Québécois will raise this issue again and will bring forward proposals to restore democracy in the conclusion of international treaties. Such proposals will include requiring the government to present to the House all international treaties and agreements it has signed before ratifying them, requiring the government to publish all international agreements by which it is bound, requiring the vote and approval of the House following an analysis by a special committee tasked with examining international agreements and major treaties before the government may ratify them, and calling on the government to respect Quebec and provincial jurisdictions in the entire process of concluding treaties, that is, all stages of negotiation, signing and ratification.

I repeat, the Bloc Québécois is in favour of Bill C-53, which will open the door to signatory countries and foreign investors with which agreements have been signed. However, ICSID is a tribunal that simply hands down decisions regarding agreements. I would like to emphasize that, based on the principles of Chapter 11 of NAFTA, the 16 bilateral agreements signed by Canada are all bad agreements and that, unfortunately, even direct access to the ICSID tribunal could not replace the agreements that would be good for the countries with which we are signing them.

[*English*]

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, I am pleased to speak to Bill C-53. As I understand it, the purpose of the bill is for Canada to implement the provisions of the international convention on the settlement of investment disputes.

I was not able to be here when the secretary of state introduced the bill and she may have addressed one of my questions that I posed to one of the Liberal members speaking to the bill. However, I reiterate the question because it seems to me it is something on which it is important for us to have some understanding. It has to do with the fact this convention has been open for signature for literally 42 years, from March 18, 1965 to this day. The obvious question that arises is, why now? What is the reason that today the government is proposing that something that has been on the books internationally and available for Canada to sign on to for years is suddenly a matter of sufficient importance and urgency to bring it forward in this Parliament?

In the absence of understanding that, I have proceeded to try to make sense out of the bill. I want to make it clear at the outset that the members of the New Democratic Party will not be voting to support Bill C-53 at this time. We have a number of concerns. I will try in the time available to me to summarize those concerns in three categories, first, with respect to matters of transparency, second, the issue of accessibility and third, matters of accountability. We find that this proposed agreement fails to meet the minimal test that we think is appropriate for a sovereign state to be able to seek reassurances that simply are not there.

First, I will speak briefly about transparency. The international convention on the settlement of investment disputes, proposes a consent based process for settling disputes. It is a difficulty that it is specified that once the consent of a party is given, there is no provision for there to be any revocation regardless of how flawed the process may be or how many concerns may arise in terms of how the whole process is being conducted.

The dispute settlement mechanism proposed by Bill C-53 will not just adjudicate individual contracts between foreign companies and sovereign states; it will in fact become the principal international process through which other investment agreements will be interpreted and applied with binding results. Article 48(5) of the convention clearly states:

> The Centre shall not publish the award without the consent of the parties.

This creates a real concern about the transparency of the process. It seems that if matters are of sufficient import to our government, or for that matter to the corporations that are a party to such processes, there needs to be the assurance of there being some transparency around what has actually transpired.

The mechanism that is being proposed will exist under the aegis of the World Bank. That is an organization with which a great many NGOs have concerns. A great many countries, particularly the poorest of the poor countries in the world have major concerns with the World Bank. The New Democratic Party has raised concerns about it as well and in fact is pleased that the foreign affairs and international development committee currently is seized with some of those concerns and is looking at the issues of transparency, accountability and accessibility.

● (1150)

It seems to me at the very least that the government should not be jumping ahead without a more thorough examination of some of the concerns that have been brought to our attention through the experience of respected NGOs. One such NGO is the Halifax Initiative, an organization that was established after the G-8 was held in Halifax. It has nothing to do with me or my riding specifically. There was concern that there were no adequate responses to some of these serious issues. Another of the NGOs that presented on the matter before the committee was KAIROS, a highly respected multi-faith organization which is very involved in international development work around the world.

Concerns have not only arisen around the transparency and accountability of the World Bank operation which have massive implications for countries in the south but actually about the transparency of the Canadian government's decision-making as it relates to our participation in the World Bank.

These are issues that need to be examined more carefully with more satisfactory responses before we plunge into what is proposed here in the way of signing on to a convention. If for 42 years it has not been of sufficient or adequate usage by a series of Conservative-Liberal governments and the problems of transparency still remain with respect to the World Bank, it seems to me that it would be better if we put our house in order before we proceed with this new agreement.

Let me move briefly to the issue of accessibility. The process that is set out in the ICSID, which is the international convention that we are dealing with here, does not allow for third party testimony whatsoever. No matter how adversely some communities or other citizens may be impacted by certain contentious agreements between two parties, there is no allowance for what is called in legal terms amicus curiae briefs and is very problematic except with the full consent of the two parties to the arbitration.

There are citizens, communities and probably in some cases regional interests that could be massively impacted by some of these disputed agreements. It is not acceptable to us that there is no provision for some third party testimony being brought before an arbitration hearing. Couple that with the fact that there is no requirement for the decisions and the awards to be published, it is just a further reason for not being able to support this proposed process in its current form.

Most proceedings will probably be held in Washington. There is provision for a few designated centres elsewhere around the world, but they will take place in a small number of capital cities and will be entirely inaccessible in many instances to those third parties who may have a distinct and legitimate interest in the proceedings. Therefore, there are issues about accessibility. There is no question that countries in the southern hemisphere will most likely be impacted in adverse ways around such procedures and disputes.

Third, with respect to accountability, as I have already indicated, all decisions issued through the proposed dispute mechanism will be binding. The provisions for any appeals that could be launched to such binding decisions are very narrow and minimal.

● (1155)

According to article 52 in Bill C-53, annulment of a decision could only be permitted under five conditions: first, that the tribunal was not properly constituted in the first place; second, that the tribunal has manifestly exceeded its powers; third, that there was actually documented corruption in the tribunal itself; fourth, that there was a breach in the rules of procedure; and fifth, the award failed to state the reasons on which the decision was based.

Those are really very narrow legalistic provisions that would permit for any kind of appeal process whatsoever. Given the severe impact, the magnitude of the implications of decisions that may be rendered by such a dispute resolution body, when we combine the lack of transparency, the lack of accessibility with the lack of accountability, one has to be very concerned about why we need sign on to provisions that are this lacking in terms of really being transparent and accountable for its decisions.

Citizens cannot know which decisions are taken or how much their government is expected to pay in some cases where decisions are made that the government is a party to these decisions. We are talking largely about huge corporations, and in the instance of the government losing the decision, there is not even any kind of mandatory disclosure. In fact, the opposite is true.

It is not permissible for there to be disclosure of how much a government may actually be forced to pay in the event of such a decision being made that has the government, representing the people of one's country, on the losing side.

In that event, how is it possible for citizens to hold their government accountable, or foreign corporate entities for that matter? How is it possible to judge the legitimacy of ICSID decisions that are reached? I think it fundamentally erodes the democratic accountability and the transparency that needs to be obtained.

In conclusion, a great many Canadians remember, and certainly New Democrat members of Parliament remember all too well, the attempt of the previous government to plough ahead with the introduction of the multilateral agreement on investment. It was truly astounding when this came to light, it was actually a process that was so kind of clandestine and so below the radar that I remember asking questions on the campaign trail.

I hope my memory serves me correctly. It was either in 1997 during the federal election campaign or 2000, and my colleagues confirm that my first instinct was right. My memory is never perfect, I have to confess to that, but in 1997 the multilateral agreement on investments had just barely risen to public awareness and it was impossible to get any information about what this agreement was really all about.

Overwhelmingly, what we were hearing from people, the more we were able to delve into it, was that they were very concerned about the extent to which this multilateral agreement on investment would have severally curtailed the sovereign rights of states and citizens to the benefit, overwhelmingly, of large, transboundary, multinational corporations.

Had the ICSID process, the dispute mechanism that is here proposed in Bill C-53, existed at the time and had the multilateral agreement on investment gone ahead, cases of arbitration under the multilateral agreement on investment would actually have been channelled through the ICSID. As I mentioned at the outset when I raised questions about why now, why is this so-called new Conservative government now saying it has become very important for us to move ahead with this when it has been available for signature for 42 years, one really has to consider the adverse implications that would have accrued to Canada had we found ourselves in the situation of the MAI having gone ahead.

● (1200)

Thank goodness Canadians were not prepared for that to happen, but had it gone ahead it would have become subject to this disputes mechanism body with all the additional concerns that I have already raised.

With those reservations, the NDP has reached the conclusion that this is not a piece of legislation that we can support. We would have no recourse for arbitration decisions that would seriously erode the sovereign authority of the Canadian state had MAI gone into existence. We would have had no say whatsoever in the course of proceedings.

These are not light matters. These are not casual concerns. The ICSID process, while not substantive in itself, in our view has the very dark and worrisome potential to make bad financial investment agreements even worse. As I indicated at the outset, the New Democratic Party members of Parliament will not be voting for Bill C-53.

● (1205)

Hon. Helena Guergis (Secretary of State (Foreign Affairs and International Trade) (Sport), CPC): Mr. Speaker, I have a couple of comments for the hon. member and perhaps she would want to comment on them.

With regard to the business community in Canada, the Canadian Chamber of Commerce has written to the government and expressed that the business community very much would like to see Bill C-53 proceed. It would like to see Canada join along with the other 143 countries to date that have ratified.

I think what is important for the hon. member to know is that this is one of the most ratified instruments in the world. Of course, the international community is starting to realize the benefits of ICSID.

Perhaps the member would like to comment on whether she has had any conversations with the local business communities across the country. The member was a former party leader and I know that she would have had some connections with the business community. It would be very helpful to know what they have said to her.

I also want to point out that we are negotiating a foreign investment and protection agreement with China right now. I have been advised that having ICSID in place is something that would help us to proceed with this FIPA and go forward with respect to working with China. Does she have any comments on that?

Ms. Alexa McDonough: Mr. Speaker, I do not know whether it will surprise the secretary of state to hear this. I am sure many others will not be surprised to know that the Chamber of Commerce has not approached me, and I am not insulted by that. It is not surprising it has not done so.

There are various arguments in favour of signing on at this time. It is perhaps regrettable because if it had, it would have addressed some of the questions I raised, which I hope the secretary of state will choose to address in her wrap-up on the debate of Bill C-53 at second reading.

I have a great many corporations in my community, for which I have a good deal of regard and respect in terms of how they conduct themselves in a socially responsible way. In fact, it was thrilling for me that the Chamber of Commerce and the Greater Halifax Partnership jointly sponsored a major event on corporate social responsibility. One of the outstanding commentators on this topic came to address the subject, Stephen Lewis. There was a huge turn-out from the corporate community to address the questions of corporate social responsibility, and it made me feel very good about my community.

I do not want to misrepresent that speech and I would not even try to begin to articulate the thrust of the case for corporate social responsibility having been put to the business community in Halifax by Stephen Lewis, but it was well received.

Issues of transparency, accessibility and accountability in such disputed matters would rank very high with responsible corporations that take seriously the need to take responsibility for their actions and to ensure that people understand what kinds of disputes have occurred and then what kinds of decisions have come out of them.

With those comments, I look forward to the secretary of state addressing the question of why now. Other that having cited the Chamber of Commerce. I did not hear her speak about what other kinds of representations from other citizens or corporations were made to the government that brought it to the decision to bring this forward as legislation at this time. I look forward to hearing her comments on that.

● (1210)

Mr. Deepak Obhrai (Parliamentary Secretary to the Minister of Foreign Affairs, CPC): Mr. Speaker, I will be splitting my time with my colleague, the member for Lévis—Bellechasse.

I am pleased to have the opportunity to further explain Bill C-53, which implements Canada's obligation under the Implementation of the Convention on the Settlement of Investment Disputes.

Canada signed the ICSID convention on December 15, 2006. That signature was a public undertaking that Canada intended to pass legislation so we could ratify the convention. This bill is the fulfillment of that undertaking. I will say more later in my speech about the ratification of the convention.

The ICSID is an important convention for protecting investment around the world. ICSID awards can already be enforced in 143 countries. It is time to provide the benefit of ICSID to Canadian investors. However, to gain that protection for Canadian investors, Canada needs legislation to ensure that ICSID awards, wherever they are made, can be enforced in Canada.

Canada also needs to provide the privileges and immunities needed for ICSID to function in Canada. We need to ensure that persons using conciliation under the convention cannot abuse that process. Canada needs to ensure that it can appoint qualified persons to ICSID panels.

Previous speeches have provided an overview of the bill and its provisions dealing with enforcement. I will focus in this speech on privileges and immunities, conciliation and appointments to the panel.

Let me begin with privileges and immunities. The privileges and immunities provided for in this bill do not deal with the privileges and immunities of the foreign governments against which an award is made. Those privileges and immunities will continue to be governed by the Foreign Missions and International Organizations Act.

Instead, clause 5 of the bill deals with the privileges and immunities of the ICSID and of individuals working for the centre or engaged in ICSID arbitration. Generally, clause 5 simply faithfully incorporates into Canadian law the privileges and immunities which the convention requires.

ICSID is provided with the legal capacity of a private person. This means it will be able contract, acquire property and institute legal proceedings. ICSID will be immune from legal process except when it waives this immunity.

Officers and employees of ICSID and people acting as conciliators or arbitrators will also be immune from legal process, but their immunity is limited. They will have immunity only for acts they have done in the exercise of their functions and only if the ICSID does not waive this immunity.

If they are not Canadians, these people are entitled to the same immunities and immigration restrictions, registration requirements and national service obligations as Canada extends to representatives, officials and employees of comparable rank of other states. The same rules apply to foreign exchange and travel restrictions.

These rules would also apply to people appearing in ICSID proceedings as parties, agents, counsel, advocates, witnesses or experts. However, this immunity is generally limited to the period when they are travelling to and from the place where the proceedings are held and for the period of their stay there.

There is nothing new or unusual in the privileges and immunities which the convention and the bill provide to individuals. Immunity from legal process is limited to functional immunity. As to other privileges and immunities, Canada only needs to provide them on the same basis as it provides to officials of other states.

All Canada's policies that apply to the extension of such privileges and immunities to officials of foreign states will also apply to the privileges and immunities provided to people under this bill.

I should also note that ICSID does not have to pay taxes or customs duties. Canadian may also not levy taxes on the salary or benefits of ICSID staff members who are not Canadians. Similarly, Canada will not tax ICSID conciliators or arbitrators who do their work in Canada if the only basis for such tax is that the work was done in Canada.

These tax privileges, like other privileges and immunities, are exclusively related to ICSID and its activities. They do not limit Canada's ability to tax Canadians. Indeed, if ICSID arbitrations and conciliations are not conducted in Canada, these tax privileges have almost no revenue impact.

● (1215)

I turn next to clause 10, the portion of the bill that deals with conciliation.

In addition to arbitration, ICSID also provides a conciliation process for investor state disputes. Conciliation is a process in which the parties to the dispute use a third party to clarify issues and to try to bring about agreement between them on mutually accepted terms. If the disputing parties reach agreement, the third party prepares a report explaining the issues and the agreement reached by the parties.

Conciliation can only work if both the investor and the state can speak honestly and openly to the conciliator, but conciliation can break down. For conciliation to work, the parties and the conciliator have to be able to say things that might be damaging admissions in any subsequent court action or arbitration.

The convention deals with this problem by requiring parties to the convention to ensure that what is said or written in an ICSID conciliation process will not be used in any subsequent proceeding. Clause 10 implements this obligation.

I now turn to clause 11, which provides for the governor in council to designate persons to the ICSID panel of conciliators and the ICSID panel of arbitrators.

Articles 12 to 16 of the convention set up two panels, one for conciliators, one for arbitrators. Each state party to ICSID may designate four persons to each panel and the ICSID secretary general may also appoint ten. Panel members serve for renewable terms of six years, but continue in office until their successors are designated. People designated to panels must have recognized competency in the fields of law, commerce, industry or finance.

Articles 31 and 40 of the convention provide that if the secretary general of ICSID is required to appoint the chairman of a conciliation commission or an arbitral tribunal, he must select the chairman from the relevant panel. However, the parties to the dispute are free to appoint conciliators or arbitrators from outside the panel and may well agree on a chairman.

Being named to the panel provides no remuneration. Historically, the chances of a panellist actually being asked to arbitrate or conciliate a case are quite small. This is because there have only been 118 cases decided by the ICSID arbitral tribunals and 5 conciliation reports issued over the last 40 years. Therefore, only 118 arbitrators have been appointed to chair arbitral panels and only 5 conciliators have been selected to chair conciliation commissions. Remember as well that the parties can appoint a chairman from outside the panel.

Once this bill is declared in force in Canada, Canada will be in a position to ratify the ICSID convention. The convention also permits us to designate provinces and territories as entities that could use ICSID arbitration.

Some provinces with an interest in the convention still have concerns about the implementation and operation of the convention. We are working with the provinces and territories to resolve such concerns.

Canada can designate a province or a territory under the convention at the same time as the ratification or at any time later.

I urge the House to consider this bill on an expeditious basis. One hundred and forty-three countries are already party to the ICSID convention. Canadians with investments abroad are asking us to make the ICSID option available to them. It is time to act.

[*Translation*]

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, people who are watching sometimes have difficulty understanding complicated bills. I must admit that Bill C-53 is rather complex. It deals with the Convention on the Settlement of Investment Disputes between States and Nationals of Other States.

My question is for my colleague. The Bloc Québécois will support Bill C-53 so that disputes over bilateral agreements can be handled by the International Centre for Settlement of Investment Disputes, which I think is a good thing.

Will my colleague agree that the problem does not lie in supporting an international dispute settlement centre, but in the fact that the conventions signed by the Government of Canada are often bad conventions?

Can my colleague promise in this House that his government will no longer sign bilateral treaties without first bringing them before Parliament for discussion with the elected members here in this House?

● (1220)

[*English*]

Mr. Deepak Obhrai: Mr. Speaker, I thank the Bloc for supporting this important legislation.

To date, this convention has been ratified by 143 countries making it one of the most ratified instruments in the world. If there were anything wrong with this instrument, we would not have so many countries signing this convention.

By signing this convention we would not only be providing protection to our investors but we would be providing them with a mechanism to solve any disputes that arise. I am happy to tell the member that over a period of time, over 40 years, not many disputes have occurred where the ICSID Convention has been used. Nevertheless, we need to ratify this to give our businesses the same kind of level playing field that other businesses have in 143 countries around the world.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, I have a couple of questions following the parliamentary secretary's intervention.

His last comment about this convention having been on the books for 40 years raises a further question. If in fact very few disputes have come before that body, is it because there are considerable concerns about the possibility that decisions could be rendered that could impact negatively on citizens or particular communities as a result of the dispute mechanism decisions that have been rendered? Perhaps he could indicate what he thinks that may suggest.

Second, I raised some concerns earlier about transparency, accessibility and accountability. I think a lot of people feel strongly about there needing to be transparency and accountability when we enter into such agreements. I wonder whether he could address that.

Third, as far as I understand it, either no provinces or very few provinces have given any indication that they are prepared to support this process and yet that would be a further stage of ratification, I believe, that would be required. Perhaps the parliamentary secretary—

The Deputy Speaker: The hon. Parliamentary Secretary to the Minister of Foreign Affairs.

Mr. Deepak Obhrai: Mr. Speaker, as I mentioned, to date, 143 countries have signed this convention. Also, subsequent agreements that we have signed, the free trade agreement and NAFTA, provide for the ICSID arbitrators to resolve the investor state disputes both in Canada and in the country which the investor is a national party. That indicates the importance of this convention.

I cannot say why the provinces did not sign this but it is more important to know that we need to have a level playing field for our investors dealing with other countries as well.

I do not know why she says that there is no accountability in this process. We are discussing this act here in Parliament and it very clearly states the process. The idea that just because few disputes came before it there must be something wrong with the convention, that is not the idea. I do not know where she gets the idea that there should be disputes all the time every time. Most of the time, there are laws and situations in countries and the investors follow the local laws and do not need to go to these arbitrations. However, these are measures that give confidence to businesses and to everybody else that should those things arise dispute mechanisms are everywhere, including the WTO and NAFTA. This is something that is required and is needed.

As for the provinces, for whatever concerns they have, we will act together, but this law needs to be passed here in Parliament and we will actually be working with everybody to create that environment. Canada is a nation of trading. Over 40% of our GDP is based on foreign—

● (1225)

The Deputy Speaker: Resuming debate, the hon. member for Lévis—Bellechasse.

[*Translation*]

Mr. Steven Blaney (Lévis—Bellechasse, CPC): Mr. Speaker, it gives me great pleasure to rise today in this House to express my support for the bill that was described so well by my friend from Simcoe—Grey, the Secretary of State for Foreign Affairs, International Trade and Sport, and also by my friend from Calgary East, the Parliamentary Secretary to the Minister of Foreign Affairs.

Bill C-53 implements, in Canadian law, an international convention of the World Bank, the ICSID Convention. The purpose of Bill C-53 is therefore to implement the Convention on the Settlement of Investment Disputes between States and Nationals of Other States. This convention covers arbitration and international conciliation between governments and foreign investors, what is commonly called investor-state dispute settlement.

These disputes can arise in a variety of situations, for example, when the country where the foreign investor is located passes laws that discriminate against the investor or in case of nationalizations.

International arbitration is a proven method for resolving disputes. It is a way of resolving them without resorting to the legal system. It has long been acknowledged that the parties to a dispute can resort to arbitration and the results of the arbitration process will be recognized by the courts. For example, commercial arbitration awards in Canada, that is to say between businesses, are recognized and enforced by the courts.

It is up to the parties to decide whether they want to resort to arbitration or the legal system. The flexibility that this provides is often much appreciated. In the case of the convention implemented by Bill C-53, which we are debating today, one of the great advantages of relying on arbitration is that it denationalizes the process. I will explain what is meant by that.

When a dispute arises between a foreign investor and the host country, the investor has the option of pursuing the matter before the courts of the host country. Usually—and this would be the case in Canada, in Quebec, or anywhere else in the country—the foreign investor would be entitled to a fair and equitable hearing. The host country's courts would not be prejudiced against the foreign investor and would reach a decision under the law. Sometimes, though, this would not happen. The court might well lean in the direction of its own government at the expense of the foreign investor, which, in a case of interest to us, could well be a Canadian company doing business abroad. I should say as well that another advantage of the arbitration process is that the parties choose the arbiters. When the matters in dispute are highly specialized, for example petroleum development or marine issues, choosing arbiters who are experts in the field can make the process more effective and result in better decisions.

The arbitration process in the ICSID Convention is therefore one of the processes that are most often used for settling disputes between investors and states. My colleagues pointed out that more than 150 countries have already signed on to this arbitration process. The Convention has been ratified and is one of the international instruments to which the largest number of states belong. What distinguishes the convention to be implemented here in Canada by this bill is the mechanism for enforcing arbitration awards. It is an effective mechanism and that will help to protect investors. This is a key advantage of the ICSID Convention.

● (1230)

[*English*]

In the great majority of cases, the losing party in arbitration will pay the award of an arbitral tribunal without the need for the successful party to take any enforcement proceedings. The same is true for investor state arbitration.

In Canada, arbitral awards, including investor state arbitral awards, are currently enforced pursuant to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards. This New York convention permits a limited review of an arbitral award by domestic courts. It allows a court to refuse to enforce an award if to do so would be contrary to public policy. In addition, it permits a state to exclude certain subjects from the application of the convention and thus from enforcement.

ICSID provides a better enforcement mechanism. It does not permit a state to exclude from dispute settlement any matter which the state has consented to submit to arbitration. ICSID awards are enforceable as if they were final decisions of a local court. This simple, efficient mechanism guarantees better protection for Canadian investors abroad.

[*Translation*]

We can also think of companies like Bombardier, the mining companies, the large consulting engineering firms and SNC Lavalin, whose head office is in Montreal.

Here are a few of the elements or clauses that make this bill an advantageous one for our businesses in Quebec and Canada.

For example clause 8 in the bill provides for the automatic recognition and enforcement of an award given by an ICSID tribunal. Such an award is recognized and deemed to be a final judgment by a superior court of Canada.

Under the same clause, any superior court of Canada may recognize and enforce awards coming under the law. The superior courts include the Federal Court. The Federal court will have the necessary jurisdiction to hear requests for recognition of awards involving the Government of Canada and awards involving foreign governments and their political subdivisions.

This same convention provides explicitly that awards are binding on the parties and cannot be subject to any judicial appeal or remedy.

Thus a foreign tribunal cannot hear a request to the effect that an ICSID arbitral tribunal has gone beyond its jurisdiction or was not properly constituted. These cases, when they are undertaken for awards other than those of the ICSID, delay resolution of the dispute and payment of damages. The convention does not allow such dilatory remedies.

Clause 7 of the bill provides that an award under the convention is not subject to any remedy, such as appeal, review and annulment in a Canadian court of justice. From this we can infer the very final effect of awards given under the convention. The decision to seek arbitration is entirely voluntary, but once the parties have agreed to it they cannot seek remedy from any other body, such as a court of justice.

The only remedies allowed in erroneous decisions are those laid down in the convention. Requests for review, interpretation or annulment of an award are heard, should the case arise, by the Secretary-General of ICSID.

Thus questions of error concerning awards cannot be submitted to national tribunals, but there remains a guarantee that erroneous awards will be remedied.

The ICSID Convention provides a good mechanism for resolving disputes and enforcing awards efficiently. This is an international instrument promoting arbitration and fair solutions for international investment disputes. This is why our government is presenting for second reading Bill C-53, which implements the ICSID Convention here, in Canadian law.

● (1235)

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, I would like my colleague from Lévis—Bellechasse to elaborate.

As I mentioned earlier, the Bloc Québécois supports Bill C-53 because it is a good thing to have recourse to the International Centre for Settlement of Investment Disputes when dealing with international treaties between governments or agreements between corporations and foreign governments. We are pleased with this and we will support Bill C-53.

However, there is a problem. Treaties signed by the Government of Canada with other countries are not submitted to this House for review. I would like my colleague for Lévis—Bellechasse to elaborate on this and tell us if he is prepared to undertake that, in future, the Conservative government will not sign an international treaty with any country without submitting it to Parliament for examination. This will avoid potential errors. In fact, 308 individuals are better than 100.

This will allow us to ask all the necessary questions in order to avoid making mistakes and finding ourselves before the International Centre for Settlement of Investment Disputes.

Will my colleague from Lévis—Bellechasse show us the authority he is capable of and assure this House today, on behalf of his party, that, in future, no international treaty will be signed without being submitted for review to this chamber of Parliament?

Mr. Steven Blaney: Mr. Speaker, I want to thank the hon. member for his question. That is precisely what we are doing in the parliamentary debate today. In order for Bill C-53 to come into force it has to be passed by the House of Commons and then go through the parliamentary process at the Senate, during which time all parliamentarians have the opportunity to speak to the bill. If the hon. member wants to make constructive comments on the bill, I invite him to do so now.

Nearly 153 countries have signed this convention that will allow numerous foreign companies that do business abroad to get better legal assurances that the contracts they sign with other parties in other countries are respected.

In Quebec, this has even more significance because in 2008 there will be a conference of the leading experts on the matter in order to continue to improve the arbitration process. We have to recognize that in many cases this is better than having lengthy, expensive legal disputes in foreign courts.

[*English*]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, as the member knows, only five of the provinces have signed on at this point. The representation thus far has been that there has been an expression of interest on behalf of the provinces that have not considered the matter fully as yet. I wonder if the member could give the House an idea of some sort of timeline or at least rationale for the delay on behalf of the provinces that have not yet signed on.

My second question has to do with the discussion that came up earlier with regard to NAFTA and whether or not the dispute settlement mechanisms, et cetera were adequate. We have had some difficulty. Why are we ratifying another international agreement related to NAFTA? Does this demonstrate that the existing agreement in NAFTA does not work?

[*Translation*]

Mr. Steven Blaney: Mr. Speaker, I want to thank the hon. member opposite for his question. Indeed, as he mentioned, some provinces and territories—Ontario, British Columbia, Saskatchewan, Newfoundland and Labrador and Nunavut—as well as the federal government, have already agreed that measures should be taken to pass legislation to implement the convention. The other provinces have the luxury of being designated "constituent subdivisions"—as they are called—and talks are ongoing with the government to ensure that other constituent subdivisions can join the process.

As far as my colleague's second question is concerned, the convention is really a specific arbitration process that affects trade agreements. The convention will complete existing international agreements and—I am sure my colleague will agree—improve them to provide our Canadian companies with a level playing field when they compete in other countries with foreign companies that do business in the host country.

● (1240)

[*English*]

Mr. Sukh Dhaliwal (Newton—North Delta, Lib.): Mr. Speaker, I am honoured to speak in support of Bill C-53, the settlement of international investment disputes act.

The International Convention on the Settlement of Investment Disputes between States and Nationals of Other States, the ICSID convention, is an international instrument sponsored by the World Bank to facilitate and increase the flow of cross-border investment. The convention establishes a mechanism to resolve investment disputes between foreign investors and the host state in which they have made their investment.

The convention entered into force on October 14, 1966. As of January 2007, as the previous speaker mentioned, 143 states had ratified the convention, making it one of the most ratified instruments in the world. The majority of Canada's trading partners are party to this convention.

Once ratified, the convention will provide additional protection to Canadian investors abroad by allowing them to include in the contracts with foreign states the option of arbitration under the convention. In addition, Canadian investors doing business in a country with which Canada has a foreign investment promotion and protection agreement will have recourse to arbitration for violations of the agreement. Becoming a party to this convention will also make Canada a more attractive destination for international investors.

As a small businessman and entrepreneur myself, I recognize that these sorts of multilateral agreements promote stability, the rule of law and confidence in the local economy.

With hugely increased trade with emerging giants such as India, Brazil, China and other countries with governance structures different from our own, it is important that Canada be part of this international convention.

I have travelled extensively to China, India, eastern Europe and elsewhere in Europe. I can see that the developing countries still have a lot of work to do when it comes to honouring those agreements. That is where this is going to be of real importance and an essential tool for Canadians who want to invest in those countries.

This is also true for Canadian investors abroad and for those international investors who choose to invest their money in Canada. I am glad that the government is moving forward with this bill.

However, the government is introducing a bill to promote cross-border investment, while at the same time it is demonstrating its complete lack of competence on this very issue. Let me summarize the government's failure to manage our economy.

There is the betrayal on income trusts. Since April 18, 2007 there have been 16 income trust takeovers, many of which have been bought by large U.S. private equity firms. Private companies will ensure that not only are these businesses no longer paying Canadian taxes, but Canadian investors will no longer receive distributions on which they are taxed.

This is of particular shame in the energy trust sector. One of the most effective investment vehicles in this country was the income trust. Over the past 20 years Canadian energy trusts have been active in buying foreign interests and repatriating foreign capital to Canada. This trend has now been reversed.

Even worse is the impact it has had on ordinary working Canadians. When we talk about ordinary working Canadians we are talking about $35 billion lost, an average of $25,000 per Canadian. My heart goes out to those seniors who are past their prime earning years, and those working families who saw their investments reduced by a staggering 25% overnight. I think people will not make their decisions based on the Conservative leader's word ever again.

● (1245)

The flip-flop on deductibility of interest incurred on loans used to invest overseas is another major example of how lost the Conservative Party is when it comes to managing the economy of our country.

On April 16, 2007 our Liberal Party leader along with our finance critic, the member for Markham—Unionville, called on the Conservatives to reverse these disastrous policies before more Canadian companies and jobs were lost and long term damage was caused to Canada's competitiveness in the global marketplace. The Conservatives pretended that their interest deductibility proposal was about eliminating tax havens but that is false. It was too late for the finance minister to realize it.

This policy is taking away a legitimate tool from Canadian industries that increases their competitiveness on the world stage. The Minister of Finance tried to ignore the calls from the Liberal Party to reverse this disastrous policy but he ignored us. However, he was unable to ignore his unhappy friends on Bay Street who made it clear that the Liberal Party was right and that the Conservatives should reverse the decision.

At least the Minister of Finance is demonstrating some judgment by flip-flopping for the good of the Canadian economy. I suppose the people of Canada have not discovered what the people of Ontario already knew when it comes to the minister's stewardship of the economy. We all remember that it was the Minister of Finance's provincial—

The Deputy Speaker: Order. I have listened to the hon. member for some time now and he has made absolutely no reference to the legislation on the floor or the bill that is before the House. I tend to be somewhat lax in these matters, but if the member cannot at least return to the subject at hand from time to time and demonstrate some connection between what he is saying, then I will have to make some kind of ruling as to relevance.

Mr. Sukh Dhaliwal: Mr. Speaker, I certainly am honoured that you give me direction. I am getting there. When talking about agreements such as these, the government's credibility, integrity and competency are three factors that are also important to Canadians when they make their investments, which is why I was talking about that.

I can leave aside the Conservatives' mismanagement of the economy and talk about the scrapping of the visitor's tax rebate. It is totally related to these kinds of agreements. I cannot even begin to talk about how many small businesses have been hurt by this change. The tourism industry depended on that rebate. Because my riding of Newton—North Delta is so close to the border and has the closest port in British Columbia to southeast Asia—

● (1250)

Hon. Helena Guergis: Mr. Speaker, on a point of order, just to follow up on your request for relevance, if the hon. member could refer to foreign investment and Canadian investors abroad just the odd time throughout his speech, it might be helpful.

The Deputy Speaker: I think that is probably good advice and I hope the hon. member takes it.

Mr. Sukh Dhaliwal: Again, Mr. Speaker, we have to look at this as a whole. We cannot look at it piecemeal. We cannot look at one situation and forget about the others. As I mentioned in regard to the tourist agreement and the rebate on the GST, I am involved with all of that.

When it comes to agreements like this, I note that the Chamber of Commerce from my riding recently travelled to China. It is planning a trip to India. Agreements like this, as I mentioned, are very important to the people of my riding, but on the other hand, we have to make sure of their issues that have to do with foreign trade.

The Pacific gateway project is another example. On one side of it, we are trying to put these documents in place to encourage investors to invest overseas and the overseas investors to invest here, and we have to provide an infrastructure for these kinds of agreements. I can look at the Pacific gateway project in my own riding. The government has to listen to ordinary Canadians, including one of is own members, and I am happy to have him as my constituent. He is also opposed to the way the government is throwing projects like the Pacific gateway through my riding, which is sacrificing the quality of life and the environmental protection of my own constituency.

Coming back to this issue, I personally believe that we should have these agreements in place, because it will be very easy for the investors going out there, not only for today but for many years to come. The Liberal government worked very hard in the last 13 years to restore the trust of Canadians in the economy, both here and overseas. I would say that the Conservatives should not play politics with the prosperity of Canadians when it comes to decision making.

Hon. Helena Guergis (Secretary of State (Foreign Affairs and International Trade) (Sport), CPC): Mr. Speaker, so far in this debate I often have heard these questions. Why now? Why proceed with this after over 40 years? We had the opportunity then and did not, so why now? I want to attempt to answer some of those questions.

I think the hon. member and most members in the House recognize that foreign investment 40 years ago was not what it is today. It has increased substantially. I would also like to point out that in regard to the 143 countries that have signed on to ICSID, there have been 100 disputes, and the majority of those disputes have been just in the last five years. We are seeing a lot of uptake on ICSID and the opportunity that it provides for business and arbitration.

The hon. members in the House, particularly the member for Newton—North Delta, talked a little about business in their communities. I think it would be interesting for him to know that the Canadian Chamber of Commerce and the business community very much want to see this go forward because it is a benefit for them.

Because foreign investment has increased substantially in the last 40 years, and of course the uptake on ICSID and the arbitration process would ensure and confirm it for the House, would he agree that this is something Canada should be going forward with at this stage?

Mr. Sukh Dhaliwal: Mr. Speaker, I am in support of the bill because this is the type of decision we have to make. The secretary of state asks why now, after over 40 years. The ICSID convention was negotiated in the 1960s prior to the general inclusion of federal state clauses, provisions commonly found in international treaties that allow a state a position of ratifying a given convention in respect of some of its sub-entities.

Globalization is a reality as well. We are going through globalization today. Demographics play a key role. Canada being the most diverse country in terms of demographics, we have opportunities to invest overseas. I am very pleased to see that five of the provinces and territories have already ratified this and that the others remaining want to come to the table to make it easier for Canadians to compete in the global market today.

● (1255)

[*Translation*]

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, my question for the Liberal member is similar to the one I asked the Conservative members. The Bloc Québécois supports the bill concerning the International Centre for Settlement of Investment Disputes.

Does my colleague agree that it is good to have a centre that will resolve disputes and act as a tribunal, but that it would be even better for international treaties to be subject to a vote in Parliament?

Earlier, I put the question to two Conservative members, and they were clearly avoiding answering the question. They did not want to commit to this in the House.

Today we will vote on this bill in order to use the convention and to be able to call on ICSID. But signed treaties should first be subject to a vote in Parliament. Does my colleague agree with me on this?

[*English*]

Mr. Sukh Dhaliwal: Mr. Speaker, we have this convention right here in the front of the House. We are debating it and all members of Parliament are supporting it. My Liberal colleagues and I are supporting this convention. These are the types of agreements that, once put in place, are good for years to come.

As we said earlier, decisions made by arbitration under a convention like this are not even prone to be judged by other countries, because the decisions are final. These agreements are final and they are pretty solid. We probably will see this working for many years to come.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I thank the member for his efforts to bring some clarity to the debate on this bill.

Ostensibly it has to do with establishing an agreement that would provide mutually agreeable arrangements for arbitration where there are disputes. The member has made a valiant effort to paint a picture that shows this is not a simple solution to enhancing and promoting Canadian competitiveness and our ability to have bilateral investment with our trading partners, et cetera.

I wonder if the member would care to summarize the importance of having our fiscal house in order, of having stable rules, and of government's responsibility on key issues relating to investment that have related impacts on the quality of our relationships with foreign countries in terms of investment.

Mr. Sukh Dhaliwal: Mr. Speaker, let us look at the example. It is clear that when we took over in 1993 Canada was an international credit risk. The country was almost broke. We were paying $40 billion in debt payments.

What we did as the Liberal government was that budget after budget there was a surplus or a balanced budget. Not only that, we had one of the best ratings in the G-8 countries. That is what is creating confidence in the Canadian economy. The investors invest here when they see the stability.

Let us look at the interest deductibility issue. The income trusts issue is another one. The flip-flopping of the finance minister is not putting investors' confidence in our economy in stable terms. We have to make long term decisions that promote goodwill among investors.

I am not the only one saying this. We can see it in investors' magazines, which tell us that Canada is the second best country next to Denmark to invest in. We are the best country to live in, in the part of the country that I come from, which is the lower mainland in the Vancouver area. In fact, then, we have to provide the infrastructure, as I said earlier. That infrastructure has to be done in such a way that there is no controversy.

Let us go to an area like mine, Delta and Surrey. What are constituents telling us? Constituents are coming out and speaking against something that is in the media every day, which is the expansion of the board pushing the Pacific gateway South Fraser perimeter road through the Sunbury neighbourhood in my riding, as I mentioned earlier when I spoke of the Sunbury neighbourhood association. I am not the only one. It is those constituents.

In fact, the finance minister has to go out and listen to the people. He was in my riding talking to the Chamber of Commerce and he would not even take questions. He made his speech and just walked away. That is where the real conversation happens. That is where the real dialogue happens. That is where the real input comes from real Canadians comes into play. That is what restores confidence in the government and the way the government makes decisions.

I think there are lessons to be learned by the finance minister and the government, and in fact from one of its own members, as I mentioned earlier, who luckily is one of my constituents. He is giving input right here in the House and the government has to listen to its own members.

● (1300)

[*Translation*]

Mrs. Vivian Barbot (Papineau, BQ): Mr. Speaker, it is my pleasure to rise in this House to express the Bloc Québécois' support for Bill C-53.

This bill will enable Canada to ratify the Convention on the Settlement of Investment Disputes between States and Nationals of Other States and to become a member of the International Centre for Settlement of Investment Disputes.

Bill C-53 integrates the requirements of the international convention in the laws of a country, in particular to ensure that arbitral awards are respected and to provide for the immunities required by the centre and its staff. ICSID was created by the World Bank by the Washington Treaty in 1965. There are currently 156 member countries.

ICSID is responsible for arbitrating disputes between States and foreign investors. There may be two types of disputes: disputes related to compliance with bilateral foreign investment protection agreements and disputes related to agreements between governments and foreign investors. The Government of Quebec regularly signs the latter type of agreement when eliciting foreign investment with the promise, for example, of providing electricity at an agreed price.

Canada's membership will not have any impact on the provinces, except that they too may have recourse to the ICSID when they conclude agreements with investors. As for bilateral treaties binding the federal government, they already provide for recourse to ICSID arbitration by the additional facility rules rather than the regular process, which is available only to countries that have ratified the convention.

In fact the only thing that Canada's membership in the centre will change is that Canada will be able to intervene in negotiations to amend the convention or the rules of the centre and it will enjoy the assurance of being able to join in the appointment of arbitration tribunals. Ultimately, the ICSID is only a tribunal. The problem is not the tribunal, but rather the poor investment protection treaties concluded by Canada.

The Bloc Québécois supports the conclusion of investment protection agreements, as long as they are good agreements. It is completely natural for investors, before making an investment, to try and make sure they will not be divested of their property or that they will not become victims of discrimination. This is the sort of situation that foreign investment protection agreements are meant to cover.

This is not a new phenomenon. The first known agreement that includes foreign investment protection provisions was reached between France and the United States in 1788, or over 200 years ago. There are now over 2,400 bilateral investment protection agreements around the world. If we include tax treaties, which have to do with the tax treatment of foreign investments and revenues, that would mean some 5,000 bilateral foreign investment treaties.

The Bloc is in favour of concluding such agreements and recognizes that they promote investment and growth. Almost all these agreements rest on the same principles: respect for property rights regardless of the owner's nationality; no nationalization without fair and prompt financial compensation; prohibition against treating property located on one's territory differently depending on its owner's origins; free movement of capital arising from the operation and the disposal of the investment.

In all cases, if there is non-compliance, states can submit a dispute respecting compliance with the agreement to an international arbitration tribunal. In most cases, investors themselves can submit disputes to an international tribunal, but only once they have got the state's consent. In many cases, the international arbitration provided for under the agreement takes place before the ICSID. Belonging to it, as is provided for under Bill C-53, also means belonging to the international order in the area of investments.

In the investment protection agreements they have signed, only two countries, Canada and the United States, systematically give investors the right to apply directly to the international tribunals.

This is a deviation from the norm. By allowing a company to operate outside government control, it is being given the status of a subject of international law, a status that ordinarily belongs only to governments.

● (1305)

The agreements that Canada signs contain a number of similar deviations that give multinationals rights they should not have and that limit the power of the state to legislate and take action for the common good.

We say no to chapter 11 of NAFTA. The investments chapter of NAFTA, chapter 11, provides that a dispute can go to ICSID. That chapter is a bad agreement in three respects.

The definition of expropriation is so vague that the slightest government action—other than a general tax provision—can be challenged by a foreign investor if it reduces its profits from its investment.

For instance, a plan to implement the Kyoto Accord that paid large amounts to the oil companies, big polluters that they are, could be challenged under chapter 11 and result in the government paying compensation. The Alberta oil companies are in fact mainly owned by American interests. Chapter 11 opens the door to the most abusive proceedings.

The definition of investor is itself so broad that it includes any shareholder. This means that virtually anyone can bring proceedings against the state and seek compensation in relation to a government action that allegedly reduced a company's profits.

The definition of investment is so broad that it even includes the profits an investor hopes to earn from its property in future. In expropriation cases, not only is the state then forced to pay the fair market value, but it must add the amount of the income that the investor anticipated earning in future. In that case, it would no longer be possible to nationalize electricity as was done in Quebec in the 1960s.

Take the example of SunBelt, a company composed of a Canadian shareholder and a Californian shareholder. The business closed down when the Government of British Columbia eliminated the right to export water in bulk that it had been given. The Canadian shareholder, relying on Canadian laws, received compensation equivalent to the value of its investment: $300,000. The American shareholder, relying on chapter 11 of NAFTA, included in its claim all of its potential future earnings: $100 million. The case was settled out of court for an amount that was not disclosed.

Given the amounts of money in issue, chapter 11 is a deterrent to any government action, particularly in relation to the environment, whose effect would be to reduce the profits of a foreign-owned corporation.

As well, the dispute resolution mechanism allows corporations to apply directly to the international tribunals to seek compensation, without even getting the consent of the state.

How is it conceivable that a multinational could, on its own authority, create a trade dispute between two countries? And yet this is the absurd situation that the investment chapter of NAFTA permits.

Given these flaws, chapter 11 of NAFTA reduces the state's capacity to take action for the common good, to legislate about the environment, and is a Damocles' sword that could come crashing down at any moment on any legislative or regulatory measures whose effect was to reduce corporations' profits.

In 2005, the United States changed some of the provisions in their standard form investment protection agreement. In 2006, Canada followed suit.

Since both countries have now acknowledged the harmful and extreme nature of chapter 11 of NAFTA, the time is ripe for the government to move quickly to enter into discussions with its American and Mexican partners to amend chapter 11 of NAFTA.

We say no to bad investment protection agreements. In addition to chapter 11 of NAFTA, and although its extreme nature has been widely decried, the government has entered into 16 other bilateral foreign investment agreements, carbon copies of chapter 11.

● (1310)

All of these foreign investment agreements are faulty and should be renegotiated. In 2006, the government recognized to some degree that these agreements were bad. Copying the amendments made by the Bush administration the previous year, the Conservative government made changes to its FIPA program to correct the most obvious shortcomings.

It clarified the concept of expropriation by specifying that a non-discriminatory government measure that is intended to protect health and the environment or to promote a legitimate government objective should not be considered as expropriation and should not automatically generate compensation. It is too soon to evaluate the real impact of that clarification, but at first glance, it looks like an improvement.

Moreover, it restricted the concept of investment by specifying that the value of property is equal to its fair market value. That put an end to the folly of adding together all the potential profits that an investor might hope to earn from an investment.

As for the rest, the standard investment protection agreement continues to be based on chapter 11 of NAFTA. The government must continue to improve this standard agreement, particularly in terms of dispute settlement mechanisms. Multinational corporations must be brought under the authority of the state, like any other citizen.

It is important that the government submit international treaties and agreements to the House of Commons before ratifying them. At the start of the year, the government sent out a news release to announce that it had just ratified a new foreign investment protection agreement with Peru. It was only by reading that news release that parliamentarians and the public became aware of this agreement. Parliament was never informed and never approved it. That is completely anti-democratic.

Yet, the Conservative platform in the last election was clear: the Conservatives made a commitment to submit all international treaties and agreements for approval before ratifying them. Since the Conservatives came to power, Canada has ratified 24 international treaties. Except for the amendments to the NATO treaty, which were the subject of a mini-debate and vote at the last minute, none of these international treaties was submitted to the House.

International agreements today have an impact on our lives that is comparable to the impact that legislation can have. Nothing can justify the government's going over the heads of the representatives of the people and quietly and unilaterally entering into these agreements.

In the past, the Bloc Québécois has introduced bills to restore democracy and ensure that the jurisdictions of Quebec and the provinces are respected in negotiating international treaties. Given that the government has committed to doing that, we have not taken that step this time.

We can see today that the Conservatives' commitments are not worth the paper they are written on. The Bloc Québécois will therefore start bringing forward again proposals to restore democracy in the making of international treaties, including the obligation on the government to submit to the House any international treaty or agreement it enters into, before it is ratified; the obligation on the government to publish every international agreement it is involved in; approval and vote in the House on any major treaty, following consideration by a special committee on international agreements, before the government can ratify it; respect for the jurisdictions of Quebec and the provinces at every stage of the treaty-making process: negotiations, signing, and ratification.

Am I running out of time, Mr. Speaker?

The Acting Speaker (Mr. Andrew Scheer): You have five more minutes.

Mrs. Vivian Barbot: With respect to Bill C-53 more specifically, we can note the following. While it may appear complex because the Convention on the Settlement of Investment Disputes between States and Nationals of Other States is appended to it, also called the Washington treaty, Bill C-53 is relatively simple. It is only a dozen clauses on three pages, integrating into domestic law the requirements under the provisions of the Washington treaty.

● (1315)

Regarding arbitration and conciliation proceedings commenced after its coming into force, the bill provides, in clause 4, that the International Centre for Settlement of Investment Disputes and its personnel have the privileges and immunities, even fiscally, that it needs to operate in Canada. In clause 8, it provides for the legal recognition of arbitration awards rendered by the centre. Clause 7 prohibits, as required under the convention, proceedings before national tribunals on the substance of matters that have already been determined by the ICSID. Under clause 9, they are further prohibited from determining matters under arbitration.

These provisions may be startling in that they take away from national legislation. They are, however, pivotal to the functioning of international arbitration tribunals. Indeed, in many countries, the judicial system is not separate and independent from the political system. That is precisely why investment agreements call for neutral arbitrators.

If national tribunals were allowed to reverse arbitration awards or to have parallel proceedings on matters already under arbitration, it would be pointless to have international arbitration tribunals, and the safeguards in investment protection agreements would hardly be worthwhile.

Under clause 6, the bill makes awards binding on the federal government. This means that Ottawa would be bound by an arbitral award that might require it, for example, to provide compensation to an injured investor. Only the federal government is bound by the bill, not the provinces. In fact, apart from chapter 11 of NAFTA, which is binding on the provinces because they joined NAFTA, no bilateral agreement to protect investments is binding on the provinces.

If, for example, a province passed a measure that injures a foreign investor who is covered by an agreement to protect investments and ICSID ordered that he should be compensated, Ottawa would be responsible for paying. It may seem absurd, but that is how it is under the Constitution. The provinces are fully sovereign in their areas of jurisdiction and Ottawa cannot unilaterally arrogate one of their powers or impose obligations on them by concluding an international treaty. Anything else would amount to depriving them of powers conferred on them by the Constitution, and the courts have refused to do that.

That is why Quebec has always insisted on being closely associated with all stages of the entire process for concluding international treaties. That is the basis of the Gérin-Lajoie doctrine.

The federal government's refusal to respect the logic of the division of powers and its wrongful arrogation of exclusive control over international relations not only hurts Quebec but is frankly dysfunctional. Once Canada ratifies this convention and joins ICSID, the provinces can do the same if they want. If they want, they can include clauses in the contracts they sign with investors providing for recourse to ICSID. Ottawa's ratification does not impose any obligations whatsoever on Quebec or the provinces, although it does add further arrows to their quiver in their search for foreign investment.

Finally, it was the Uniform Law Conference of Canada consisting of representatives from the justice departments of all the provinces, including Quebec, and from the federal government that recommended five years ago that the federal government should join ICSID, ratify the convention and implement it. That would be the effect of Bill C-53.

In clause 11, Bill C-53 gives the government the power to designate conciliators and arbitrators in cases involving it that fall under ICSID.

There are generally three people on the arbitral tribunals. Each country that is party to a dispute appoints an arbitrator and these two arbitrators then agree on a third, who acts as the president.

It is in light of these considerations that the Bloc Québécois supports Bill C-53.

● (1320)

[*English*]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the government's representation in the ICSID arbitration process is less expensive than other options in that the centre provides additional support for the arbitration process. It looks like it might be an attractive option for some Canadian and U.S. investors to bring claims against the U.S. or Canada respectively.

It raises a question, though, and it relates to NAFTA. It is the fact that we would be ratifying yet another international agreement and the question really is this. In ratifying the ICSID, does that mean, given the problems we have had with dispute settlement resolution of the softwood deal, for instance, that maybe it is an indication that the existing agreement under NAFTA in fact is not working?

[*Translation*]

Mrs. Vivian Barbot: Mr. Speaker, we want to make it clear that because of certain poorly worded bilateral agreements, we find ourselves having to deal with the possibility of certain companies dealing directly with foreign governments as though they were themselves a government. In reality, the problem does not lie with the convention proposed in Bill C-53, but with previous agreements. We are asking the government to review them because they contain real problems and may lead to abuses. Companies have powers that far exceed those of the government if they can act as though they were a government when dealing with foreign governments. In our opinion, this is not right.

[*English*]

Mrs. Irene Mathyssen (London—Fanshawe, NDP): Mr. Speaker, the member spoke about concerns in regard to democracy and the democratization of this House in compelling international treaties to be discussed and agreed to here in this place. That brings me to a question about accountability. One of the things that concerns me is the transparency and accountability of the ICSID.

I wonder if the member could comment on the issue of accountability, the fact that all decisions issued through the ICSID arbitration are binding and that there is minimal appeal process clearly taking authority away from the member state and provinces and putting it in the hands of the World Bank. I would be very interested in the member's response.

[*Translation*]

Mrs. Vivian Barbot: Mr. Speaker, obviously that is one of the problems with all these agreements that seem to have governments taking a back seat. For this reason, we are saying once again that we should review these bilateral agreements from the perspective of the country's laws. As we stated, in the document, the various organizations or commercial entities should receive the same treatment as individuals of a given country since the law applies equally to everyone. That is why this government must revise the agreements as quickly as possible to ensure that they are equitable and also to address the matter of responsibility. We must know which courts have jurisdiction and for what purposes and we must ensure that there is coherence in the treatment of the various entities concerned, in order to prevent preferential treatment.

● (1325)

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Mr. Speaker, first of all, I would like to congratulate my colleague from Papineau on her excellent presentation. She mentioned moreover that numerous international treaties have been signed in recent years without Parliament being apprised of them. To my mind, when the member tells us about things as disturbing as these, we have before us a rather significant distortion of the democratic process. I hope that this bill will correct the situation.

I would like to know a little more about her opinion on the following situation. When the House cannot itself give its consent to the signing of an international treaty, it is actually the elected representatives who are being thwarted. I would like to know her opinion about this.

Mrs. Vivian Barbot: Mr. Speaker, I thank my colleague for his question.

Obviously, the question of democracy arises in this context. We have observed this in all sorts of areas. This government is accustomed to making decisions that concern everyone when the House is not sitting. This is all the more serious when international agreements are entered into on behalf of the citizens we represent. It is a denial of democracy when the government assumes this right.

As parliamentarians, our duty to protest is intact and we ask that the government be accountable. Nonetheless, once the government enters into a treaty, the treaty becomes applicable and people feel they have been had. Worse still, they are not even in the picture since decisions are often made when everyone is away and people are not even informed of the decisions made on their behalf.

You will understand in this context that going to the polls leaves us with a bit of a bitter taste. The government goes back to the people to ask for a new mandate, which ultimately enables it to turn around and do something else, yet it does not bother to consult the people's elected representatives. That is what I think about the question.

[*English*]

Hon. Navdeep Bains (Mississauga—Brampton South, Lib.): Mr. Speaker, I would like to thank you for allowing me to speak today to Bill C-53, An Act to implement the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (ICSID Convention).

To begin with, it is interesting that the Conservatives are introducing a bill to promote cross-border investment at a time when they are demonstrating their complete lack of competence on this very important subject matter.

It was only yesterday, the finance minister was forced by the Liberal opposition, may I add, to make a complete reversal on his ill-advised interest deductibility proposal in the budget.

Despite the government's mishandling of the Canadian economy at the domestic and international levels, it is important that Canada join the vast majority of countries in the world that have ratified ICSID. With increased trade with emerging giants such as China, India and other nations where the government structure is different from our own, it is critical that Canada be part of an international convention on the enforcement of investors' rights.

Allow me to provide a bit of historical background on ICSID to clarify the importance of this convention. I am sure my colleagues in the past have talked about this during debate, but I think it is very important to highlight this description.

The ICSID convention is an international instrument, sponsored by the World Bank, to facilitate and increase the flow of cross-border investment. The convention establishes a mechanism to resolve investment disputes between foreign investors and the host state in which they have made their investment.

Countries agreeing to the hearings do so voluntarily on the part of each party. However, once they have agreed to a hearing, neither one can unilaterally withdraw from the process or refuse to pay damages awarded by the tribunal. Thus, no longer can we be in dispute and have one side just get up from the table and walk away.

These hearings are unbiased and to ensure this, the arbitrator is selected by the contesting parties themselves. The ICSID then provides the hearings with a venue and the administrative support required to facilitate the specific meetings.

The ICSID convention entered into force on October 14, 1966. As of January 2007, 143 states had ratified the convention, making it one of the most ratified instruments in the world. The majority of Canada's trading partners are party to the convention.

Over the past decade, there has been an increasing number of bilateral trade and/or investment treaties. Since most parties involved in bilateral investment treaties refer present and future investment disputes to the ICSID, the case load of this particular process has substantially increased.

As of June 30, 2005, ICSID had registered 184 cases; more than 30 of which were pending against Argentina. As many know, Argentina's economic crisis in the late 1990s and subsequent Argentinian government measures led several foreign investors to file a case against Argentina.

Investment disputes brought under the convention are administered by the International Centre for the Settlement of Investment Disputes located in Washington, D.C.

In the last few years, the activity at the centre has soared due to increased flows of cross-border investment and the number of investment treaties that refer to ICSID arbitration. While the centre has handled 110 arbitrations in total during the first four years of its existence, there are currently 105 proceedings under way. Since its inception, the centre has established itself as a reliable and effective organization for resolving investment disputes.

Once ratified, the convention would provide additional protections to Canadian investors abroad by allowing them to include in their contracts with foreign states the option of arbitration under the ICSID convention.

In addition, Canadian investors doing business in a country with which Canada has a foreign investment protection agreement will have recourse to ICSID arbitration for violations of the agreement. Becoming a party to the ICSID convention will also make Canada a more attractive destination for international investors.

The most significant advantage of the convention is the enforcement of the arbitral awards. Unlike awards issued by other arbitration institutions, domestic courts cannot refuse to enforce decisions issued under the ICSID convention. Rather, such awards are enforceable in any country that has ratified the convention as if they were the final judgments of the courts in that state.

● (1330)

Canada signed the ICSID Convention on December 15, 2006, becoming the 143rd country to do so. British Columbia, Newfoundland and Labrador, Nunavut, Ontario and Saskatchewan have already adopted their own implementing legislation.

I mentioned that some provinces and territories have adopted their own implementing legislation because in order to ratify this bill all provinces and all territories must support the convention and take the necessary action to facilitate this.

It has become known that all provinces and territories have voiced their support with the principles and guidelines outlined in Bill C-53.

What is truly the best part of this convention, though, is the fact that it is not open to interpretation. It is simple, straightforward legislation that not only our major trading partners, by and large, already agree upon, but it is the type of understanding and guidelines that many of our potential trading partners are looking for us to agree with.

By passing Bill C-53, Parliament sends a strong signal to other countries, as well as our own investors, that Canada is serious about honouring its commitment to international treaties and trades.

In my role as the critic for international trade in the opposition, I must emphasize how important the passing of this legislation is right now. Canada, as many people have read in the newspaper, is most likely being taken to arbitration by the United States over several complaints within the softwood lumber agreement.

Despite the strength of Canada's legal position, supported by numerous decisions of international trade law tribunals and domestic courts in both Canada and the United States, the Conservative government rushed negotiations with artificial timelines to maximize political value of the agreement for the Conservative Party of Canada and not the Canadian public.

The Conservatives' electoral agenda was put ahead of the interests of the industry that is a significant element of the Canadian economy in every region of this country. It is an industry that exports over $7 billion. It is an industry that represents thousands of jobs, approximately 300,000 jobs, that are directly impacted by this particular industry.

In fact, there is a possibility that the U.S. may now use the dispute resolution mechanism to their advantage. It is possible that these consultations may not result in a satisfactory resolution. In this case, the U.S. can ask that the matter be referred to the London Court of International Arbitration. In addition, under the softwood lumber agreement, the U.S. has the immediate and unconditional right to terminate, whenever it wants, the softwood lumber agreement.

The government signed an agreement with the United States to bring an end to long-standing disputes regarding a very important and key subject matter in softwood lumber. When it did so, it agreed to throw out previous rulings from NAFTA and the WTO courts and tribunals. The current Minister of International Trade then said that this agreement would provide predictability and stability.

Who would have predicted that seven months into a seven year agreement we would be going to arbitration because the U.S. is knit-picking on issues like what constitutes a surge mechanism in B.C. and why Canada is not collecting more export charges than they should?

This is the start of consultations and possibly arbitrations. Will the U.S. next have issues with stumpage fees in Alberta as it has indicated? Is that stability? I can almost predict the next seven years of stability based on the trend of the first seven months, and it is not looking good.

With any agreement there needs to be predictability and stability, and I agree with that. While it is regrettable, and it is too late to turn back the clock on the softwood lumber agreement, now is the time that we should move forward on protecting Canadian investors.

Because Canada is not an ICSID member, Canadian investors are unable to use ICSID arbitration rules in their disputes with other foreign states, including those where Canadian investors might lack confidence in the court system.

I would not be doing my job as a critic if I did not point out that the government, in implementing this convention, would go a long way to instilling a bit of confidence in its investors. They have certainly been knocked around in the past several months by the government.

As I mentioned earlier, the government had to reverse its decision to eliminate the interest deductibility policy, which, by the way, was the worst policy to come out of Ottawa in over 35 years. It has been widely condemned across the business community by economists. The implications of doing this would have been disastrous to investors if the minister had not reversed the policy.

● (1335)

As bad as that was, we should not forget how much the income trust reversal hurt Canadian investors, particularly seniors. The decision to tax income trusts wiped out more than $25 billion in savings overnight and reversed a key Conservative campaign promise, a promise they had in their platform. Canadians invested their money based on this promise and their trust cost them tens of thousands of dollars on an individual basis of their hard-earned savings. Not only did the income trust reversal impact Canadian investors but it also affected our international competitiveness.

All that aside, Bill C-53 is an effective tool to help protect Canadian investors and should help to mitigate the damage done by recent government flip-flops.

As we know, the government has been slow on signing free trade agreements. According to the Department of Foreign Affairs and International Trade, China will not sign a free trade agreement or do business with a country that is not a member of ICSID. India has also ratified the convention and has entered into investment dispute settlements under the ICSID Convention with 11 countries.

As I am sure many are aware, China and India are not only the two largest countries in the world in terms of population, but they are also the fastest growing economies. As these two economies continue to grow and their labour forces become more and more skilled, greater investment will flow into these economies. China is emerging as a world player in terms of manufacturing, while India is gaining notice for its knowledge based services. As their economies become more sophisticated, they in turn will increase investment outside their borders, including investment in Canada.

Over the past 11 years, China has been the largest recipient of foreign direct investment among developing countries. Cumulative investment in China has reached almost $750 billion over the past 11 years.

Since 1991, India has embarked on a wide-ranging economic reform program that has seen increased developments in terms of trade, investment and monetary and exchange rate policies. One of the highlights of India's economic reform is its trade policy. India has systematically reduced its customs tariffs from 150% in 1991-92 to 25% in 2003-04.

Both China and India have become very forward-looking in their approaches to foreign investments. By ratifying the ICSID Convention within their respective countries, they have taken a proactive approach to protecting their investors internally and abroad.

I urge the House to pass this bill so that as a country we can move forward with signing investment treaties and trade deals that will make Canada and Canadians more prosperous and so Canadians can enjoy a high quality of life for generations to come. I think this is a very important initiative and it is well overdue.

I have expressed my concerns with the government with respect to its legacy and the first 13 months of broken promises, of hurting and damaging our competitiveness and of impairing our ability to be productive. This is one small step toward that direction and I hope the government proceeds with this in a timely fashion.

● (1340)

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Speaker, I find it rather ironic to hear the member for Mississauga—Brampton South talking about free trade agreements, particularly when his party opposed the free trade agreement under Mr. Turner in 1988.

When Mr. Mulroney put in free trade we all know that 525,000 manufacturing jobs were lost in Ontario alone during the first two years of the agreement. In 1993, under Mr. Chrétien, that party again opposed NAFTA. Since then, we have seen the ongoing devastation of our manufacturing sector. Therefore, to hear the promotion of free trade from that member is ironic.

It is my understanding that the process under the ICSID Convention, which Bill C-53 would implement, has been here since 1966. Since it has been in place that long, I am very curious as to why it has taken this long for the need to arise.

My party has strong concerns with the bill, particularly under transparency. It is a consent based process. People from labour, who will talk to us about arbitration, will also tell us that, overall, their sense of binding arbitration is that settlements seem to be coming down one-sided.

I cannot understand why the member opposite would use free trade in the supporting arguments for this bill.

Hon. Navdeep Bains: Mr. Speaker, I understand the concerns raised by the hon. member.

With respect to free trade and investment, I think the member understands full well that we are a trading nation with a population of 32 million and to ensure our quality of life we need to trade with other nations. However, make no mistake about it, we are also the party of fair trade. We will do everything in our capacity to ensure we promote that in every aspect where we have an opportunity to do so.

We have the South Korean free trade agreement that is potentially being negotiated right now, which the minister has indicated he wants to sign. It is our party that will ensure we stand up for Canadians and ensure there is a level playing field for Canadian companies trying to do trade investment abroad.

Bill C-53 is a very important tool and, as he has indicated, it has been around since the 1960s. Not only has it been around for a long time, it has also been implemented at the provincial levels. It is about time the federal government shows some leadership or at least follows the direction given by the provincial governments.

This is a very simple, straightforward process. It is very transparent. It is a very fair arbitration process. I think the member would agree that this is the tool we need for investment purposes that will generate Canadian jobs and Canadian wealth so Canadians can have a good quality of life.

● (1345)

Mr. Borys Wrzesnewskyj (Etobicoke Centre, Lib.): Mr. Speaker, when the member referenced the softwood lumber treaty in his speech, many here were quite perplexed. He also talked about, not just free trade but fair trade when we go about trading with our neighbours to the south.

There was great concern because $1 billion, from what all of us understand, were left on the table. Some of us were quite concerned that this perhaps was pandering to special interest groups.

In his speech he also mentioned some of the economic missteps in the budget, such as the broken promise on income trusts, and now there is a second train of thought that what we are seeing is not pandering to special interests but perhaps just plain incompetence.

I was wondering if the member could perhaps elaborate on what this incompetence is costing Canadians.

Hon. Navdeep Bains: Mr. Speaker, what my colleague touches upon is very important. It is a trend that we have seen now with the current Conservative government of incompetence. It is really rooted in the fact that the Conservatives make policy decisions based on political expediency. They develop poor public policy around the fact that they can get around the Canadian public by developing gimmicks, but it has caught up to them.

The softwood lumber agreement, as he indicated, was a completely flawed deal that really damaged Canada's credibility in our trade relationship with the United States. It left over $1 billion in the hands of the U.S. government and the fair lumber industry. It not only imposed a quota system that has impaired and damaged our industry's ability to expand broadly but it has impaired our sovereignty as well.

He is completely right about this trend continuing with the income trust broken promise and the interest deductibility reversal that we saw yesterday.

Mrs. Irene Mathyssen (London—Fanshawe, NDP): Mr. Speaker, I would like to ask the member a question in regard to the procedure for the constitution of ICSID in terms of what it means for the ability of investors to be free of the courts.

Essentially it says that Canadian investors in foreign countries often fear that foreign courts will be biased in favour of their state and their country's laws and the convention that is being contemplated here shelters foreign investors from the courts of the country in which the investment is made.

Why is this bad? If we look at some of the reality, we have foreign investors who have not always been stellar corporate citizens. I am thinking about Union Carbide in Bhopal and the travesty committed against that community. None of those victims had recourse in terms of the behaviour of the corporation. Coca-Cola right now is taking a huge amount of water in India and polluting local water systems, much to the disadvantage of local people. We saw Talisman in Nigeria behaving in such a way that local people reacted against that company, which ended in the execution of Ken Saro-Wiwa; and other multinationals, water providers who tried in Bolivia to privatize the water resources.

My concern is that these companies can hide behind this convention. What on earth happens to the locals, the nationals, who may need and deserve recourse in their courts?

Hon. Navdeep Bains: Mr. Speaker, again, I appreciate the concerns raised by the hon. member. One needs to recognize, as I have said before, the premise of how this all operates. Canada is trading nation. We must acknowledge that. With the population of 32 million, the only way we can sustain our quality of life is to ensure we have proper trade and investment.

The member raises the notion of how we approach this. The best way for Canada to succeed at the global level is, as an example, the WTO Doha round of discussions. That is by far the best means for us to secure the best deal for Canada.

Canada should not avoid ratifying this treaty. One hundred and forty-three countries have already signed on, Canada being 143 to do so. It is a way for us to have credibility on the international level to ensure we instill confidence in investors. The system in the process has been adopted by many countries, which is a very transparent and straightforward process.

I have indicated in my remarks that both parties select arbitrators. This process has been implemented on many occasions very successfully, with both parties agreeing to the parameters. The way it is set up benefits not only them, but helps further promote investment between the countries as well.

● (1350)

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the member used the terms “predictability” and “stability”. One can only imagine when an investor is looking at certain circumstances. The member may want to comment on what Canada looked like coming out of the Conservative years with a $42 billion deficit and what that had to do with foreign investment in Canada.

Hon. Navdeep Bains: Mr. Speaker, the member for Mississauga South raises a very important issue. Today our country generates a surplus, which is respected by the international community for sound fiscal management. However, if we were to look back to 1993, our country had lost the confidence of the world and was beginning to lose the confidence of the Canadian public. Our deficit was around $42 billion to $43 billion. The debt was growing out of control. Our financial market was weakening. Our dollar was weak.

Those problems really hurt investors. Now there is sound fiscal management because of the Liberal Party and the hard work by Canadians, which turned that around.

[*Translation*]

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, I am pleased to take part in this debate on Bill C-53.

Although the bill is extremely technical, it does not change much for Canada. However, it still offers an opportunity to ask ourselves about the nature of the investment agreements that have been signed by the Canadian government, and more specifically the bilateral agreements, and about the content of the North American Free Trade Agreement.

The problem lies not so much in Bill C-53 as in the agreements that we are signing, that are arbitrated under that convention.

I would note that if this bill is enacted, it will make it possible for Canada to ratify the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, and will also make it possible for Canada to become a member of the International Centre for the Settlement of Investment Disputes.

As we can see, this means incorporating the requirements of the ICSID Convention into domestic law, to ensure that arbitral awards can be enforced and to provide the necessary immunities for the centre and its personnel.

The International Centre for Settlement of Investment Disputes was created, we should remember, by the World Bank, under a treaty referred to as the Washington Convention of 1965. As of today, 156 countries have ratified the convention and are members of ICSID. The purpose of the convention and the centre is to arbitrate disputes between a state and a foreign investor.

There are two possible kinds of disputes between a state and a foreign investor. There are disputes relating to compliance with bilateral foreign investment protection agreements. For example, and I believe this was mentioned earlier, we recently signed an agreement with Peru. However, hardly anyone in the government alerted us to the signing of a new bilateral investment agreement. That agreement was very quietly signed between Canada and Peru. If it results in challenges, they can be arbitrated under this convention, and by this centre.

There is a second possible type of dispute. Disputes arise regarding agreements signed by governments with foreign investors. The government of Quebec regularly signs these kinds of agreement to generate foreign investment, for example by promising to supply electricity at an agreed price.

One can think of a number of major projects carried out on the North Shore. Discussions were held and commitments were made concerning electricity rates for the aluminum sector in exchange for commitments from the companies with respect to economic benefits from second and third processing, or future investments.

As I said, Canada's membership will not have any impact on the provinces. Only the federal level will be affected, although the provinces also will have the possibility of including in agreements they might enter into with investors provisions providing for the use of the centre and the convention.

Quebec has negotiated in the past, and could do so again in the future, agreements with foreign companies involved in the exploitation or processing of natural resources for competitive electricity rates under certain conditions. In such cases, it will be necessary to ensure that the endeavours of the Government of Quebec, whose good faith I never doubt, meet all the criteria in the agreement.

I have mentioned the bilateral treaty between the federal government and Peru. This treaty already provides for the use of arbitration or the ICSID process. Canada not being a member of the ICSID, it does not have access to the regular process because it has not ratified the convention. Additional facility arbitration rules apply under such circumstances.

As we can see, nothing much will change, except that we will be able to use the regular process.

In fact, Canada's adherence to the centre and the convention will enable it to take part in negotiations to amend the convention or the centre's rules, and ensure its ability to participate in appointments to arbitration tribunals.

● (1355)

I believe that this is important, because we know that this centre and this sort of convention will be increasingly important not only to the economic future, but to the overall future of trading nations such as Canada and Quebec.

In the final analysis, the centre is just a tribunal, and in that respect, we do not have a problem with Bill C-53. What we have a problem with is not the tribunal, but the poor treaties Canada has signed to protect investments. In our view, it is only natural that there should be investment protection agreements, provided that those agreements protect certain rights, especially the sovereign rights of the states involved, whether the agreements are between states or between states and companies.

It is only natural for investors to try and make sure that they will not be divested of their property and that they will not become victims of discrimination. This is the sort of situation that foreign investment protection agreements are meant to cover. They are not a new phenomenon, but have been around for more than two centuries now. In 1788, France and the United States signed an agreement to protect foreign investments. Today, there are 2,400 bilateral investment protection agreements in the world. If we add tax treaties covering the tax treatment of foreign investments and foreign source income, there are roughly 5,000 bilateral treaties relating to foreign investments.

I spoke yesterday about Bill C-33 on foreign trusts, and I will come back to that.

The Speaker: After question period, the hon. member will have 13 minutes to continue his remarks.

STATEMENTS BY MEMBERS

[*English*]

DENNIS YOUNG

Mr. Garry Breitkreuz (Yorkton—Melville, CPC): Mr. Speaker, I regret to announce the retirement of my long-time legislative assistant, Dennis Young, from Parliament Hill.

Dennis and I have worked side by side since I was elected to Parliament in 1993. He is the most faithful and hard-working assistant that a member of Parliament could ever hope to find.

Dennis used his creativity every day on every file. He processed and analyzed more than 550 access to information requests. His research exposed the $2 billion gun registry fiasco. With his tenacity and highest of principles, Dennis has values that will not be compromised.

Firearms owners owe Dennis Young a huge debt for his relentless battle on behalf of real public safety and property rights. His legacy in Ottawa includes the popular parliamentary outdoors caucus and serving as a political beacon for the people of Yorkton—Melville.

I thank my friend for being the best strategic partner one could ever ask for. Lydia and I will keep Dennis and Hazel in our prayers as they head west for a well deserved retirement. God bless Dennis. I will miss him.

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● (1400)

DONALD MACINNIS

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Mr. Speaker, I stand today to celebrate the life of a great Canadian.

Donald MacInnis distinguished himself in this chamber fighting for and serving the people of Cape Breton—East Richmond as their member of Parliament for 17 years as a proud Progressive Conservative.

A man of rare character and true substance, Donald was an exceptional person. In his younger years he was a star athlete with the Caledonia Rugby team and the Glace Bay Firemen's track team.

He answered the call to duty during the second world war and served as a gunner and paratrooper with the RCAF. Then, like so many of his friends following the war, he entered the coal mines of Cape Breton.

Prior to municipal amalgamation, Donald served as the last mayor of the town of Glace Bay. Driven by a tremendous sense of principle and purpose, he gave it his all, whether it was on the football field, the battlefield, or on the floor of this chamber and he did so for the benefit of others.

As noted in his memorial tribute, he was just as much at home behind a podium as he was behind his wheelbarrow. Donald took every challenge man and nature threw at him with a feisty spirit and a determined will.

Our thoughts and prayers are with Donald's family.

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[*Translation*]

AHUNTSIC-CARTIERVILLE HOUSING COMMITTEE

Mrs. Maria Mourani (Ahuntsic, BQ): Mr. Speaker, today I want to commend the remarkable work of the Ahuntsic-Cartierville housing committee, which, on Monday, May 7, organized a demonstration in my riding. This is a grassroots organization that raises awareness about the needs in social housing.

The new government has indeed invested in social housing, but investment is down 25% if we take into account inflation since 1993.

In May 2006, the United Nations Committee on Economic, Social and Cultural Rights looked at Canada's housing record and described the situation as a national emergency. In Montreal, the waiting list for low-income housing has 23,000 names on it, including 2,000 from the Ahuntsic area alone.

While respecting the various jurisdictions, the government must contribute to the development of programs to deal with this national emergency, as it is defined by the United Nations. This is a matter of fairness and social peace.

* * *

[*English*]

CATHOLIC EDUCATION

Mr. Tony Martin (Sault Ste. Marie, NDP): Mr. Speaker, this Thursday, May 17, is World Catholic Education Day.

In many communities, Catholic schools across Canada continue to make a profoundly positive contribution to society. In some provinces and territories they are supported by government funds. In others, they are operated wholly by direct parent support.

My own Catholic education ingrained in me a profound respect for Catholic social teaching, respect for human rights, social justice and the dignity of every single human being. I was taught encyclicals on the right to work. I learned that Catholics could have a distinctive identity and spiritual mission, but also a profound respect for other faith traditions. It remains a challenge to remember this inclusive teaching for the rights of all human beings regardless of our differences.

Congratulations to the teachers, the administrators, trustees, support staff, students and parents that together make up the mosaic of Catholic education. I particularly want to celebrate the enormous contribution made by the 14 elementary schools—

The Speaker: The hon. member for Fleetwood—Port Kells.

* * *

GOVERNMENT POLICIES

Mrs. Nina Grewal (Fleetwood—Port Kells, CPC): Mr. Speaker, Liberal heel dragging and empty rhetoric have given way to a positive Conservative agenda producing real results for Canadians. In our short time in office, Canada's new government has listened to Canadians and acted on their priorities.

In B.C.'s lower mainland crime is a hot button issue. We have responded with a dozen justice bills, including legislation raising the age of consent, tackling street racing, drug impaired driving, gun crimes, and repeat offenders.

For many the environment is a top concern. That is why our government has acted with new programs promoting energy efficiency, fuel efficient vehicles and alternative energies. We have put in place an action plan to reduce greenhouse gases and slash air pollution and we are helping the provinces finance their own initiatives.

Our government is funding vital transportation improvements, reforming the Senate, cutting immigrant landing fees, assisting parents, reducing taxes and putting more money into health care.

While Liberals talk, we act and deliver on the priorities of Canadians.

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● (1405)

FIVE WITH DRIVE

Mr. Lui Temelkovski (Oak Ridges—Markham, Lib.): Mr. Speaker, on Sunday, May 27, five individuals, the "Five with Drive", will leave Halifax and walk to Markham, Ontario, a distance of more than 2,000 kilometres.

The walk is to support the Centre for DREAMS, Inc., a registered charitable organization that helps intellectually challenged adults become active and productive in the community.

I have sent information packages on the walk to all members from Markham to Halifax and to senators from Nova Scotia, New Brunswick and Quebec. I hope that MPs will raise awareness about the walk in their local communities.

Financial donations are welcomed, as are donations of food and refreshments along the route. Members might also contact their local media about the walk.

Let us all work together to ensure the walk is a resounding success.

* * *

SKIN CANCER SCREENING

Mr. Bill Casey (Cumberland—Colchester—Musquodoboit Valley, CPC): Mr. Speaker, I rise today to remind Canadians of the importance of early detection as a means of preventing skin cancer. I am honoured to be a co-host with the Canadian Dermatology Association for the second Chuck Cadman memorial skin cancer screening.

I learned firsthand the importance of early detection at last year's event. Although I had absolutely no indication that anything was wrong with me, it was at this screening that I was diagnosed with malignant melanoma. This is one of the most dangerous forms of skin cancer, but it was caught early at the screening right here, and today I am healthy and cancer free.

This year's clinic is today. I urge all MPs to go to the clinic this afternoon in Room 200 West Block from 5 p.m. until 7 p.m, even if they have no signs of problems.

I want to thank the dermatologists who volunteer their time and effort at this clinic. I especially want to thank Mrs. Cadman, who co-hosted last year's event and is co-hosting this year's event as well.

* * *

[*Translation*]

AUNG SAN SUU KYI

Mrs. Vivian Barbot (Papineau, BQ): Mr. Speaker, Sophie London, a 10 year old who attends the Saint-Barthélemy school in my riding of Papineau, sent me a copy of a letter addressed to the Prime Minister in which she mentions her concern about the 1991 Nobel Peace Price laureate, Aung San Suu Kyi, a Burmese activist who has been denied her rights for many years.

Sophie and her classmates have signed a petition calling on parliamentarians in this House to take decisive action to encourage the return of democracy in Burma.

On May 18, 2005, the House of Commons adopted the report of the Standing Committee on Foreign Affairs on the motion on Burma. It specifically called on the government to "urge the authorities in Burma to release [...] Aung San Suu Kyi".

Sophie London's letter is rather timely and reminds us to honour our commitments. Let her request be heard.

* * *

SCIENCE AND TECHNOLOGY EXPLORATION CENTRE

Mr. Steven Blaney (Lévis—Bellechasse, CPC): Mr. Speaker, after years of waiting, the time has finally come for the Quebec City and Chaudière-Appalaches area to lay the groundwork for the creation of a science and technology exploration centre.

Our region is the seventh largest municipality in Canada and yet, among the 20 largest cities of the country, it is the only one that does not have such a scientific and educational centre. What were our predecessors doing? Was the Bloc Québécois asleep at the switch or were those members thinking about their future? Fortunately, the Conservative members from Quebec can deliver the goods.

As promised during the election campaign, our new government, through the CED, is contributing $420,000 to establish the project office, in partnership with the Boîte à science, the City of Lévis and valued private partners.

I would like to congratulate Manon Théberge, executive director of the Boîte à science on her infectious passion for the scientific education of our youth, as well as mayor Danièle Roy-Marinelli for getting the City of Lévis involved in this project that is so important to our entire region. Thank you.

It could be said, promise—

The Speaker: The hon. member for Esquimalt—Juan de Fuca.

* * *

[*English*]

HEALTH CARE

Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.): Mr. Speaker, health care is one of the top concerns of Canadians, and shockingly, it is not on the Conservative government's agenda.

There is a crisis in our emergency departments where it is frequently the norm to wait eight to twelve hours for care.

There is also a medical manpower crisis. Fifteen per cent of graduating nurses cannot find jobs in Canada so they go to the United States. We need them, but the resources are not there to pay for them. This is against a backdrop where the average age of a nurse is in the late forties. For physicians it is worse. Their average age is older.

Hundreds of thousands of Canadians cannot find a family doctor. As we get older, so too do our caregivers. This demographic time bomb is exploding and will devastate our health care system.

I call on the Conservative government to act now and work with the provinces to implement a national health care workforce strategy for physicians, nurses, technicians and other health care workers to get the right number of people in the right places.

Without these health care professionals, we will not have a health care system.

* * *

● (1410)

INTERNATIONAL DAY OF FAMILIES

Mr. Mike Lake (Edmonton—Mill Woods—Beaumont, CPC): Mr. Speaker, today is the 14th annual International Day of Families. This year's theme is, "Families and Persons with Disabilities".

Canadians appreciate what our government has been getting done for families and persons with disabilities. We understand the important contribution families make to Canada. That is why we are investing more to support families' choice in child care than any federal government in our history, three times more than the Liberals did, but there is more.

Our government is helping families enjoy the benefits of a better, safer and stronger Canada. Budget 2007 introduced a new registered disability savings plan, a working families tax plan that includes the new child tax credit, a more attractive RESP for students, and initiatives for seniors. This is on top of previously announced initiatives such as the universal child care benefit and the children's fitness tax credit.

While today is a special day to pay tribute to families, Canadians now have a government that acknowledges the importance of all families every day. I invite Canadians to celebrate the International Day of Families. I encourage all Canadians to take time to appreciate the special people who enrich their lives and make up their families.

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ABORIGINAL AFFAIRS

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, the social condition of Canada's first nations people is this country's greatest failure and this country's greatest shame.

Today the national chief of the Assembly of First Nations served notice that decades of round tables, consultations and royal commissions have gone nowhere and have done nothing to improve the social conditions of the people that he represents. The national chief served notice that his people are losing hope and that when young people lose hope, desperation can lead to social unrest and civil disobedience.

It was in 1990 that social unrest among first nations led to the Oka crisis. The Royal Commission on Aboriginal Peoples bought a decade of peace, but in the absence of any meaningful progress, we should recognize that peace is a finite commodity.

We should be grateful and recognize and pay tribute to the leadership of first nations who have kept a lid on the boiling pot of social unrest among their people. We should serve notice to the government of today that it must act meaningfully today.

* * *

OFFICIAL LANGUAGES

Ms. Raymonde Folco (Laval—Les Îles, Lib.): Mr. Speaker, today the official languages commissioner tabled a report very critical of the Conservative government in its handling of Canada's Official Languages Act.

[*Translation*]

Indeed, this Conservative government continues to erode the Official Languages Act.

[*English*]

The government has failed its own accountability test. This morning Conservative members refused to replace the chair of the Standing Committee on Official Languages when the former chair was forced to resign. This effectively brings the committee's work to a standstill.

[*Translation*]

The government continues to obstruct and hinder the work of committee members.

[*English*]

I call on the government to uphold its commitments under the act and to honour its obligations of results by immediately nominating a new chair so that the work of the committee can continue.

[*Translation*]

The Standing Committee on Official Languages needs a new chair immediately, in order to go on with its work.

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CANADIAN POLICE WEEK

Mr. Raymond Gravel (Repentigny, BQ): Mr. Speaker, on the occasion of Canadian Police Week, I would like to pay tribute to all these women and all these men who work to protect our fellow citizens and to make our regions safe.

The service provided by our police is a high-risk essential service; it has cost many their life. Just think of the tragic death of Laval police officers Valérie Gignac in December 2005 and Daniel Tessier last March, not to mention many others, in the line of duty.

I worked with the members of the Laval Police Brotherhood for over ten years as chaplain. I have met men and women who loved their work and were committed to serving the public. Over the years, I have forged strong ties of friendship with many of them and I strongly believe that, as citizens, we owe them respect and gratitude and, as parliamentarians, support and solidarity. The best way to support our police is by maintaining, as requested by them, the gun registry which is playing an invaluable role in their work.

In closing, I wish to express my greatest admiration and gratitude to all those police officers I have had the opportunity to meet and appreciate during my life.

* * *

[*English*]

INCOME TRUSTS

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the Prime Minister said there is no greater fraud than a promise not kept.

He emphatically promised during the last election never to tax income trusts. Then the Conservative government recklessly broke its promise by imposing a 31.5% punitive tax on income trusts, with devastating consequences particularly on seniors.

That broken promise wiped out over $25 billion of hard-earned retirement savings of over two million Canadians. It also led to private equity takeovers of over 15 income trusts, which reduced government tax revenue by an estimated $6 billion a year.

What is worse, independent experts have shown clearly that the Minister of Finance's decision on income trusts was based on flawed methodology and incorrect assumptions.

The time has come for the finance minister to acknowledge his mistake, to apologize to Canadians who were unfairly harmed by the reckless broken promise and to repeal the punitive 31.5% tax.

* * *

● (1415)

THE ENVIRONMENT

Mr. Jeff Watson (Essex, CPC): Mr. Speaker, I know that Liberal fundraiser is an oxymoron under the weak headship of the member for Saint-Laurent—Cartierville. According to reports, the Liberal so-called leader told what was left of Liberal supporters that he would end his own environmental deficit.

He tried to act as if the deficit was ours. He may say this is unfair, but let us remember how weak he was while he sat in cabinet and as environment minister. Under his watch, GHG emissions rose 35% above his Kyoto target. Ten years of environmental inaction was slammed in report after report by the environment commissioner.

As minister, he was the recipient of the fossil of the day award by the Climate Action Network. Confusing lead with lead, as in a lead balloon dropping, he oversaw Canada's race down to 28th out of 29 OECD countries on pollution.

Even his face-saving colleagues once admitted he "didn't get it done" on the environment. He not only could not get it done, his actions show he never will get it done. He needs to face the facts: he is just not a leader.

* * *

THE GOOD OLD SOCCER GAME

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, I am proud to report to you and to the House of Commons that in our eighth annual soccer game the MPs defeated the pages 11-7 for our sixth win over two losses.

It was a glorious night in Ottawa
The media and the fans couldn't believe what they saw
There were MPs and Pages running on the field
With neither team wanting to bend or to yield.

Soccer was the reason for which we all gathered
For pride and honour is all that had mattered
Ten long months, the Pages did serve
In the House of Commons with courage and nerve.

In this our ninth year, the Pages faced defeat
To the Mighty MPs, who would not retreat
With skill and precision, we made that ball dance
In reality, the young ones never had a chance.

Now the summer draws near and the sun is high
We soon will shake hands and say our goodbyes
Today we toast the Pages good cheer
As we anxiously await the new ones next year.

ORAL QUESTIONS

[*Translation*]

OFFICIAL LANGUAGES

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, Canada has had an Official Languages Act for 40 years. The act is a fundamental part of our country and has earned consensus among the parties. However, the Prime Minister himself did not begin to support it until 2005 after having criticized it in writing as a "god that failed".

The Prime Minister eliminated the court challenges program. In so doing, the Prime Minister showed his true colours. Now, the Prime Minister is trying to muzzle the committee that is supposed to study the report prepared by the Commissioner of Official Languages, who criticized the Prime Minister's attack on the program.

Will the Prime Minister appoint another member to chair the committee?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the Commissioner of Official Languages commented on my strong support for official languages in Canada.

The committees are responsible for selecting their own chairs. I am told that the Conservative members of the committee think that the member for Stormont—Dundas—South Glengarry is doing an exceptional job.

[*English*]

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, the Prime Minister does not like the charter: he kills the program supporting it. He does not like official languages: he kills the program supporting it. He does not like to be questioned by the members of the House: he kills committees.

I know he does not have a lot of confidence in his caucus members, and I guess for valid reasons, but I ask him to choose one of them to chair this committee, as the Prime Minister should according to the law.

● (1420)

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, as members know, the committee has a chair elected from among the Conservatives elected by its members. Unfortunately, the Liberals and the opposition have decided to play games. As a consequence, the committee cannot meet because it does not have a chair. That is something the committee has to rectify.

I will point out that in his report today Mr. Fraser noted that the member's plan for official languages in 2003 was not done, like he did not do anything else. The fact is this government has put $30 million more into official languages. We are getting it done. Unfortunately, they voted against it.

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, the Prime Minister does not want plans to be implemented. He kills the plans and after he complains.

[*Translation*]

I would like to quote something the Prime Minister said in 2001: "As a religion, bilingualism is the god that failed. It has led to no fairness, produced no unity, and cost Canadian taxpayers untold millions".

Is this still what the Prime Minister thinks?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, allow me to quote the Commissioner of Official Languages. He said that: "Prime Minister Harper's public behaviour is exemplary in terms of respect for Canada's official languages".

[*English*]

It is the member opposite who came up with a plan in 2003 and then did not do anything. The new minister is putting $30 million more into this program. She is getting the job done.

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Speaker, on this side of the House, we believe that language must never divide Canadians from each other or from their institutions. That is why we support bilingualism, so we can be linked together in common understanding and respect.

However, that is not the position of the government.

Today, the Commissioner of Official Languages condemned the government for its "apparent lack of will" in sustaining bilingualism and protecting the rights of minority language communities in Canada.

Will the Prime Minister commit today to act on the commissioner's recommendations, or will he continue to pursue his policies of division?

[*Translation*]

Hon. Josée Verner (Minister of International Cooperation and Minister for la Francophonie and Official Languages, CPC): Mr. Speaker, allow me to quote the Commissioner of Official Languages, who congratulated our Prime Minister on his "exemplary behaviour" both in Canada and abroad.

With that in mind, here is what former Prime Minister Jean Chrétien said about francophones: assimilation is a fact of life. Moreover, he said that on the sidelines of the Francophone Summit in Moncton.

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Speaker, a misquote is a poor defence.

On the very day that the Commissioner of Official Languages has condemned the political will of this government, the Prime Minister has shut down the Standing Committee on Official Languages. What a show of contempt for official languages and for linguistic minorities.

Will the Prime Minister ask his MPs to return to the committee? When will they begin dealing with this government's flouting of the Official Languages Act?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, the opposition is playing political games with the committee and will not allow the members to continue their fine work.

The Conservative members of the Standing Committee on Official Languages feel that the current chair, the member for Stormont—Dundas—South Glengarry, is carrying out his responsibilities in an exemplary manner. The chair is chosen from the Conservatives, as per the Standing Orders.

It is up to the Conservative members of the committee to choose the chair, just as the Liberals choose who they wish to have as leader.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, in the report he issued today, the Commissioner of Official Languages said that the government is not walking the talk on official languages. Commissioner Graham Fraser stated that a number of federal departments take a blatant laissez-faire attitude toward complying with the Official Languages Act. Once again, he made specific mention of the Canadian Forces, the RCMP and Air Canada.

It is good that the Prime Minister begins his scrums in French, but what tangible actions does he plan to take to enforce the Official Languages Act within the federal administration?

● (1425)

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, this government has proposed another $30 million, which will be made available directly to minority communities to help them keep their language in Canada. But nothing could weaken French and bilingualism in Canada as much as Quebec's separation from Canada. That would be a huge mistake.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, we will never weaken the official languages as much as the government is doing at present, and it is in power.

Commissioner Fraser condemned this government for eliminating the court challenges program, which enabled francophone communities to win respect for their rights.

The Prime Minister has a golden opportunity to correct that mistake. Will he take action to restore this program, which all the minority communities throughout Canada and Quebec want?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, Commissioner Fraser's report notes a number of problems in the administration of official languages, and the government will look at that report. However, he also noted a number of successes and indicated that many departments are performing well.

This government's priority is not to pay lawyers; it is to provide services directly to minority language communities.

Mr. Richard Nadeau (Gatineau, BQ): Mr. Speaker, the Commissioner of Official Languages is concerned about the backsliding in many departments. Think of the panels filled with errors in French at Vimy, the appointment of a unilingual English ombudsman for victims of crime, and the elimination of compulsory bilingualism for the senior ranks of the army. In a word, the situation is getting worse.

What does the Prime Minister have to say to the commissioner, who feels that the Conservative government is trampling the rights of linguistic minorities?

Hon. Josée Verner (Minister of International Cooperation and Minister for la Francophonie and Official Languages, CPC): Mr. Speaker, I could not be more surprised by the comments of the Bloc member. When the time came to vote on Bill S-3, the Bloc voted against it. In addition, the Parti Québécois government always refused to participate in the Ministerial Conference on Canadian Francophonie. It took a federalist government in Quebec to enable Quebeckers to participate in the Canadian Francophonie.

I would like to know what the Bloc did, in regard to its relations —perhaps harmonious in those days—with the Parti Québécois to ensure that Quebec took part.

Mr. Richard Nadeau (Gatineau, BQ): Mr. Speaker, Bill S-3 infringed on the jurisdiction of Quebec and they refused to listen to us. That said, the attitude of the Conservative government toward the Standing Committee on Official Languages also concerns the commissioner. The government decided not to replace the chair of the committee, with the result that the committee has simply disappeared. And what was the reaction of the government whip? “Good riddance”. Those are his words.

Do these scornful words of the whip not support the comments of the commissioner, who criticized this government for being slow to respect—

The Speaker: The Honourable Minister for la Francophonie and Official Languages has the floor.

Hon. Josée Verner (Minister of International Cooperation and Minister for la Francophonie and Official Languages, CPC): Mr. Speaker, once again the Bloc suddenly rises to the defence of francophones outside Quebec and the Canadian Francophonie. The one thing we do not know is whether it only took them 30 hours to change their minds this time.

One thing is certain. I encourage the member to talk with his colleague from Papineau who made fun of the efforts of my colleagues to learn French, and who called their French unacceptable at the Standing Committee on Official Languages.

CANADIAN COMPANIES

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, the government has done nothing to prevent the foreign takeover of Canadian giants like Alcan. Yesterday, we learned that St. Lawrence Cement was slated for takeover by Swiss interests. But in response to pressure from the NDP, the Minister of Finance announced yesterday that a panel of experts will be appointed to look into the loss of Canadian companies.

Could the Minister of Finance tell us when this panel will be appointed, and who these experts are? Will this panel report to Parliament?

● (1430)

Hon. Maxime Bernier (Minister of Industry, CPC): Mr. Speaker, I want to point out to the leader of the NDP that this is an initiative that we launched in the budget. It is rather sad to think that some may have waited until today to start reading the budget.

Having said that, we will be working on setting up this committee as soon as possible, and we will inform the House and the public at large as soon as the committee members are appointed.

[*English*]

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, while the minister and the government are taking their time appointing someone to a committee to look at a problem, thousands of Canadians are losing their jobs in the manufacturing sector.

Fifty-two thousand workers have lost their jobs in manufacturing since January. Sure, exports are up and profits are up, but workers are being thrown out of their jobs.

The fact is that the Prime Minister is doing nothing about it. We could look at Hamilton, where Slater Steel is closing down, or Windsor, with the sale of Chrysler, or Kitimat or Saint-Jean, with Alcan's takeover.

People are losing their jobs. It is a crisis. It is the Prime Minister's job to do something about it.

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, we are well aware of certain challenges in the economy and in the labour market. At the same time, we do have the hottest employment market and the lowest unemployment rate in almost four decades.

The leader of the NDP talks about the manufacturing sector. This government's budget had important measures that the manufacturing sector had asked for, including special writeoffs and accelerated capital cost allowances for new investments. That is what this government has done. NDP members voted against it and voted against workers. This government is doing the job for workers.

[*Translation*]

MINISTERIAL EXPENSES

Hon. Raymond Simard (Saint Boniface, Lib.): Mr. Speaker, the cat is out of the bag. The Minister of Labour and the Minister of Transport, Infrastructure and Communities covered up their air travel expenses. Even worse, the Leader of the Government in the House of Commons, in attempting to help his spendthrift colleagues, misled this House. However, Canadians will not be fooled.

Does anyone on the other side of the House have the courage to admit that the conservatives misled Canadians? The Minister of Labour? The Minister of Transport, Infrastructure and Communities? The Leader of the Government in the House of Commons? Anyone?

[*English*]

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, yesterday I saw another newspaper story on this. I spent a couple of hours last night again going through the numbers because I could not believe what I read.

Guess what I found out again by going through the numbers in detail? I found out that our Minister of Labour and Minister of the Economic Development Agency of Canada for the Regions of Quebec spent less than his Liberal predecessor ministers. All the flights included and everything the department paid for, all the stuff he disclosed, was less than that of his Liberal predecessor ministers.

It is simple: when we want taxpayers' dollars taken care of, ask the Conservatives to be in charge.

Hon. Raymond Simard (Saint Boniface, Lib.): Mr. Speaker, the facts are that the Minister of Labour and the Minister of Transport have been caught hiding their expenses. Claiming innocence, they fired off letters bearing their signatures and their trademark funny arithmetic to various newspapers.

Now we know the facts do not support their story despite all the House leader's efforts. The issue here is disclosure and transparency. Who in the government will have the courage to correct the record and tell Canadians the truth, the labour minister, the transport minister or the government House leader? Who?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I thought they had brought the Internet to St. Boniface, but maybe not, because the member cannot seem to find numbers that are hidden on a website. Maybe it is just that he does not know how to use a computer yet. I do not know what the rules are or what the situation is, but the facts are as I have said.

The Conservative Minister of Labour and Minister of the Economic Development Agency of Canada for the Regions of Quebec spent less than his predecessors. The amount he spent has been disclosed. His flights have been disclosed on his proactive disclosures and on the government website. It is there for people to see. The spending is less than that of his Liberal predecessors. It is the Conservatives who are the guardians of the taxpayers' dollars.

Oral Questions

ROYAL CANADIAN MOUNTED POLICE

Hon. Sue Barnes (London West, Lib.): Mr. Speaker, the public accounts committee has heard testimony accusing the former commissioner of muzzling the RCMP ethics adviser.

It has also heard that deputy commissioners blocked access to information requests and that a culture of secrecy and fear exists inside the National Compensation Policy Centre, where workers were terrified of reporting abuses by their bosses.

The minister refuses to do anything more than window dressing. What is the minister afraid of? Why will he not stand up for these brave officers and call a judicial inquiry?

● (1435)

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, as we have said in the past, we want to get answers quickly. To go the route the Liberals have suggested, it could take two to three years to get the kinds of answers we want.

Anybody who checks the record will know that it is this government that stands up for the men and women in uniform who do the policing, who step into harm's way every day and every night around the clock. We are the ones who stand up for the RCMP and our other police forces. We are going to continue to do that.

We are also going to get answers to disturbing questions that we have heard raised, but we want to get those answers quickly.

Hon. Sue Barnes (London West, Lib.): Mr. Speaker, the public accounts committee is hearing allegations of behaviour from senior officers that is simply unacceptable. Allegations of cover-up, intimidation and harassment are coming from rank and file officers who put their careers on the line while attempting to get to the truth.

This minister has done nothing to show that he is taking these allegations seriously enough and has taken no action whatsoever on this file. What is he waiting for? What will it take for this minister to get involved and call a full judicial inquiry? We cannot wait.

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, as my colleague knows very well, I have asked for an investigation. We have that person in place, who has been given the power and the authority to find out about and get to the bottom of these very concerning things and to do it in a hurry.

She said she cannot wait, but all these problems took place under the Liberal regime. She waited very quietly when she was parliamentary secretary. She did not even raise these issues.

We cannot wait. We are getting answers. We are getting the job done.

[*Translation*]

ELECTORAL BOUNDARY READJUSTMENT

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, contrary to what the leader of the government said yesterday, the proposal for electoral representation reform does not guarantee that Quebec's representation in the House of Commons, which would fall from 24.4% of the seats to 22.7% in 2011, will be preserved.

Is the Prime Minister aware that his bill is inconsistent with genuine recognition of the Quebec nation, since such recognition means not reducing the political weight of that nation in federal institutions?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, the bill guarantees representation of Quebec, whose 75 seats are protected.

We are taking a balanced approach. The level of Quebec's representation is completely protected in this bill.

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, we are talking about relative weight. Seventy-five seats out of 307 is not the same thing as 75 seats out of 330. He ought to understand that.

Even worse, the Conservative bill accelerates the decline in Quebec's political weight in relation to what the previous formula provided. This is what his vision of nation building for Canada is all about.

Will the Prime Minister do the only thing that is consistent with recognition of the Quebec nation, which is to amend his bill to guarantee Quebec at least 25% of the seats in the House of Commons?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, our bill is based on principles.

It is based, first, on the fundamental principle of democratic representation: one person, one vote, each vote to have the same weight, as far as possible.

Our bill is fair. The Bloc Québécois wants to see unfair arrangements, because it wants to undermine Confederation. We know that Canadians, including Quebeckers, want a fair, strong and united Canada.

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GASOLINE PRICES

Ms. Paule Brunelle (Trois-Rivières, BQ): Mr. Speaker, on the heels of the Bloc Québécois' motion on the price of gas, Quebec's minister of natural resources is demanding that the federal government take concrete action to control oil companies, especially at the refining stage. Claude Béchard would also like to know why Industry Canada has not taken action in response to rising refining margins.

Will the Prime Minister strengthen the legislation to give real powers of investigation to the commissioner and the Competition Bureau?

Hon. Maxime Bernier (Minister of Industry, CPC): Mr. Speaker, there is no need to strengthen the Competition Act. The act is working well. The Competition Bureau has all of the powers it needs to investigate rising gasoline prices and producers' profit margins. The Competition Bureau has all of the powers it needs to act.

As for Quebec, I would like to remind my honourable colleague that the Government of Quebec has the power to regulate retail gasoline prices if it wants to do so.

Ms. Paule Brunelle (Trois-Rivières, BQ): Mr. Speaker, in some cases, a laissez-faire policy is the worst possible policy.

The refining margin is 22¢ per litre. That is three times higher than the average in the early 2000s, and it adds up to $10 more than usual for a 50 litre fill. That money is not helping protect the environment. It is lining the pockets of the oil companies.

Is the Prime Minister aware that by refusing to give the Competition Bureau more powers, he is a party to a system that benefits oil companies at the expense of consumers and the economy?

● (1440)

Hon. Maxime Bernier (Minister of Industry, CPC): Mr. Speaker, I would like to remind my Bloc Québécois colleagues that the price of gas fluctuates, much like their leader's desire to vie for the leadership of the Parti Québécois.

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[*English*]

TAXATION

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, Ernst & Young says that the finance minister's tax proposals are as "clear as mud".

Let me allow the minister to clarify himself yet again. Will the minister tell the House how much tax revenue he will raise annually as a result of his new proposed limitation on foreign interest deductibility? Will he table his calculations?

Hon. Jim Flaherty (Minister of Finance, CPC): First of all, Mr. Speaker, I want to thank the member for Kings—Hants for changing his mind yesterday and announcing last night on television that he supports the measures we are taking against tax havens. I thank him for his change of heart on that. It is very important.

He is being consistent now, I note, with when he was a Conservative and said in this place that tax havens "are robbing the Canadian tax base in our ability to pay for the social investment and also to create a more competitive tax system".

He was right as a Conservative and we are correct as Conservatives now.

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, I am delighted that the finance minister raised the real issue of tax havens. As Ernst & Young has said, adding confusion is the minister's link of double-dipping to tax havens: "It doesn't all fit together". Ernst & Young is right. The minister is wrong. There is no relationship between tax havens and double-dipping.

Furthermore, he is appointing a panel of tax experts to advise him on his tax policy, but this is what the experts are actually telling him right now. KPMG says that his proposal is "big trouble" for Canadian jobs. Ernst & Young says that his proposal is bad for "Canadian competitiveness".

Does the minister accept the advice of these tax experts or will he—

The Speaker: The hon. Minister of Finance.

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, the difference between the party opposite and this party in the treatment of tax havens could not be more obvious. We are dealing with the issue of tax havens. That party did nothing on this issue over the course of 13 years.

As Don Drummond from TD Bank said last night, "I wish when I was at Finance that we could have done something about tax havens". He said that the anti-tax haven initiative is "a very positive step forward".

However, I understand that the member has his secret ways of communicating by email with Bay Street and has other information, I know.

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EQUALIZATION

Hon. Robert Thibault (West Nova, Lib.): Mr. Speaker, tonight the House will vote on Bill C-52, the budget bill that breaks the promise to Nova Scotia and Newfoundland and Labrador on the Atlantic accords.

Will the Conservative MPs from those two provinces do the right thing, do what they were sent to Ottawa to do, and support their constituents by voting against this broken promise?

Will the Chief Government Whip permit Atlantic Conservative members to vote in support of their constituents and against this flip-flopping funding fiasco?

Hon. Peter MacKay (Minister of Foreign Affairs and Minister of the Atlantic Canada Opportunities Agency, CPC): Mr. Speaker, what I suspect Nova Scotia and Atlantic MPs will do is support the budget because it is good for Nova Scotia. It in fact allowed the government of Nova Scotia to balance its budget this year.

However, I can tell the member opposite what we will not do. We will not do what the Liberal leader did to the member for Thunder Bay—Superior North. We will not throw a member out of caucus for voting his conscience. There will be no whipping, flipping, hiring or firing on budget votes as we saw with the Liberal government.

● (1445)

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, in the vote on the budget bill tonight, the Conservative promise to Saskatchewan about equalization will be broken. The Conservatives will impose a cap on Saskatchewan, a cap they promised never to impose, and that cap kills their promise. No amount of double-talk will change that reality.

The Conservative MP for Regina—Lumsden—Lake Centre said, "If you want to say we didn't fulfill the commitment or keep our promise, fair enough". But it is not fair enough.

The premier of Saskatchewan is asking all Saskatchewan MPs to vote against the budget bill. Will the chief government whip allow them the freedom to do so?

Hon. Gerry Ritz (Secretary of State (Small Business and Tourism), CPC): Mr. Speaker, that member sat in cabinet for 13 years and would not even address equalization or the fiscal imbalance. He did nothing. He wrote three budgets in his last year that did nothing for Saskatchewan.

This budget delivers 880 million new dollars for the people of Saskatchewan. We as the Conservative members of Saskatchewan will support the people of Saskatchewan, not the premier of Saskatchewan.

Some hon. members: Oh, oh!

The Speaker: Order. The discussion about Saskatchewan is over. We have moved to Newfoundland. The hon. member for Avalon.

* * *

GANDER INTERNATIONAL AIRPORT

Mr. Fabian Manning (Avalon, CPC): Mr. Speaker, the Gander International Airport has been a Newfoundland icon since it began operation in 1938. Often referred to as the crossroads of the world, the airport is a major economic driver in central Newfoundland, not to mention a source of pride in the community.

Our government has been aware of difficulties faced by the airport and we have been engaged on the file with a view to helping the airport be more viable for the future.

Could the Minister of Fisheries and Oceans update the House on what progress has been made regarding the Gander International Airport?

Hon. Loyola Hearn (Minister of Fisheries and Oceans, CPC): Mr. Speaker, we were the ones who initiated an offer to Gander. When we heard that Gander International Airport was in trouble, we had a meeting and brought a number of departments together. We made an offer to Gander to keep it going.

The airport authority rejected the offer, but recently the towns around Gander, Grand Falls, et cetera, got together with the airport authority. They came up again, met with us all, and have now accepted the offer. Right now we are all looking at working together collectively to make sure Gander is there long into the future.

* * *

MINISTERIAL EXPENSES

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, we hardly expect the Minister of Labour to do his job on a bicycle, but we do expect him to disclose how much he is spending on travel, where he has been travelling to, and who has been going with him on his trips.

I should not have to file an access to information request to learn that one of the minister's charter flights, where the expense was listed as zero, actually cost $41,822.

Why did the minister hide this figure? What is he ashamed of and just what was he doing on this $41,822 flight?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, again, members of the opposition are having difficulty assessing the facts here.

The facts are that all the travel expenditures of the Minister of Labour and Minister of the Economic Development Agency have been disclosed. All those flights have been disclosed on either his proactive disclosure or on a departmental website. That is done in accordance with all the rules in place

However, the significant thing is what he spent compared with his Liberal predecessors. That amount is a lot less than what his Liberal predecessors spent doing their jobs because we get good value for our money when we have Conservatives in government.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, Canadians should not have to go on a scavenger hunt to find out what their ministers are spending. Canadians are fed up with this lack of transparency.

For the Conservatives to use the Liberals as the yardstick by which they measure accountability, it would be comical if it were not so sad. It is like choosing between wanton excess and wretched excess.

Will the minister stop hiding behind these lame excuses, stop hiding behind his House leader, and tell us why he does not disclose all of his expenses, so we do not have to use a magnifying glass to figure it out?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I hate to talk about wanton excess, but when I think of wanton excess, I think about the NDP leader who claims to love the environment and claims to go everywhere by bicycle. However, when he was on council, in one year alone, he managed 194 gas guzzling limo rides.

I know he said it was because he had to go to the airport a lot, and he had to do this stuff all across the country, but 194 gas guzzling rides in a limo for a guy who loves the environment, I do not know. It sounds to me like wanton excess.

* * *

● (1450)

ABORIGINAL AFFAIRS

Hon. Anita Neville (Winnipeg South Centre, Lib.): Mr. Speaker, the Assembly of First Nations has serious concerns with the limited scope of Bill C-44.

The Ontario chiefs feel the repeal of section 67 of the Canadian Human Rights Act is like throwing a grenade into collective rights. The Canadian Bar Association said the repeal has the potential to undermine the protection of collective rights.

We have to get it right. Why does the minister feel he knows best when it comes to aboriginal peoples, when they themselves do not agree with the government's position?

Hon. Jim Prentice (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, CPC): Mr. Speaker, the Liberals will have to make their decision. They will have to decide if they will go back to their tennis clubs and golf clubs for the summer or if they will get Bill C-44 back to the House, so that first nations citizens will no longer be second class citizens in Canada without the protection of a human rights code.

For 13 years the Liberals did nothing about this. It has been 30 years in this country, which is long enough. That is enough consultation. The government intends to act with or without them.

Hon. Anita Neville (Winnipeg South Centre, Lib.): Mr. Speaker, who is the golf player?

Aboriginal people and women feel used by the minister. Over and over again we have heard about the lack of consultation on Bill C-44, but the government has yet to apologize to the victims of residential schools.

It is a double standard. The government is willing to consult and wait five years to apologize, yet it will enact new legislation without a shred of consultation.

That father knows best approach simply does not work. Why did the government not consult with first nations before enacting this legislation?

Hon. Jim Prentice (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, CPC): Mr. Speaker, any time the hon. member stands to debate aboriginal policy, she is not alone.

She always has the Liberal Party's shameful record beside her, whether it is on housing, whether it is on water, whether it is on section 67 of the Human Rights Act, whether it is on poverty, or whether it is on any of the issues that deal with aboriginal communities.

On specific claims under the Liberal government, claims in this country backlogged from 253 to 800 claims. It is a shameful record.

* * *

[*Translation*]

PASSPORT CANADA

Hon. Diane Marleau (Sudbury, Lib.): Mr. Speaker, access to passport services, particularly in the regions, has been a problem for a long time.

It has been a very serious problem since January. Now, there is talk of new legislation. It is too little, too late. Passing new legislation takes time and does not guarantee services.

Can the minister tell us why he waited so long before deciding to do something? What will he do to immediately solve this problem? When will we see the text of this legislation?

[*English*]

Hon. Peter MacKay (Minister of Foreign Affairs and Minister of the Atlantic Canada Opportunities Agency, CPC): Mr. Speaker, imagine the audacity of a Liberal standing up and talking about delays after the 13 years the Liberals sat in office on so many issues.

We have hired 500 new employees at Passport Canada. We have cut the times because of a 40% increase to deal with the 20,000 applications that we are receiving a day.

Yes, we will introduce a passport act in the future because for 35 years passports have been administered under an order of the House as opposed to specific legislation.

Hon. Diane Marleau (Sudbury, Lib.): Mr. Speaker, this new government has known for at least 15 months that it would have a lot of problems at Passport Canada, but that is no excuse. Passport Canada has given me every excuse in the book for not opening more passport offices in the regions of Canada.

Now a new law is being proposed, or at least it was last night when the minister ran up the stairs. I hope this is not just another excuse for not opening new offices. We could work on the new law while Passport Canada opens new offices.

When will the Minister of Foreign Affairs announce the opening of new passport offices?

Hon. Peter MacKay (Minister of Foreign Affairs and Minister of the Atlantic Canada Opportunities Agency, CPC): Mr. Speaker, it is not an excuse. I ran up the stairs because my office is upstairs.

I have already outlined what we have done. We have hired 500 new employees at Passport Canada. We have been able to cut into the backlog of 20,000 applications a day by now producing 40% more. As far as the hard work and dedication of Passport Canada officials, the member opposite should be applauding them. We are dealing with this issue.

This issue came about as a result of a western hemisphere travel initiative which, I point out the obvious, began under the previous government. We are dealing with issues, getting things done. That is our trademark. The previous government's record is appalling.

* * *

● (1455)

[*Translation*]

ARTS AND CULTURE

Mr. Maka Kotto (Saint-Lambert, BQ): Mr. Speaker, the assistance program for exhibits and festivals is floundering, and the Canadian Festivals Coalition has informed the Standing Committee on Canadian Heritage that at the rate things are going, the department will not have a program to implement until fall.

In the interest of transparency and to avoid another sponsorship scandal, can the minister tell us why she did not consider the eligibility criteria proposed by the coalition, which would have sped up the process and secured financial assistance for the agencies this summer?

[*English*]

Hon. Bev Oda (Minister of Canadian Heritage and Status of Women, CPC): Mr. Speaker, as I have indicated before, the intention for this program was in the budget. We are now at the initial stages of building the criteria and establishing the real needs in the communities. As the process proceed, we will make the guidelines and framework for the program public.

[*Translation*]

Mr. Maka Kotto (Saint-Lambert, BQ): Mr. Speaker, what apathy.

The minister must move quickly because summer is just around the corner. Could she at least tell us when she will table her schedule? We are running out of time.

[*English*]

Hon. Bev Oda (Minister of Canadian Heritage and Status of Women, CPC): Mr. Speaker, as I have indicated, this government does support the cultural and artistic activities in the local community. We also want to ensure that public money is going to meet the real needs of those communities. Therefore, we will take due process and include all the consultation that is necessary to make it a really effective program for the communities.

* * *

INTERNATIONAL TRADE

Mr. Blair Wilson (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.): Mr. Speaker, while British Columbians are working hard to build ties with our Pacific Rim partners and become a world-class hub of trade, the Conservative member for Delta—Richmond East is busy trying to tear down what British Columbians have built and the plans they have made.

Yesterday the member said that it makes no sense to push ahead with the Pacific gateway strategy. Why has the Minister of International Trade not condemned these irresponsible remarks and when will he defend the Pacific gateway strategy from attacks from his very own caucus?

Mr. James Moore (Parliamentary Secretary to the Minister of Public Works and Government Services and Minister for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, I appreciate the question from my colleague because it allows me an opportunity to remind this House the great news that this government announced last week.

We announced that we are delivering $1 billion to the Asia-Pacific gateway. From the Hudson Bay Company, through the FTA, through NAFTA and now the Asia-Pacific gateway, Canada always has been and always will be a trading nation. This government is doing everything it can to ensure that it will continue to grow in the international sphere.

Premier Gordon Campbell said it best. He said, “The B.C. caucus of the federal government, the Conservative caucus, has done a great job of grabbing this initiative” and making it a success for British Columbia.

We are getting the job done.

* * *

CANADA-U.S. BORDER

Mr. Dean Allison (Niagara West—Glanbrook, CPC): Mr. Speaker, in December 2004 Canada and the United States announced their intention to establish a pre-clearance pilot project at the Peace Bridge at the Ontario-New York border. This would involve relocating American border operations onto Canadian soil. Recently, negotiations on the pilot project have broken down.

Can the Minister of Public Safety comment on why the government is no longer in talks with the United States on this issue?

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, the issue of land pre-clearance offered great potential for easy movement back and forth across the border. It involves officers working on the other person's soil. We had an agreement with the Americans that any agreement had to respect our various laws.

The Americans on their side of the issue are requiring that fingerprints of Canadians be mandatory in certain situations. That goes against our own individual rights.

We want security at the border. We want good movement across the border, but we cannot compromise on our own charter rights. I had to inform the Americans of that. I hope we can find other ways to keep things moving, but we cannot compromise on that.

* * *

[*Translation*]

OFFICIAL LANGUAGES

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, although it says otherwise, the government does not support Canada's language minorities.

Earlier today, the incompetent chair of the Standing Committee on Official Languages was relieved of his duties. The committee cannot get back to work until the government appoints a new chair.

The government whip said that he did not think there would be outrage among Canadians if the committee was not sitting.

Does the Prime Minister agree with the comments of his whip, or will he appoint a new chair?

● (1500)

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, as I have already said, the opposition is using this committee to play political games, and it is preventing the members from continuing their fine work. This has nothing to do with the government's commitment to linguistic duality and bilingualism.

In fact, the actions of the opposition in committee in no way contribute to the development of official language minority communities or linguistic duality.

The member's motion serves only his own interests.

[*English*]

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, the Commissioner of Official Languages has said today that the government is failing its obligations in promoting linguistic duality and developing minority language communities, from anglophones in Quebec and francophones in the rest of Canada.

When will the Prime Minister stand up for these communities, apologize for the comments of the government whip and appoint a new chair to the official languages committee?

[*Translation*]

Hon. Josée Verner (Minister of International Cooperation and Minister for la Francophonie and Official Languages, CPC): Mr. Speaker, it is clear in this House that the New Democrats and the Liberals are the ones who were against an additional $30 million for the promotion of linguistic duality rights in this country.

It is up to the member to explain why he refused to let Canadian youth benefit from these additional investments.

* * *

[*English*]

FOREIGN AFFAIRS

Hon. Irwin Cotler (Mount Royal, Lib.): Mr. Speaker, the genocide convention and the ICC treaty prohibit incitement to genocide. The Conservative government has publicly condemned President Ahmadinejad's incitement to genocide.

Yet Conservative MPs voted against this motion, while the Minister of Foreign Affairs yesterday said that he did not want to give Ahmadinejad a forum. Mr. Ahmadinejad already has a forum and he is using it precisely to incite genocide.

Will the government implement our international obligations, or will it continue to indulge this culture of impunity? Will its actions match its words?

Hon. Peter MacKay (Minister of Foreign Affairs and Minister of the Atlantic Canada Opportunities Agency, CPC): Mr. Speaker, as I said the other day in the House, certainly members here support the sentiments behind this motion. The reality is this government has taken action. We moved a resolution at the United Nations General Assembly calling for Iran to improve its human rights practices.

When the deputy leader of the Liberal Party was accusing the Israelis of war crimes, when the member for Etobicoke Centre was accusing Israel of state terrorism, when the member for Bourassa was marching in parades under the Hezbollah flag and when the wife of the member opposite was quitting the Liberal Party, this government was standing up for Israel and condemning Iran for its financial support of terrorism.

JUSTICE

Mrs. Joy Smith (Kildonan—St. Paul, CPC): Mr. Speaker, a Winnipeg mother of three was killed this weekend by an impaired driver. This accident could have been prevented had the driver chosen not to drive while impaired. With a long weekend coming up, I fear that the death toll from impaired driving related accidents will increase yet again.

Could the Minister of Justice please tell the House what action the government is taking to crack down on those who put lives at risk by selfishly choosing to drive while impaired?

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, I share the hon. member's concerns. As part of this government's crime fighting agenda, we have introduced Bill C-32 to better crack down on impaired driving in our country. We are giving police the tools they need to better detect drug impaired drivers. We are increasing the penalties for drug impairment.

This is one part of the government's crime fighting initiative, but I want to assure Canadians we are just getting started.

* * *

POINTS OF ORDER

ORAL QUESTIONS

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, the Minister of Industry a moment ago, in answer to my question, suggested there was reference to a task force in the budget that would be looking into foreign takeovers. That turns out to be incorrect information. The budget simply said that the Minister of Finance would set up an advisory panel to examine the system. He was referring to Canada's international tax system. It did not mention anything at all about foreign takeovers.

● (1505)

The Speaker: I am not sure that the hon. member has raised a point of order. It sounded like a matter of debate to me.

Hon. Sue Barnes (London West, Lib.): Mr. Speaker, I want to erase the confusion in the Minister of Public Safety's response to my question for him. He said that I had never asked questions on this when I was parliamentary secretary. I have never been parliamentary secretary for public safety and security. I hope that establishes the correct fact.

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, I think the record will show that I never accused the member opposite of the apparently odious crime of being associated with public safety. I do not think I mentioned that. I said that she was largely silent on this issue while it was taking place under the Liberal regime.

The Speaker: I am sure all hon. members appreciate the clarification.

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, during question period, the Prime Minister made a remark suggesting that the official languages action plan, which was implemented by the now Leader of the Opposition was a failure. However, I draw to the attention of the House the website version of the report of Mr. Fraser. Page 14, chapter 2, clearly indicates the plan was indeed a success.

Speaker's Ruling

The Speaker: We seem to be getting into a lot of debate about what is correct and what is not in questions or answers. As hon. members know, question period ends and we move on to other business.

Hon. Maxime Bernier (Minister of Industry, CPC): Mr. Speaker, the leader of the NDP said that it was not in the budget. It is on page 177 of the budget. I want to read it:

> The Government will task an expert independent panel to undertake a comprehensive review of Canada's competition policies and report, before Budget 2008...

The Speaker: I think hon. members understand when I say I am not sure these are points of order. It does sound like debate, but we will do something else for a moment. I have a ruling.

[*Translation*]

BILL C-280—AN ACT TO AMEND THE IMMIGRATION AND REFUGEE PROTECTION ACT—SPEAKER'S RULING

The Speaker: The Chair is now prepared to rule on a point of order raised by the Parliamentary Secretary to the Government House Leader and Minister responsible for Democratic Reform on May 3, 2007 in relation to Bill C-280, An Act to Amend the Immigration and Refugee Protection Act (coming into force of sections 110, 111 and 171), standing in the name of the hon. member for Laval.

[*English*]

In his submission, the parliamentary secretary explained that Bill C-280 proposed to change the manner in which provisions of the Immigration and Refugee Protection Act would come into effect. That act was amended in 2001 by Bill C-11, which contained a clause, clause 275, providing that:

> The provisions of this Act come into force on a day or days to be fixed by order of the Governor in Council.

This sort of clause is frequently found in bills and is commonly known as the "coming into force clause".

[*Translation*]

Some provisions of Bill C-11 have yet to be proclaimed by the governor in council. Bill C-280 proposes to have three such provisions, namely sections 110, 111 and 171 of the act, brought into effect immediately upon royal assent of Bill C-280, and not by way of proclamation to be determined by the governor in council.

Speaker's Ruling

[*English*]

The parliamentary secretary noted that the substantive effect of implementing sections 110, 111 and 171 of the act would be to establish the refugee appeal division at the Immigration and Refugee Board and that this would entail significant new expenditures of an administrative nature. He then went on to explain that through its coming into force clause, Bill C-11 gave the governor in council the power to determine at what time the division would be created and the associated expenditures would be incurred.

The parliamentary secretary contends that by changing the coming into force of these sections of the act, the terms and conditions of the royal recommendation accompanying Bill C-11 are being altered. He read from citation 596 of Beauchesne's sixth edition, which explains that the royal recommendation not only fixes the amount of an expenditure but also the way that it would be incurred.

He went on to cite two precedents from 1985 and 1986 to support his arguments that Bill C-280 should therefore be accompanied by a new royal recommendation.

● (1510)

[*Translation*]

The Chair has examined the two precedents cited by the parliamentary secretary in support of his basic argument that an alteration in the coming-into-force provisions of a bill infringes on the financial initiative of the Crown.

[*English*]

The first precedent, in 1985, concerns a report stage motion to Bill C-23, an act to amend the Small Business Loans Act. The bill sought, among other things, to restrict to 90% the amount of loss sustained by the minister for loans made to small business enterprises after March 31, 1985. The report stage motion sought to maintain the existing law and make the minister liable for the full amount of the loss. On March 26, 1985, Mr. Speaker Bosley ruled the amendment inadmissible because it relaxed a condition of the royal recommendation.

The second precedent, in 1986, concerns an amendment put forward during consideration in committee of the whole of Bill C-11, an act to amend the Income Tax Act. The bill sought to allow the prepayment of a child tax credit in the following taxation year. The amendment would have permitted the prepayment during the greater part of the current taxation year. In ruling the amendment inadmissible on October 17, 1986, the chairman of the committee of the whole simply explained that the proposed amendment infringed on the royal recommendation.

While these precedents may be useful in understanding how programs may be limited or extended in their application, they do not assist us in better understanding the issue at hand.

[*Translation*]

The fundamental issue in the present case is whether the coming-into-force provision of an act which was originally accompanied by a royal recommendation can be altered without a new royal recommendation.

[*English*]

After considerable reflection on the matter, the Chair would present the situation as follows.

In 2001 Bill C-11 sought an authorization from Parliament to establish the refugee appeal division. As I see it, the action of setting up the statutory framework for the new division required that a royal recommendation accompany Bill C-11 because a new and distinct authority for spending was being requested.

As it happened, Bill C-11 also contained a coming into force provision which would allow the governor in council to decide when the refugee appeal division would be formally established. In the view of the Chair, it is very important to remember that even after the governor in council proclaims the establishment of the division, Parliament would still have to approve spending plans for its operations through the estimates and the subsequent appropriation act.

In this light, therefore, it appears to the Chair that the chief financial components which require a royal recommendation are: first, authorization for setting up the statutory framework for the refugee appeal division, duly provided by Bill C-11 with its original royal recommendation; and the operational funding to be sought in a future appropriation act where financial authority can be duly provided in the usual estimates process.

[*Translation*]

Although the proclamation of the coming-into-force provision will set into motion the establishment of the refugee appeal division, it should be seen as independent of the royal recommendation and not part of its terms and conditions.

[*English*]

Our rules and practices hold that coming into force clauses of bills have always been open to amendment and a vote. If we were to accept the argument that an alteration in the coming into force provision would somehow infringe upon the royal recommendation, then it should not be admissible for a committee or the House to negative or amend such a clause unilaterally. Such is clearly not the case.

Essentially, it is a question of timing. The royal recommendation originally attached to the bill applies, unaltered, to its provisions irrespective of the point in time at which such provisions come into force and, from a procedural standpoint, the alterations to the coming into force provisions of the Immigration and Refugee Protection Act, as expressed in Bill C-280, cannot be seen as infringing on the financial imitative of the Crown.

[*Translation*]

Consequently, Bill C-280 may proceed for debate and a vote at third reading.

I think that the hon. Leader of the Opposition wishes to rise on a question of privilege.

PRIVILEGE

STANDING COMMITTEE ON OFFICIAL LANGUAGES

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, I would like to raise a question of privilege in the wake of the government's decision not to appoint a new chair of the Standing Committee on Official Languages after the committee voted that it no longer had confidence in the chair. This decision is preventing the members from meeting as a committee and doing their work.

Mr. Speaker, I refer you to page 67 of Marleau and Montpetit:

> Thus, the House also claims the right to punish, as a contempt, any action which, though not a breach of a specific privilege, tends to obstruct or impede the House in the performance of its functions; obstructs or impedes any Member or Officer of the House in the discharge of their duties—

The chief government whip threatened the chief opposition whip that if the Standing Committee on Official Languages said it no longer had confidence in its chair, the member for Stormont—Dundas—South Glengarry, the chief government whip would paralyze the committee by refusing to allow any Conservative member to be considered for chair of the committee. I understand that the member for Acadie—Bathurst received the same threats from the chief government whip.

The government did not just threaten and intimidate the MPs, it carried out its threats. In fact, that is exactly what the government did this morning in committee.

After the members of the committee passed a non-confidence motion in respect of the committee chair, the members of the opposition tried three times to appoint a Conservative member of the committee as the new chair. The Conservative members of the committee rebuffed each attempt, thus preventing the committee from meeting. As I speak, the committee cannot meet, cannot do its work and cannot report to this House. On the very day that the Commissioner of Official Languages, an officer of Parliament, tabled his annual report, the government decided to kill the standing committee charged with studying the commissioner's report.

After the Commissioner of Official Languages accused the government of not respecting the Official Languages Act because it abolished the court challenges program, the government decided to silence the members. Hence, the committee cannot call witnesses, can no longer question the ministers or even convene an officer of Parliament, such as the Commissioner of Official Languages.

The government cannot simply prevent MPs from meeting to examine issues that embarrass the government.

In conclusion, the government is using the rule that only a member of government can chair this committee to force government members to support the Prime Minister's choice of committee chair. Therefore, the government is deliberately preventing the committee—and therefore this House—from carrying out its responsibilities.

Mr. Speaker, should you deem that this constitutes a prima facie question of privilege, I am prepared to table the appropriate motion in both official languages.

● (1515)

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, that is not at all what happened. The opposition is using the committee as a pawn in its political chess game and is preventing the members from carrying on with their good work. In fact, the opposition said that the chair should step down.

[*English*]

It is the opposition that has been making the threats. It is the opposition that has been carrying out a campaign of persecuting a very honourable member of this House, a member who has conducted himself in a most dignified fashion for a long time.

The member for Stormont—Dundas—South Glengarry is a proud Franco-Ontarian who has served very well in the capacity as chair of the committee.

Some hon. members: Hear, hear!

The Speaker: Order, please. We are hearing an argument on a question of privilege. We will have some order so I can hear the submissions of the hon. government House leader.

Hon. Peter Van Loan: Mr. Speaker, I think in that fashion you have illustrated exactly the kind of behaviour we have been seeing from an opposition that is entirely incapable of articulating an effective issue in the House of Commons and now is resorting to paralyzing the business of government at the committee level.

That is a failure of leadership. It is a further failure of leadership that their leader would come to this House on an alleged question of privilege when in reality it is a crusade by them to persecute members of a committee who are doing their business and doing their business well.

The Speaker knows full well that committees are masters of their own business. The Standing Orders and the rules are clear. An appeal to this House in this fashion is entirely out of order. It does not raise a prima facie case of privilege. I am surprised and shocked that the Leader of the Opposition, with his years of experience, is not aware of those very basic rules of procedure in this House of Commons. Apparently he still has a lot to learn in his new job.

However, I will reflect that the rules are clear and that it is from the government that a chair is selected. It is from the opposition that a vice-chair is selected and it is from a third party that a second vice-chair is selected. That selection is done by the committee.

It is clear in this case that the members of the Conservative Party have, with very good reason I might add, a lot of confidence in the chair of that committee, the member for Stormont—Dundas—South Glengarry, who has conducted himself very well.

The Leader of the Opposition may not like the fact that they do not have confidence in him. He might not like the fact that the Conservative Party, the government here, does not have much confidence in his ability as Leader of the Opposition. However, the fact is that it is their privilege to decide who they wish to represent them, the same as it is the privilege of the Liberal Party to decide who they wish to put forward as the vice-chair or who they wish to put forward, for that matter, as their leader. That is the way things work in our democracy.

It is rather presumptuous for them to now want to manage the affairs within the Conservative Party, within the government, but that is the reality of what he is seeking.

As you can see, Mr. Speaker, there is absolutely no question of privilege that arises from this. If there has been any obstruction of the work of the committee, anybody putting up obstacles to the committee proceeding with its business, those obstacles have been put up by an opposition that is taking actions to remove the committee chair and thereby paralyze its ability to continue to work.

The government members on that committee have made it clear that they continue to have confidence in that member. Those are the rules in the Standing Orders and they should be respected. If they wish to respect those rules and respect the business of the House and the way this House should operate, they should stop playing games at that committee and at so many other committees and now here in the House, respect the rules, respect the confidence that those Conservative members have in their chair and allow them to get on with the business of government.

I know getting on with the business of governing is not what the Liberal Party is interested in right now. They are interested in paralyzing the business of government. We have seen it with Bill S-4 where the Liberal senators have refused to do their work for a year. We are seeing it now at committees where the Liberals are again refusing to do their work. It is time that they got on with it and allowed them to do their work.

● (1520)

[*Translation*]

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, I rise on behalf of my Bloc Québécois colleagues to support the leader of the opposition's question of privilege. It is disingenuous of the leader of the government to say that committee members control committee procedures. It seems to me that the government is making a concerted effort to stop committee members from acting according to the will of the majority.

It is clear that the chair has lost the confidence of the members of the three opposition parties and as a result, they want a new chair to preside over their work. By asking all Conservative members to refuse to let their names stand for the position of chair, the government is blocking the committee's work. In my opinion, this situation requires a major intervention.

This is not the first time the government has used this kind of blackmail. When I was a member of the Standing Committee on International Trade, the government threatened to suspend the work of the committee if we went through with our unanimous intention to replace the chair. We wanted the work to go on, so unfortunately, we were forced to give in to blackmail. That was at the time of the softwood lumber crisis.

We have to find a solution to this kind of situation, which is not in line with the rules of democracy, and which, in my opinion, casts a shadow over the institutions of the House of Commons and Parliament.

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, I rise as well to support the Leader of the Opposition on the question of privilege he has raised. The fact is that the position taken by the government today breaches the privileges of all parliamentarians.

I have been a member of this House since 1997. How many times, Mr. Speaker, has a member risen on a point of order or a question of privilege relating to parliamentary committees? Your decisions held that a committee is the master of its own house.

● (1525)

[*English*]

How many times have we raised a question of privilege in this House and you, Mr. Speaker, have come back saying that parliamentary committees were their own masters?

[*Translation*]

If we are master of our own house, does that mean that the chair of a committee can go against the decision of a majority of the committee? The government, with its chair, decided to refuse to hold meetings to discuss the court challenges program. The chair, on his own, refused to hold meetings, when the Government of Canada had paid to have witnesses from Winnipeg appear before the committee. That was paid for by the taxpayers. The Government of Canada paid for witnesses to come from Montreal to testify before the Standing Committee on Official Languages.

I can understand that a chair would have the power to cancel a meeting. For example, if he receives a call informing him that the witnesses are not available, that they missed the plane and there are no witnesses, I can understand that a chair would be given the power to cancel a meeting, but not when he says that it is because of partisanship. Have the Conservatives forgotten that we are doing politics here, that we are in the Parliament of Canada where what we do is debate democratically and make decisions?

To take away the privilege, our privilege, as members of the Standing Committee on Official Languages, to hear witnesses on a relevant subject such as the court challenges program, that shames our Parliament! It is shameful to do this today, the day on which the Commissioner of Official Languages has condemned the government for what it has done in relation to official languages.

In order to paralyze our work on that committee, the government is supporting the chair of the Standing Committee on Official Languages and refusing to appoint someone else. How can it say that it is acting democratically? How can it say that it supports the official languages of our country?

It is shameful that the government is paralyzing its work, when the chair has lost the confidence of the committee. He lost that confidence because he wanted to make a unilateral decision that went against a democratic decision by the majority of the committee: to hold hearings about the court challenges program.

For these reasons, and because in the past you have said that we were masters of our own house, “the masters of their own house”, there can be no one who decides in the committee’s name.

I would therefore like you to consider this view, and tell the House what direction it should take. It is unacceptable, in a democracy, for a person in Canada to be able to make decisions in this way and take away our privileges, here, in the Parliament of Canada. We were elected to represent the people from all parts of this country.

The government cannot decide to do this because it is being criticized by francophone communities for the cuts it has made. It is being accused of taking away the ultimate tool that gave us schools in Prince Edward Island, Montfort Hospital here in Ottawa, schools in Nova Scotia and British Columbia.

If it does not like its cuts, it can reinstate the court challenges program. It is unacceptable to paralyze the Standing Committee on Official Languages, to take away our privilege of sitting on the committee, and to refuse to appoint someone to chair it. If it refuses to appoint a chair, that means that it does not support the official languages of our country.

[*English*]

Hon. Jay Hill (Secretary of State and Chief Government Whip, CPC): Mr. Speaker, I would hopefully like to bring some clarity to some of the allegations that we just heard from the leader of the official opposition, especially in light of his personal comments about actions that I took and his rationale that those somehow posed a threat to my opposite numbers, the opposition whips.

At the outset, I would like to reiterate the comments made by the hon. House leader for the government when he stated that the other committee members, the Conservative government members on the official languages committee, all support the chair and continue to support the chair, the hon. member for Stormont—Dundas—South Glengarry.

By saying that, I would pose the question to the opposition parties, what would they have me do as the whip then? Am I supposed to somehow force one of those members to take the chair, after the opposition summarily removes him? That is what I hear them suggesting.

● (1530)

Hon. Mauril Bélanger: What about the vice-chair?

Hon. Jay Hill: Mr. Speaker, with all due respect, I sat here and listened to the arguments from the other members, but as soon as I start to talk and they do not like what I am saying, then they have no respect and they have to start heckling on a question of privilege. You know how serious a question of privilege is, Mr. Speaker.

The Speaker: The noise has not been bad, I must say, and I am paying close attention to what the hon. chief government whip is saying, as always, but he does ask some rhetorical questions and unfortunately those invite answers. He has asked a couple of rhetorical questions in his remarks which did seem to provoke some response, of course not from me. I will deal with the arguments later, but I am pleased to hear him now and I hope he will be able to continue his remarks uninterrupted.

Hon. Jay Hill: Me too. Thank you, Mr. Speaker.

When I had the conversations, which I believe to be private conversations between me and my opposite numbers, concerning the notice of motion that the whip for the New Democratic Party had served that he intended to bring a motion of non-confidence against the chair of the official languages committee, when I had those discussions with my opposite numbers, the whips of the three opposition parties, I assumed that conversation and those discussions were in confidence, the same as we often have confidential conversations. In any event, that has turned out not to be so. My rationale in having those conversations was simply to ensure that there was no ambiguity about the rules.

The rules, as the hon. Leader of the Government in the House of Commons has stated, are that in the Standing Orders the chair of that particular standing committee is a government member. Those are the rules.

I wanted to ensure that the whips of the other parties, if their members were to support that motion of non-confidence that the whip of the NDP had put forward, if they intended to support that and summarily and arbitrarily dismiss the member for Stormont—Dundas—South Glengarry from the chair position, that then by the rules of the House, unless a Conservative member was to allow his or her name to stand, the committee would no longer sit. I merely reiterated those rules to the whips and wanted to ensure that there was no question in their minds that this particular action would have that particular consequence.

I was not threatening anyone. I did not think that I was posing a threat. I was just saying exactly what would unfold and indeed, that is what has unfolded.

The second issue I would like to address, Mr. Speaker, is that we have a tradition in the House of Commons, and I believe at committee, whereby when some members might take personal exception to some remarks or actions that some other member has made, that we respectfully call upon them to explain themselves. We listen to that explanation. Perhaps that member will offer an apology and seek forgiveness, whether it is in this chamber or whether it is in committee. It has happened to me certainly many times in my experience when different members have found themselves in that position over the 14 years I have been here.

That did not happen in this particular case. Let us be clear that the hon. whip for the New Democratic Party put forward a motion to remove the chair of the official languages committee. He believed that the opposition members on that committee should act as judge, jury and executioner without even listening to the hon. member's explanation. That was put forward. They debated the decision before they ever arrived at the committee. Before they ever asked him to explain himself, explain his actions, they were already determined to remove him.

I would suggest to you, Mr. Speaker, that that suggests there is a serious problem. When we say that the opposition is playing partisan politics with this particular issue, I would like you to review it.

Mr. David McGuinty: You're making it up.

Hon. Jay Hill: Someone is heckling from the other side and saying, “You're making it up”. I am not making this up.

The testimony of the committee is there. I would challenge anyone in this country that is interested in this particular issue to find out what was said today, this morning, at the official languages committee.

I was not there but a lot of members were there and it was certainly reported to me that the member for Stormont—Dundas—South Glengarry offered an explanation for his actions.

The reality is, Mr. Speaker, that he still enjoys the support of his colleagues. I as the whip am not going to and no one else in this party is going to try to force one of my colleagues to serve as chair and undermine his credibility when he has no reason to be removed, none, Mr. Speaker.

Hon. Geoff Regan: A dictatorship.

Hon. Jay Hill: Someone is saying "a dictatorship". Do you know what this is, Mr. Speaker? This is merely the latest example of the Liberals' arrogance that they cannot come to terms with the fact that they lost the election. They cannot come to terms with that. Their arrogance is such that they and the other two parties are going to determine who the Conservatives have as chairs.

● (1535)

If we allowed this to stand, they could remove every single one of our chairs. We could play musical chairs until the cows came home, but what would it accomplish, other than allowing the opposition to determine who our chair is? The fact of the matter is there are many opposition members sitting on many standing committees that personally I and some of my colleagues take exception to some of the antics they pull on any given day.

If I were given my choice, I might even suggest that it might be nice to have certain members removed from committees, but it is not my choice of who the opposition parties choose to have on a specific standing committee. In fact, we have a long-standing tradition that when an opposition party, when any party wants to make a change in its membership on a standing committee what happens by the rules of the House is all four whips sign.

I do not ask the hon. member that serves as the whip for the official opposition to justify to me why they want to remove one member and put another member on that committee. I do not do that. It is not my place to do that. It is the Liberals' business who they have on a certain committee and it is the Liberals' business who they choose to let their name stand as vice-chair of a certain committee. I do not try and tell them and dictate and say, "Well, I don't like that person's attitude. I don't like what they said the other day. I don't like what they did last week, so we are going to vote them off the island and we are going to have someone else serve as vice-chair". It is the Liberals' business who they have as vice-chair. I do not pretend for a minute that I should be able to dictate to them who that person is.

As the government House leader has said, I would suggest very strongly that the leader of the official opposition does not understand the rules very clearly when he thinks that this is a question of privilege. It is not a prima facie question of privilege. Mr. Speaker, I would ask you to rule in that way.

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, I am very surprised to hear the government whip make a statement to the effect of how audacious it is of members of the other parties to determine who the Conservatives have as chair of a committee.

I have to say to the member, with all due respect, our rules were changed very explicitly to provide that the members of committees elect the chairs. They are not appointed by the government. They are not appointed by the government whip. They are elected by the members of the committee by secret ballot.

Those remarks in my view are presumptuous and allow me to infer as a member that the government is purporting to name chairs or vice-chairs.

I accept and we all accept that the government whip and the parties have a role in putting forward people for election, but once that is done, it is up to the members of the committee and the Chief Government Whip should know that.

I also state, and I will wrap up here, that if the government whip in taking that view is also of the view that he and they, his members, will refuse to perform work on a committee, then that in my view constitutes a constructive obstruction to the work of a committee created by this House and given a mandate by this House. That is what the leader of the official opposition is trying to say this afternoon.

We have a serious problem that if not a privilege borders on privilege. We have to get it fixed, because I as one member cannot allow this attitude to prevail.

● (1540)

[*Translation*]

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, I would like to clarify something in this debate. I want to begin by saying that I attended this morning's entire meeting of the Standing Committee on Official Languages. I was there from 9 a.m. until the end. The chief government whip is trying to bet on public opinion. However, there are some facts that the chief government whip cannot deny. Among other things, in this House we have to abide by the Standing Orders. A chair, and even you, Mr. Speaker, in your position as Speaker of the House of Commons, cannot on his or her own initiative rule on a wide range of matters because those matters are included in, limited and governed by the Standing Orders. What happened in the Standing Committee on Official Languages is another illustration of this.

Today, this incident happened in the Standing Committee on Official Languages. As a whip, I have complained many times about the behaviour of certain chairs. I do not complain about the person specifically, but that the person filling the role of chair, who is part of the government, thinks he is above the rules. That is why we consistently ask the chair to verify regulatory and legal aspects with the committee clerk, who is not partisan. In most cases, our clerks are very qualified. They are the guardians and custodians of the rules that govern us in the House and in committee. Unfortunately, the chairs think they are above the rules and they ignore advice from the clerks.

Let us put things back in perspective. The government whip may attempt to stir a public opinion battle through the media, but there are facts that cannot be denied. These are undeniable facts. The chair of the Standing Committee on Official Languages lost the support of the majority of members on the committee. What does that mean? What happens when the chair of a committee has lost the support of its members? Must we keep him on? Should we turn a blind eye? Do we sweep the dust under the rug, figuring that it was just a bad patch, and forget about it? I am sorry, but what happened at the Standing Committee on Official Languages was decided by the members of that committee, who felt that enough was enough and that this chair did not deserve the confidence of the committee.

Our Standing Orders are clear. Standing Order 106(2) states, and I quote:

> At the commencement of every session and, if necessary, during the course of a session, each standing or special committee shall elect a Chair and two Vice-Chairs, of whom the Chair shall be a Member of the government party, the first Vice-Chair shall be a Member of the Official Opposition, and the second Vice-Chair shall be a Member of an opposition party other than the Official Opposition party.—

I will dispense with the rest of the standing order in question.

The chair having lost the confidence of the committee, a motion was put forward by the whip for the NDP. Members from the Liberal Party and the Bloc Québécois voted in support of the motion, and the member from the NDP also voted in support of his own motion. The Conservatives voted against it. How do the votes tally up? Because he is in government, the government whip would have wanted to disregard the outcome of the vote and say that, even though there were seven votes against four, the four won over the seven. I have never been good at math, but I would say, based on the law of numbers, that seven is more than four.

● (1545)

The situation of a minority government is special, but it looks as though the Conservative government has not yet understood that. In committee, as in this House, when the three opposition parties unite, the government cannot pass what it wants. This is the reality of a minority government. The committees are made up as follows: there are five Conservative MPs—including a chair, four Liberal MPs, two from the Bloc and one from the NDP. Which means that sometimes we vote seven to four. The opposition parties do not always have to stand together. Sometimes one opposition party votes with the government and it is defeated. Other times, one party finds itself alone with its own motion. This is the reality.

I will end by explaining that this morning we lost confidence in the chair and we tried to elect a new chair of the Standing Committee on Official Languages. We offered the position to four members of the Conservative Party: the member for Beauport—Limoilou, the member for Louis-Hébert and two other members whose riding names I have forgotten. They all refused.

This is understandable when the person is unable to accept. Did they refuse voluntarily or did they refuse as the result of instructions from the whip? The chief government whip—and he will recall—has already told me that, if we wanted to bring a chair down, all the others would refuse. So this is the situation we are in. All the others refused; the committee is not dissolved, but it is suspended.

As parliamentarians, we will have to decide what to do to clear the impasse. The chief government whip, however, had told me that this is what would happen. It was already written in the big book. What happened this morning was not a surprise. I therefore support the question of privilege tabled by the leader of the official opposition.

Mr. Yvon Godin: Mr. Speaker, I see no problem with the Chief Government Whip saying that the government may select committee members, since every political party does it. This has never been a problem. However, when it is the committee chair who makes the selection and the chair decides to go against the committee's decision, it is then that we must intervene, withdraw confidence and raise a question of privilege.

Furthermore, the Chief Government Whip is saying that our conversation was private and confidential. At no time did we say that it was confidential. This is not the first time this has happened. It also happened last year in another committee. The Chief Government Whip turned his back on us and threatened us, if we did not do as the government wanted, which was to do away with the committee and no longer appoint anyone.

I call that blackmail and, here in the Parliament of Canada, we do not accept blackmail on the part of the Conservative government or the Chief Government Whip.

● (1550)

[*English*]

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 have a couple of new points I would like to bring forward on this question of privilege.

Let us make no mistake, this is a partisan issue and everyone here knows it, whether they are willing to admit it or not. Again, I would reiterate the comments of my colleague.

Mr. Yvon Godin: Yes, your's.

Mr. Tom Lukiwski: I listened with patience and with tolerance to other comments and I would expect the members opposite to give me the same consideration.

Without question, everyone here knows that this is not a matter of not having confidence in the chair. This is a political matter. We have had a rash of non-confidence motions in the chairs of committees over the past little while. In fact there is a motion right now for yet another committee, the Standing Committee on International Trade, to express non-confidence in the chair.

There is no other reason for this except that the opposition, first, is trying to embarrass the government, and second, is trying to take control of the committees by changing the Standing Orders.

I also want to take issue with a comment by the hon. member for Scarborough—Rouge River who asked, in respect to the hon. government House whip's comments about the fact that a Conservative chair needs to be reappointed or re-elected, whether the official whip knew that the rules are that this is an election, not an appointment process. That is very true but we must have a government member allow their names to be forward. They have complete confidence in the current chair and they do not want to put their names forward. That is where it stands right now.

Those are the rules and the Standing Orders. In fact, if one were to accept the logic of the members of the opposition who basically seem to be saying that in committee and in all other parts of the Parliament, if the opposition vote as a majority to either change a chair or change Standing Orders, we should allow it be done, let me just pose a question.

We are in a minority government right now but what would happen in the case of a majority government? Would government members be able to stand in this House and say, "Mr. Speaker, we want to change a number of standing orders and, by the way, we also want to curtail debate on the legislation before you, and, by a majority vote, if we win that will happen".

It would be a very efficient way to govern but it would not be very democratic, which is what is happening here. They are trying to ignore Standing Orders for political purposes.

Mr. Speaker, I beseech you to not get caught up in this partisan attack on chairs we have elected and who should regain the confidence of all committee members.

The Speaker: There cannot be many more points on this one that I have not heard already. I will hear members very briefly but if it is repetitious, I will cut the members off. I warn them of that because I feel I have heard the arguments on this matter now. The hon. member for Laval—Les Îles.

[*Translation*]

Ms. Raymonde Folco (Laval—Les Îles, Lib.): Mr. Speaker, I would like to offer some clarification that is at the source of this debate; specifically, why we asked the chair of the Standing Committee on Official Languages to resign.

It was a majority decision. The three opposition parties agreed to do it. I must say that it is rare for the three opposition parties to agree, but in this case, they did. The chair of the Standing Committee on Official Languages cancelled the meeting last Tuesday without giving any reason or prior notice to the members. We found out exactly two minutes before 9 o'clock, when we should have been starting the meeting. He also cancelled the following meeting, which was scheduled for last Thursday. It is my understanding that only reason we had a meeting this morning is that I was able to put forward a motion to have a meeting.

We asked the chair to resign because he did not have the confidence of the members of the committee. The members of the committee elected that chair because the members form a unit and they work together, as a team. That means that the work of the committee must be done together. What happened is that the chair made a decision last Tuesday without consulting the members of the committee and without advising them. The chair is elected by the members and is accountable to the members. In my view, what happens in Parliament—and I include the House and the committees of the House—must, at all times, be democratic. I apologize for the cliché, but the eyes of the nation are upon us. What happens here must be as democratic as possible.

On one hand, the chair first decided to cancel two meetings without informing the members; without giving them any reason for the cancellation. On the other hand, this morning's meeting was divided in two; there was a change in the agenda for the second part. It was cancelled once again without informing the members and without asking for their views.

I believe this clarification was important. It is not because we wanted to take down the chair. It was not because we were angry over anything; it is because, in our opinion, the partisan strategies of the chair could not be considered acceptable in a committee that calls itself democratic

● (1555)

Mr. Michel Guimond: Mr. Speaker, I want to mention a point that has not yet been raised. I am simply reacting to the comments made earlier by the member for Regina—Lumsden—Lake Centre, who seemed upset at the partisan nature of this place.

I do not know whether the hon. member is aware of that, but this is not a bridge club: this is the House of Commons. If the hon. member is not partisan, then for heaven's sake he should sit as an independent member, or else hold his meetings elsewhere. Politics is the essence of our work here. It is partisan work by definition. When I rise on behalf of my party, I do not want to adversely affect it, so my remarks are partisan by nature.

I will conclude by saying that we should not forget that the fundamental issue was that we were supposed to hear witnesses on the court challenges program, which the government abolished. We wanted to know what ordinary citizens thought of that decision. Abolishing the court challenges program was a partisan decision. That is why the committee's partisan members wanted to hear these witnesses.

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, I would like to add a new element, in reaction to the comments of the member for Regina—Lumsden—Lake Centre, who said that there seems to be an endless number of such motions. He mentioned two.

I personally sat on two committees of this Parliament. The first one is the Standing Committee on Transport, Infrastructure and Communities—on which I am still sitting—chaired by the member for Brandon—Souris, in whom I have total confidence. I also sat on the Standing Committee on Canadian Heritage, chaired by the member for Perth—Wellington. Incidentally, this is the committee that reviewed the issue of the court challenges program. Again, I have full confidence in this member as chair of that committee.

Therefore, the government should not say that the official opposition is systematically opposed to all committee chairs, because that is not the case.

The Speaker: I believe I have heard enough about this point. I see, however, that the hon. member for Beauport—Limoilou wants to speak.

Mrs. Sylvie Boucher (Parliamentary Secretary to the Prime Minister and Minister for la Francophonie and Official Languages, CPC): Mr. Speaker, we are talking about democracy here. I hope that as a Conservative, I have the right to have confidence in my chair and I also have the right to vote as I wish.

An hon. member: Yes, that's right.

The Speaker: I have heard enough about this point.

[*English*]

I will take the matter under advisement and come back to the House in due course with a ruling on this point.

GOVERNMENT ORDERS

[*English*]

SETTLEMENT OF INTERNATIONAL INVESTMENT DISPUTES ACT

The House resumed consideration of the motion that Bill C-53, An Act to implement the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (ICSID Convention), be read the second time and referred to a committee.

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, I am pleased to rise to speak to Bill C-53, An Act to implement the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (ICSID Convention).

One of my colleagues from the Liberal Party in the previous intervention talked about the lack of confidence in the chair and said that the eyes of the nation are upon us. I certainly believe that is the situation in the House.

People watching back home must have been wondering about the cluster of Reform Party members in the previous debate licking their wounds in outraged indignation. It reminded me of when I was a kid and Gilles "The Fish" Poisson once lost a Texas cage match to "Killer" Kowalski and he talked about how he had been hard done by.

As serious as the issues are, they are sometimes somewhat surreal. I think people back home wonder exactly what we are debating here because we seem to be in a bubble sometimes, separated from the reality of working people and their workplace.

I want to speak to this bill in terms of concrete examples. I am going to focus specifically on how a bill like this would be enacted. It is all very well to talk about the need for an international convention on the settlement of investment disputes because these happen all over the place and we need to set some high standards.

In recent years, and particularly with the chapter 11 case with NAFTA, we have seen some very disturbing trends emerging. The New Democratic Party members will certainly be voting against this bill because we have concerns about the lack of transparency, the lack of accessibility, and the lack of accountability.

When we talk about protecting investments overseas and in Canada, we are talking about how it needs to be based on the rule of law. We certainly believe that law is a guiding principle, but there are a number of principles about law that have to be applied. A number of the dispute mechanisms seem to be basically circumventing some of the basic principles of law.

If there were to be a dispute in court, the interested parties should be able to speak to it. That is a fundamental principle of law. We do not see that, for example, in chapter 11 of NAFTA. We did not see that in what was laid out in the multi-lateral investment agreement that came out in 1997. There needs to be a transparency of judgments, and yet with this ICSID bill that is before us there is no obligation to even publish the evidence and the awards.

One of the most fundamental issues in terms of legal jurisprudence is the need for transparency and full disclosure of evidence, so that evidence can be weighed publicly, not behind closed doors. There is a fundamental difference between being judged by a jury of peers in one's community and being judged by a couple of buddies in a backroom.

I am going to speak about a specific case and how I see it unfolding under chapter 11 because I believe it resonates the application for applying the principles on a larger scale. That case is the $350 million claim against the Government of Canada by one Vito G. Gallo. I have his request for arbitration under chapter 11 of the free trade agreement. I have read Mr. Gallo's claim from start to finish and it is very interesting. I know most of the case fairly well.

He says he is the sole owner of 1532382 Ontario Inc., a company incorporated under the laws of the province of Ontario. I would agree that this company is incorporated in Ontario. I would also agree with him that the Adams Mine, a former iron ore mine, is located 10 kilometres southeast of the town of Kirkland Lake. That is in my riding. Other than that I would question most of the evidence that he has brought forward to the arbitration dispute panel.

That gets back to the issue under Bill C-53 about the need to fully disclose evidence. For example, in Mr. Gallo's claim, he states that he owns and controls the enterprise, meaning the Adams Mine as a possible site for landfill.

● (1600)

I find that very interesting. We have to go back a bit into the history of this site. In 1990 Dofasco shut down the Adams Mine. It was an iron ore operation in my riding which lost a number of good paying jobs. The issue then became its possible use as a landfill, but the landfill was fairly challenged because we had 360 million litres of groundwater flowing through it every year.

At that time the owners were Notre Development, a small company out of North Bay, and the City of Toronto, which was a partner. The city of Toronto paid for most of the initial costs. It was the taxpayers in Toronto, not investors, who paid for the studies.

The studies were based on an unproven concept called hydraulic containment. It stated that 360 million litres of groundwater, which people in my riding contended fed the entire agricultural belt in the valley below, flowed through the pits every year. The theory was that pipes would be installed and for 1,000 years the groundwater of northern Ontario would be used to wash 20 years worth of garbage. It was seen then as somewhat of a cockamamie plan, but the city of Toronto paid for the studies to get this to ground level.

In 1997 it went before an environmental assessment board in Ontario at a time when Premier Mike Harris, who was considered a very close supporter of the dump, changed the environmental assessment act in Ontario, and changed it dramatically.

We suddenly had a scoped EA for what would be the single largest dump project in Canadian and possibly North American history. It was subject to a very narrowly scoped EA, which looked at only the question of whether the computer models supplied by the proponent were feasible. At that time all the other issues of groundwater contamination and the potential threat in the surrounding environment were ignored.

It was actually passed at that time in a very narrowly focused area, but there were issues with 2 of the 12 or 13 drill holes. There were two serious questions about whether those proved the theory of this dump or they did not. I am explaining this just as background so everyone has the full sense of what I am talking about in terms of this multilateral investment agreement that we are looking at now.

The city of Toronto stepped back and decided it was no longer going to be a proponent. Therefore, it was no longer the key proponent, but it was possibly a customer for this site. Throughout this, it was an Ontario company bidding on a municipal contract. There was no discussion at any point that this was in any way an international project.

In 2000 the city of Toronto walked away from this proposal because of the dangerous issues of liability. Nobody wanted to accept the liability for having to guarantee that pumps on a theoretically unproven site could run for 1,000 years. It also stepped aside because it was probably the largest civil disobedience action in Ontario history at that point.

The federal and provincial governments were very cognizant of the fact that the Algonquin nation had brought forward a very serious prima facie case for unextinguished aboriginal title at that site. There were numerous questions, as well as the potential groundwater threat from this unproven site.

The city of Toronto was not willing to accept the liability. Canadian Waste Services at that time, which was the new partner, also walked away, so the site was left without a customer. If we check the records for the last seven years, regardless of what happened with Michigan, the city of Toronto said time and time again, "We will never go back to this site. No matter what, we will never go back there". It was a site without a customer.

Then in 2002-03 a new company was formed, which was 1532382 Ontario Inc. It set itself up as the new proponent. What is this company? We do not really know.

I have a corporation profile report. What is the jurisdiction for 1532382 Ontario Inc.? It is Ontario. What is the former jurisdiction? It is not applicable. The corporation type is an Ontario business corporation. What is its registered address? It is Suite 101, Don Mills, Ontario. Its mailing address is 225 Duncan Mill Road, Suite 101, Don Mills, Ontario. If you are not seeing much of an international investor angle here, you are like me, Mr. Speaker.

● (1605)

Page 2 of this very paltry corporate report says that the administrator is Brent W. Swanick. His address is 104 Yorkminster Road, North York, Ontario. The first director is not applicable. The officer type is president. The resident is Canadian.

We do not see anything on this paltry two page report of any connection as to who is behind this Ontario numbered company, a company that picked up a site that was derelict, that had no customers and no possibility of a customer. Then it decided to go into business to bid on a municipal contract. We have an Ontario numbered company bidding under the province of Ontario for a municipal contract. The only contract it could get from the city of Toronto was that it would not deal with the company.

The deal was contingent upon two key issues, and they are raised in NAFTA chapter 11 challenge. First was the fact that it applied for a take water permit in 2003. The second issue was that it applied through the MNR to purchase 2,000 acres of Crown land at what we thought was the outrageously low price of $22 an acre. In fact, I helped initiate a local bidding campaign that said we would spend $5 to $10 more an acre and we would outbid it. There is a fundamental principle. If we are to dispose of Crown land assets in the province of Ontario, we have to go through due diligence and bring this out into the public. We cannot simply do this behind the scenes.

The other issue with this 2,000 acres was it was subject to a land claim issue with the Algonquin nation. It came forward very clearly with its prima facie evidence that said that there had been no consultation with the nation. It said that it had be consulted. Therefore, it was an obligation of the Ontario government to hold up the disposal of the Crown land until that was addressed.

The other issue that was very pertinent at the time was whether the take water permit at the site should have been allowed. On August 12, 2003, Dr. Ken Howard, who has been recognized as the key hydrogeologist in the province of Ontario, was brought in to review the information. Dr. Ken Howard was also brought in to deal with Walkerton and was the key provincial guy for bringing forward all the recommendations for provincial legislation out of the Walkerton report.

He studied the Adams Mine environmental assessment process. He said that the decision to issue the certificate at that site specifically was based on the results of drill holes 98-1 and 98-2. He concluded that the drill hole results were "seriously deficient" and that the director of approvals branch approved the dump on evidence that "had virtually no scientific merit" and were "effectively worthless".

We will not find that in my mysterious friend Vito Gallo's submission. Neither will we find any of the issues before the NAFTA tribunal about this first nations land issue or the fact that there was widespread opposition to this plan or the fact that there was no customer. However, that might not matter. Under chapter 11, a mysterious numbered company is going before a tribunal and saying it wants a dispute mechanism where all this evidence does not come through and the public interest does not get to be heard.

The other question I find really interesting in this is I have never heard of Vito Gallo. Now maybe that is not an uncommon thing. There are lots of people of whom have not heard, but I have heard of many of the people who have been involved in the Adams Mine over the years because I have paid very close attention to it.

For example, I was very aware of the Cortellucci group of companies out of southern Ontario. In the May 9, 2003 issue of the *Toronto Star* they were identified as key owners of this Adams Mine proposal. In fact, Mr. Mario Cortellucci has given serious amounts of money through clan Cortellucci to the Conservative government. However, I am not bringing that up here because I am not being partisan. I am just pointing that out as a side issue. When Mr. Cortellucci was asked by the *Toronto Star* if he was in fact the owner of the Adams Mine at that point, he said he was just one of a dozen or so investors.

● (1610)

Now we have a situation where we have this numbered company. We do not know what it is except we know it is an Ontario company run by an Ontario administrator. Maybe we have no I.D. to prove this, but this man is purporting to be an American who has international rights to come in because he has been circumvented in all his other points. There are questions about who else is involved in this.

We know the Cortellucci Group of Companies was identified. In 2003 a lawsuit was launched by Canada Waste Services over the ownership of the site. It never mentioned Vito Gallo, but it mentioned the Notre Development Corporation and the Cortellucci Group of Companies. In fact, it referred to the Cortellucci agreement.

We would think it would be incumbent upon the Government of Canada, before we fork out $350 million to Vito, my friend, to find out who is behind this numbered company.

We do not know if any of the due diligence has been done. All we know is this numbered company tried to sue the Ontario government in 2003-04, after it was shut down when the provincial Liberal government revoked the permit based on a number of key issues. The first was new evidence. The second was as a result of the Walkerton inquiry. It was the idea that in Ontario in the 21st century we did not use groundwater to wash garbage. It is kind of an odious thought. Ontario decided that is not even a 20th century idea and it is not even a 19th century idea. We do not use groundwater to wash garbage. Therefore, it suspended the permit, not just for that site, but for any site in Ontario on the bases that we do not use a lake full of fresh groundwater in which to throw our garbage.

At that point this numbered company, 1532382 Ontario Inc., sued the Ontario government, which is fair. They are investors. They took their case of $300 million and they went against the Ontario government. However, we did not see that case go anywhere. Nothing seemed to happen.

We know there were some negotiations with some of the investors about whether to accept a payout. Then, lo and behold, just a few months ago, Vito G. Gallo said that he owned the mine, that he was the direct beneficiary of all the possible benefits that should have accrued, going back to when Toronto was paying for the cost.

We had no evidence to know at what point Vito Gallo stepped into the Adams Mine. We do not know if Vito Gallo is the only investor. We do not know if Vito Gallo is one of a hundred investors, one of ten investors, or one of five investors. We do know this company that he says he owned as an American investor is an Ontario numbered company. It was an Ontario numbered company bidding under provincial rules for a municipal waste contract in the province of Ontario. There was nothing international about this whatsoever. Yet he is now before a NAFTA tribunal, asking for $350 million, and the Canadian taxpayers will not have our lawyers there bringing forward witnesses.

One would think that if we are going to talk about international trade law that has jurisprudence on its side and accountability and fairness, then fairness would include the right of a domestic government to bring forward legislation that is fair. If it does affect business, there is a process. However, the government might have compelling reasons, such as Dr. Howard's evidence, to act on this.

Another doctor I would like to mention is Dr. Larry Jensen. He is the provincial geologist for the Kirkland Lake region. He spent 40 years studying the faults of the Adams Mine.

I found it absolutely strange when I was at the environmental assessment hearing and I looked at the maps of the experts which showed all the fault lines. They were very vague. There was hardly anything there. In fact, they were not Dr. Jensen's maps; they were maps from the 1950s.

I will conclude on this. Dr. Larry Jensen was a the provincial geologist in the Kirkland Lake region for 40 years. He studied the Adams Mine every day. He said that the Adams Mine proposal was,

> —a disaster for the not too distant future, perhaps not for the residents of Kirkland Lake itself, but for all those people and the wild life to the south and southeast in the Timiskaming region and beyond, as far as to the mouth of the Ottawa River—an area hundreds of times larger than Toronto itself.

When we have evidence like that, jurisprudence says all the evidence has to be brought out. The first piece of evidence that has to be brought out in any international dispute mechanism is who are these people behind this numbered company who are going after the Canadian taxpayer for a hit of $350 million?

● (1615)

Until we see how the new international convention protection that ensures these kind of operations cannot put the hit on Canadian law will be merged with investor relations, we will not support any bill like this. We are doing our job in this House and in our provincial legislation to protect the public interest.

● (1620)

[*Translation*]

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, the NDP member told us he would vote against Bill C-53 concerning the ICSID. In the end, it is just a tribunal. In my opinion, it is not necessarily the tribunal that presents a problem, but the poor investment protection treaties Canada negotiates and signs without the House's approval.

Consequently, does he not believe that this convention, which could be signed with the adoption of Bill C-53, could protect Canadian investments abroad and also protect Canada and other countries against investments? As I said, the centre is just a tribunal. The treaties Canada signs are not necessarily the best and should have tougher conditions with more bite. Because if necessary, the tribunal could put things right again.

[*English*]

Mr. Charlie Angus: Mr. Speaker, the issue for us is the tribunal process is not substantive in itself, but it has the potential, and I think a very bad potential, to lock in bad financial agreements and make them worse. That is why we oppose this. The example we use is NAFTA. We believe that NAFTA was put in place to give us a rules based sense of trade. If we are to have international trade, there has to be rules based trade.

We have seen how chapter 11 has been used and how it takes away the legitimate ability of a government to bring forth evidence as to why it has made decisions. If it is being used to simply penalize one company and to go after it, fair enough. Under the rule of law the evidence could be brought forward to substantiate that. However, what was to be the multilateral investment agreement was very similar to chapter 11. We believe the tribunal process is a continuation of basically a bad principle of reporting investor rights above the notion that investor rights are part of a larger common framework of rights in any functioning democracy.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, the story we have heard from the member for Timmins—James Bay is one of the most incredible tales I have ever heard in my life. I was spellbound by it. It is like an epic saga. My colleague has a background in the arts. I think he should write an epic poem about the saga of the Adams mine along the lines *Beowulf* or something like that. This is unbelievable.

I want to ask my colleague if I understood this correctly, because it is almost an unbelievable story. Does the member mean to say that we have a Canadian businessman, given investor state status through NAFTA, suing the nation state of Canada, or Ontario, for lost opportunity because he cannot do what he wants to do in this mine that he says he owns? Is that how convoluted our international trade agreements are?

First, do I understand that he is not even an American, that he is not an out of country businessman who has lost opportunity in this country, but rather a Canadian who somehow calls himself an American and says he has been inconvenienced and has lost $350 million worth of lost opportunity? Is that how twisted this story really is?

Mr. Charlie Angus: Mr. Speaker, just to clarify this, Vito Gallo, the mysterious Vito, is an American as far as we know, but we do not know anything about him. We do not know any details.

He is claiming to be the sole owner of a derelict site through a numbered company registered in Ontario. There is nothing about this company that shows any kind of American investments at all. In fact, there is only one investment I have seen that it has made, other than apparently buying into the Adams Mine, which is that the 1532382 company gave political donations to the Conservative leadership in Ontario through this numbered company that is now being claimed as an American investment.

So there is certainly the question of what it was doing giving political donations through this group of companies, but through this dispute mechanism how do we even know who the owners are? There is no obligation under international trade to reveal this to the public or to bring forward evidence.

Therefore, we have a situation where there could be one, two or a dozen investors. We do not know if he is a small investor or the sole investor. He is claiming to be the sole investor right now. Again, the *Toronto Star* of May 9, 2003, said that Mario Cortellucci from Vaughan township was one of the key owners of that site.

We certainly think that basic jurisprudence would call for a forensic audit of this company to be made public before we would agree to submit to any kind of international dispute tribunal.

There is one final point on this question. Under this consent to arbitration, the plaintiff gets to ask for his own arbiter. He has asked for Professor Jean-Gabriel Castel from Orangeville, Ontario, so I find this situation even stranger. We do not even have a full court of law with full evidence so we do not know much. We know there is a numbered company in Ontario that is asking to have one out of the two or one out of the three arbiters picked by the company, this for $350 million of taxpayers' money.

It is an incredible tale. As for the government sitting back and allowing that to happen, when we think of this money that could be spent on Kelowna or on public transit but that might be going out the window and through a back door process under NAFTA to a donor to the Conservative Party, it is an incredible story. I agree. It is an incredible story.

● (1625)

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I found the specific case very interesting, but the member has raised a point about chapter 11. I guess the rhetorical question is whether or not there is any confidence that the NAFTA dispute resolution mechanism works.

I do note that the ICSID option is already available and exists under NAFTA, but it is only available where the state making the investment and the state in which the investment is located both are parties to ICSID and to NAFTA. The only NAFTA partner that is a member of ICSID right now happens to be the United States, so that is not applicable.

Should Canada become a member, even under NAFTA the ICSID option would then be available, which is kind of interesting, because it basically provides that in countries where Canadian investors might lack confidence in the court system, which is part of the story the member has raised, there is ICSID's prohibition on court review, which, with its links to the World Bank as well, actually would appear to significantly improve the prospects of any arbitral award to be enforced.

I am not sure how the member feels about that, but it would appear that it means options for Canada.

Mr. Charlie Angus: Mr. Speaker, I appreciate the member's question, but the issue we are looking at here is that we believe chapter 11 has failed some of the basic tests of allowing for a fair and open study of whether or not a particular company has been aggrieved.

As for this new dispute mechanism, it looks to us as though we are being asked to go from one really ugly dance partner to an uglier dance partner. We feel the situation could be improved.

We have to go with some fundamental principles. Again, there has to be open access for all interested parties. There has to be the open and full disclosure of all evidence being brought forward. There has to be the clear transparency of judges. Simply having a dispute panel working behind the scenes whereby people actually get to suggest their own arbitrators is not sufficient, especially when we have the public interest at stake, and, in this case, clean groundwater and $350 million of Canadian taxpayers' money that is on the hook.

Right now I do not feel any more confident about going under the proposal that is under Bill C-53 than I do going under chapter 11 of NAFTA. They are both flawed attempts to override the ability of a sovereign state to come forward in a House like this with clear legislation to protect the best interests of its citizens.

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 Saint-Bruno—Saint-Hubert, Transportation; the hon. member for Algoma—Manitoulin—Kapuskasing, Softwood Lumber.

● (1630)

[*Translation*]

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, first, I would like to confirm that the Bloc Québécois supports Bill C-53 in principle. I would also like to suggest to my colleague in the NDP that he should introduce the adjustments he would like to see in committee.

The passage of this bill will enable Canada to ratify the Convention on the Settlement of Investment Disputes between States and Nationals of Other States and join the International Centre for Settlement of Investment Disputes.

I will certainly be referring to this centre in my speech, and since it has a rather long name, I will just call it ICSID.

Bill C-53 incorporates the requirements of the convention into our domestic law, especially in regard to ensuring that arbitration awards are upheld and granting ICSID and its staff the immunities they need.

ICSID was established in 1965 by the World Bank under the Washington Treaty. One hundred and fifty-six countries are currently members. ICSID arbitrates disputes between states and foreign investors. These disputes can be of two kinds: first, disputes over compliance with bilateral foreign investment protection agreements, and second, disputes involving agreements between governments and foreign investors. The Government of Quebec regularly concludes agreements of this kind, encouraging foreign investment through promises, for example, to provide electricity at a particular price.

Canada joining ICSID will have no effect on the provinces and Quebec, except that they too will be able to provide for recourse to ICSID in the agreements they reach with investors.

The bilateral treaties binding on the federal government already provide for recourse to ICSID arbitration, although by means of a complementary arbitration system rather than the regular system, which is only available to countries that have ratified the convention.

The only thing that Canada's joining ICSID will change is that Canada will be able to participate in the negotiations to amend the ICSID convention or regulations and rules and will be assured of being able to participate in the appointment of arbitration tribunals. Canada will therefore be able to participate directly in ICSID.

Ultimately, ICSID is only a tribunal. The problem, however, is not the tribunal but the bad treaties that Canada signs to protect investment.

The Bloc Québécois supports the negotiation of investment protection agreements provided, of course, that they are good agreements.

It is completely natural for investors, before making an investment, to try and make sure they will not be divested of their property or that they will not become victims of discrimination. This is the sort of situation that foreign investment protection agreements are meant to cover.

This is not a new idea. The first known agreement that included provisions relating to protection of foreign investments was signed between France and the United States in 1788, more than two centuries ago.

In the world today, there are more than 2,400 bilateral investment protection agreements. If we include the tax treaties that deal with the tax treatment of investments and foreign income, we find about 5,000 bilateral treaties concerning foreign investment.

The Bloc is in favour of negotiating such agreements and we recognize that they promote investment and growth. These agreements are almost all based on the same principles.

● (1635)

First, there is a respect for property rights regardless of the owner's nationality. Second, there can be no nationalization without fair and prompt financial compensation. Third, there is a prohibition against treating property located within a country's territory differently depending on the owner's origins. Finally, there is free movement of capital resulting from the operation and the disposal of investment.

In every case, when these rights are not respected, states may submit disputes over compliance with an agreement to an international arbitration tribunal. In the majority of cases, investors, themselves, may submit the dispute to an international tribunal, but only with the consent of the state. In many cases, the international arbitration provided in the agreement takes place before ICSID. By agreeing to this, as Bill C-53 provides, we are also agreeing to an international order in the field of investment.

In the investment protection agreements that they sign, only two countries, Canada and the United States, systematically grant investors the right to appeal directly to international tribunals. This is a deviation from the norm. By allowing a company to operate outside government control, it is being given the status of a subject of international law, a status that ordinarily belongs only to governments. The agreements that Canada signs contain a number of similar deviations that give multinationals rights they should not have and that limit the power of the state to legislate and take action for the common good.

The investments chapter of NAFTA, chapter 11, provides that a dispute can go to ICSID. That chapter is a bad agreement in three respects: the definition of expropriation, the definition of investor and the definition of investment.

The definition of expropriation is so vague that any government measure—except for a general tax measure—can be challenged by a foreign investor if it diminishes the profits generated by the investment. A plan to implement the Kyoto accord, which would have major polluters such as oil companies pay dearly, could be challenged under chapter 11 and result in government compensation. American companies have majority interests in Alberta oil companies. Chapter 11 opens the door to the most improper legal disputes.

The definition of investor is so broad that it includes any shareholder. Therefore anyone could take the state to court and attempt to obtain compensation for a government measure that allegedly reduced a company's profits.

As for the definition of investment, it too is so broad that it even includes the future profits that an investor hopes to earn. In the case of expropriation, not only does the state find itself forced to pay fair market value, but it must also include revenues that the investor expects to earn in future. It would no longer be possible to nationalize electricity, as Quebec did in the 1960s.

Take the example of SunBelt, a corporation with a Canadian shareholder and a Californian shareholder. The corporation closed its doors when the Government of British Columbia withdrew the right it had granted for the bulk export of water. The Canadian shareholder, based on Canadian laws, received compensation equivalent to the value of his investment, or $300,000. The American shareholder, based on NAFTA chapter 11, included potential future revenue in its claim: $100 million. For better or for worse, the case was settled out of court for an undisclosed amount.

● (1640)

Given the amounts of money in issue, chapter 11 is a deterrent to any government action, particularly in relation to the environment, whose effect would be to reduce the profits of a foreign-owned corporation.

As well, the dispute resolution mechanism allows corporations to apply directly to the international tribunals to seek compensation, without even getting the consent of the state. How is it conceivable that a multinational could, on its own authority, create a trade dispute between two countries? And yet this is the absurd situation that the investment chapter of NAFTA permits.

Given these flaws, chapter 11 of NAFTA reduces the state's capacity to take action for the common good and to legislate about the environment, and is a Damocles' sword that could come crashing down at any moment on any legislative or regulatory measures whose effect was to reduce corporations' profits.

In 2005, the United States changed some of the provisions in their standard form investment protection agreement. In 2006, Canada followed suit. Since both countries have now acknowledged the harmful and extreme nature of chapter 11 of NAFTA, the time is ripe for the government to move quickly to enter into discussions with its American and Mexican partners to amend chapter 11 of NAFTA

We say no to bad investment protection agreements. In addition to chapter 11 of NAFTA, and although its extreme nature has been widely decried, the government has entered into 16 other bilateral foreign investment agreements, carbon copies of chapter 11. All of these foreign investment agreements are faulty and should be renegotiated.

In 2006, the government recognized to some degree that these agreements were bad. Copying the amendments made by the Bush administration the previous year, the Conservative government made changes to its FIPA program to correct the most obvious shortcomings.

It clarified the concept of expropriation by specifying that a non-discriminatory government measure that is intended to protect health and the environment or to promote a legitimate government objective should not be considered as expropriation and should not automatically generate compensation. It is too soon to evaluate the real impact of that clarification, but at first glance, it looks like an improvement.

it restricted the concept of investment by specifying that the value of property is equal to its fair market value. That put an end to the folly of adding together all the potential profits that an investor might hope to earn from an investment. As for the rest, the standard investment protection agreement continues to be based on chapter 11 of NAFTA.

The government must continue to improve this standard agreement, particularly in terms of dispute settlement mechanisms. Multinational corporations must be brought under the authority of the state, like any other citizen.

Also, the government should submit international treaties and agreements to the House of Commons before ratifying them. At the start of the year, the government sent out a news release to announce that it had just ratified a new foreign investment protection agreement with Peru. It was only by reading that news release that parliamentarians and the public became aware of this agreement. Parliament was never informed and never approved it. That is completely anti-democratic.

Yet, the Conservative platform in the last election was clear: the Conservatives made a commitment to submit all international treaties and agreements for approval before ratifying them.

● (1645)

Since the Conservatives took office, Canada has signed 24 international treaties.

With the exception of the amendment to the NATO treaty, for which a mini-debate and a vote took place at the last minute, none of these international treaties were presented to the House.

Today, the consequences of international agreements on our lives are comparable to those that legislation may have. Nothing, absolutely nothing justifies the government quietly signing such agreements unilaterally, by going over the heads of people's representatives.

The Bloc Québécois has introduced bills in the past to restore democracy and ensure the respect of Quebec and provincial jurisdictions in the conclusion of international treaties. Since the government promised to do this, we did not bring the issue up again at the time.

We are now seeing that the word of the Conservatives is not worth very much. The Bloc Québécois will raise this issue again and will bring forward proposals to restore democracy in the conclusion of international treaties. Such proposals will include requiring the government to present to the House all international treaties and agreements it has signed before ratifying them, requiring the government to publish all international agreements by which it is bound, requiring the vote and approval of the House following an analysis by a special committee tasked with examining international agreements and major treaties before the government may ratify them, and calling on the government to respect Quebec and provincial jurisdictions in the entire process of concluding treaties, that is, all stages of negotiation, signing and ratification.

In conclusion, the International Centre for Settlement of Investment Disputes is indeed necessary to ensure that the states are treated fairly by multinational corporations. We must also ensure that the agreements signed by Canada are good agreements that respect all the stakeholders.

[*English*]

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, my Bloc colleague's comments raised as many questions as they gave information about the view of this very complex international convention. The points made by the previous speaker, the member for Timmins—James Bay, cited a number of very legitimate concerns and provided reasons why the NDP will oppose Bill C-53.

The NDP is very concerned that the ICSID falls under the jurisdiction of the World Bank, an organization that the NDP has cited numerous concerns about in the past, partly in terms of transparency but also in terms accessibility for users of this tribunal process, this quasi-judicial arbitration process.

I am concerned that the House of Commons today, as we entertain Bill C-53, is not digging deep enough into how we envision this tribunal unfolding and the precedent setting status that it will have.

One of the most alarming concerns that I would like my colleague to comment on is that one of the arguments used by the government in favour of ratifying the international convention is that ICSID shelters foreign investors from the courts of any country or jurisdiction in which the investment is made. I thought we would be alarmed that we are setting up some kind of a dual parallel process that will shelter investors from the courts in the jurisdiction in which the investment is taking place.

In other words, this quasi-judicial arbitration process being set up by the World Bank will have precedence and primacy over the courts of the provinces of Quebec or Manitoba or the Federal Court if it, in fact, is an investment in the federal jurisdiction.

Are we prepared to cede that jurisdiction to an outside party such as the World Bank? Is our confidence in the World Bank such that we are willing to forgo our own court's jurisdiction? If we are interested in the best interests of Canadians, we should be throwing our confidence and faith in our own court system and let this foreign investor be judged by our high standards instead of a new arbitration process, which will likely be residenced in Washington, D.C. and under the jurisdiction of the World Bank.

● (1650)

[*Translation*]

Mr. Serge Cardin: Mr. Speaker, all the agreements that Canada has signed on the protection of foreign investment have major deficiencies and are based to some extent on NAFTA chapter 11. As I said in my speech, most of the agreements Canada has signed are bad. A tribunal such as ICSID, which is the subject of Bill C-53, will always judge, treat and evaluate things on the basis of the agreement that was signed between the two countries. We are talking here about Canadian foreign investment. One hundred and fifty-six countries have signed this convention and can go directly to the ICSID tribunal.

We have international relations and Canadian foreign investment. I understand that the laws of Canada and of the various provinces and Quebec take priority when we are dealing with people who are here. However, when we are dealing with foreigners, we need some basis. This basis is primarily the agreements that have been signed. Everything depends on that.

As I said and say once again, this is just a tribunal. There are also the agreements that were signed, and unfortunately, most of them are bad. They should all be renegotiated, just like chapter 11 of NAFTA.

This is the basis on which people can at least seek justice on the international scene for Canadian foreign investment. I do not think that the reverse happens very often because I hope that Canada treats foreign investors fairly. It does not allow them to do everything they want, of course, whenever they want, or to be more important and take precedence over all the laws and regulations of Canada, which must be obeyed. Justice should always be done, therefore, on the basis of the international agreements that were negotiated but are mostly bad. In the future, all these agreements should be submitted to the House so that we can evaluate them.

That being said, I would tell the NDP member that he should table the amendments to Bill C-53; that would reassure them.

[*English*]

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, I listened with interest to my Bloc colleague's dissertation and certainly the rule of law is fundamental to any international trade agreement.

What we are talking about, though, is whether or not the rules' mechanism that is in place now is adequate and is on a fair and level playing field. For example, the courts have defined a corporation as a person. Now we are defining it basically as a nation state where it seems to have equal status and maybe even superior status because of the investment protection that we are giving to corporations.

Under NAFTA we are now allowing the principle that an investor in a company is somehow eligible to claim these nation-state cases. For example, the mysterious Vito G. Gallo and this 1532382 Ontario Inc. are suing the Canadian people for $350 million. That will be perfectly acceptable under NAFTA because it seems that, if anything, it is weighted continually on the side of the investor and not on fair jurisprudence, which takes one competing interest against another and balances them out.

We do not see those in the trade agreement. It is all fine and well to say that the trade agreements might not have been great and that we should renegotiate them but I would say, fat chance. Why should we renegotiate them when we are putting in place further issues that down the road will simply hurt us. We need tribunals that we insist are based on the rule of law that protects everyone.

I also would ask the member about confidence in the World Bank. Right now we have a situation where the World Bank is a dumping ground for failed neo-con hacks. We have Paul Wolfowitz who was the guy who basically helped initiate a war based on a lie. He was so bad he was run out of Washington. Now he is at the World Bank with his girlfriend. We are supposed to say that all the developing states in the third world should trust Paul Wolfowitz. We are supposed to tell everyone not to worry because he will look out for everyone's best interests.

Now we are seeing South Americans saying, “Whoa, we've had a whole series of failed policies through the World Bank but we certainly do not have confidence in Paul the wolf”.

Where is the protection to balance off the competing interests between investors?

● (1655)

[*Translation*]

Mr. Serge Cardin: Mr. Speaker, in reference to this little adventure, although I do not know what there was to it, there may be some reason to be fearful and think that the entire World Bank reflects it. I hope that people will succeed in fixing this and increasing the NDP's confidence in the World Bank. It is still true, though, that 156 countries have signed this treaty.

In one way or another, people have been appealing indirectly to this tribunal. Now they will be able to do so directly. Canada will benefit in other ways as well and will be able to participate in other regards, as I mentioned before.

Technically, the only thing that Canada’s joining ICSID will change is that Canada will be able to participate in the negotiations to amend the ICSID convention or regulations and rules. In addition, Canada will be assured of being able to participate in the appointment of arbitration tribunals.

[*English*]

Ms. Olivia Chow (Trinity—Spadina, NDP): Mr. Speaker, I will be speaking against implementing this International Centre for Settlement of International Investment Disputes and I will tell the House why.

A recently released report entitled, “Challenging Corporate Investor Rule”, shows that nearly 70% of cases brought to the investment dispute centre, an institution of the World Bank group by the way, settled in favour of the investor, with compensation being awarded against the country where the investment failed.

The report notes that in 7 out of 109 cases filed with ICSID, the investor's revenues exceeded the gross domestic product of the country they were suing. The case I will be describing may add to the number of these cases. These developing countries must pay fines that far exceed the gross domestic product.

The Center for International Environmental Law says that the arbitration raises a number of problems. I will describe to the House what is currently one of the big cases in front of this settlement dispute centre.

The U.K. based British investor, Biwater Gauff, is demanding $25 million from the Government of Tanzania after the latter terminated its contract with City Water Services in 2005, allegedly because the company had failed to provide clean drinking water to millions of people in Dar es Salaam. Paying $25 million to this British company is a tremendous amount of money for a very poor country like Tanzania. Biwater's 10 year contract to provide water service in this city was terminated by the Tanzanian government in 2005, only two years after it began operations in 2003. Why was that the case? It is because the Tanzanian government said that the company had not been able to provide clean water as it was supposed to for its citizens.

Normally one would think that engaging a private operator for running water service commercially is a radical departure from the free service tradition in place in that country since 1991. Why did Tanzania privatize its drinking water? It was one of the conditions imposed by the World Bank and the International Monetary Fund in order for Tanzania to qualify for debt relief under the heavily indebted poor countries initiative. Similarly, the World Bank's 2000 country assistance strategy made the signing of a concession agreement assigning the assets of this place to a private management company one of the conditions Tanzania had to meet in order to qualify for enhanced annual loans.

How did these heavily indebted poor countries get indebted in the first place? It was because the World Bank was lending them money with huge interest rates and they could not provide the debt repayment. It is an absurd situation where poor countries are sending more money to rich countries. The World Bank is telling them that in order for it to lend them even more money they must privatize their water.

This U.K. based British investor Biwater then goes in and privatizes their water. It tells the poor folks in Tanzania that it will deliver clean water but it did not do so after two years of operation. The government rightly said that it would not continue with the contract but the company took the dispute to the international centre. Seventy per cent of these cases end up in favour of the investors. It is biased against a lot of these poor developing countries.

● (1700)

Another organization, the Center for International Environmental Law, says that the arbitration case I am talking about raises a number of issues of vital concern to the local community in Tanzania, as well as for other developing countries that have privatized or are contemplating a possible privatization of water and other essential infrastructure services. Another organization, Public Services International, says that this dispute shows how problematic it is to include investment rules in trade investment agreements, particularly if they include investor-state provisions which allow the investor to sue host governments at international tribunals.

One of the problems with this dispute settlement mechanism is that the public has no way of knowing how the decisions are taken. The decision is not transparent. It is not clear how much the government is expected to pay if the government ends up losing. As a result, the public cannot hold a government or foreign corporate entities to account, or judge the legitimacy of the decisions. This erodes democracy.

Furthermore, because the decision is made in a body that will not be disclosed to the public, it has far reaching effects. It would seriously erode the sovereign authority of the Canadian state, and Canadians would have no say in the course of proceedings.

Instead of rushing in without any discussion with our public environmental groups and all the other NGOs, we should look at this situation very carefully.

In the case of Tanzania, what we have now is the Center for International Environmental Law from Switzerland, the Lawyers' Environmental Action Team, the Legal and Human Rights Centre, and the International Institute for Sustainable Development filing support letters and helping Tanzania in defending its case before the dispute settlement centre.

Instead of rushing in, we should ensure there is better international investment, which can bring substantial benefits to developing countries. We need to develop a comprehensive regulatory framework that actively promotes sustainable development and ensures that environmental limits are preserved.

We need to create the right regulatory framework for sustainable investment. It would require action at the regional, national and international levels.

We need frameworks that would provide host countries with the flexibility and ability to control investment flows that undermine their sustainable development targets as developed through transparent and consultative processes.

At the international level, there needs to be cooperation between states in consultation with civil society to ensure that existing and future bilateral or regional investment treaties allow host countries to set minimum environmental standards and prohibit the lowering of environmental standards to attract investment.

We need to make sure that legal barriers to suing foreign investors and forcing judgment in home countries are removed. We need to make sure detailed binding regulations are developed in environmentally sensitive industries, for example, in the chemicals and minerals industries, and that restrictive business practices such as transfer pricing, investment incentives, and bribery and corruption are addressed.

● (1705)

The host or recipient countries, supported by development assistance and in consultation with civil society, should strengthen their environmental and economic governance structures to support sustainable investment. That means taking measures to integrate environmental objectives into key sectoral policies such as energy, transport and agriculture and develop integrated policy packages that balance investors' rights with public needs.

Measures are needed to ensure foreign investors and domestic companies disclose any environmental and social impacts. We should also make sure that investment related activities are fully covered by environmental laws and policies including the polluter pays principle.

Home or investing countries should create mechanisms to lever additional funds from investors for projects aimed at sustainable development. Assistance to investors should be conditional on good environmental performance, for example, through export credit agencies. Development assistance that supports recipient country efforts to develop good environmental and social governance should be provided.

There also should be a mandatory code of conduct for companies to prevent those following environmental best practice from being undermined by unscrupulous competitors. At a minimum, companies must adhere to the existing OECD guidelines for multinational corporations.

Taken together, these measures and others should ensure that a proper balance is struck between protecting the rights of investors and promoting public goods. Once these measures are in place, perhaps Canada would be in a position to discuss the implementation of the Convention on the Settlement of Investment Disputes between States and Nationals of Other States. If we do not have that, we would be prematurely rushing in a World Bank mechanism that is now hurting a lot of developing countries.

● (1710)

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, I found my colleague's dissertation on this bill before us fascinating and full of very concrete information.

In her former life she was on the Toronto city council, so she brings a certain area of expertise. She might have been here when I was talking about the very mysterious Vito Gallo who is putting a hit for $350 million in the pocket of the Canadian taxpayer right now through chapter 11 dispute mechanisms. I want to ask my colleague because she followed the Adams Mine and she was at the committee hearings and meetings that went on year after year.

The member should correct me if my memory is mistaken, but was it not the people of Toronto who paid out of their homeowner tax rates for all the consultants and all the studies, not this Vito G. Gallo? Was it not the people of Toronto who paid for the drill studies, who paid basically to get that scheme up and running in the first place? Were the taxpayers of Toronto not the same people who are being hit upon by this guy who says he is being robbed of his investment? I would like to ask the member, first of all, was it not the people of Toronto who paid for everything that this Mr. Gallo is claiming?

Second, I am trying to get a sense of who Vito G. Gallo is. In fact, if the people back home know who Vito is, they should call my office. If they can help us save the Canadian taxpayer $350 million, I will at least give the people back home a T-shirt, something that reads, "I saved our system $350 million", money that could go into culture, money that could go into health care, money that could go into international development.

In all the years, in all the meetings, in all the hearings that we had on Adams Mine has the member heard the name Vito G. Gallo ever mentioned once in any single meeting? Did this Mr. Gallo ever come out from that mysterious place where he is hiding and say, "I am the owner of this mine"? Right now he does not have to. He can go to an international dispute mechanism and say, "Give me all the money. I own everything. I am not disclosing anything because I hide behind an Ontario numbered company and the citizens of Toronto will pay for that". The citizens of Canada who are being hit for this $350 million right now have no ability through this dispute mechanism to challenge Vito G. Gallo, whoever he is, wherever he is—

The Deputy Speaker: Order. I am sure the House is anxious to hear the hon. member for Trinity—Spadina.

Ms. Olivia Chow: Mr. Speaker, I have no idea. In the years that I was a Toronto city councillor, I never heard of such a fellow. It is the hard-working taxpaying people of Toronto who paid for all the studies on the Adams Mine. I have never heard of that fellow, but I do know what $350 million can buy. It can buy very good training programs for young people, whether they are in northern Ontario or in the very much at risk neighbourhoods in downtown Toronto or Hamilton. I know $350 million would create jobs. It would create a tremendous amount of recreational activities for our young people. Summer is coming.

An hon. member: Child care.

Ms. Olivia Chow: Yes, child care, the environment, retrofitting of homes, there are any number of things that one could do with $350 million.

If the international mechanism is not transparent, if it is stacked against citizens, then it is harmful for democracy, for the environment. Ultimately it is the taxpayers, whether they are in Toronto, Timmins, James Bay or anywhere across Canada that it is going to hurt.

● (1715)

Hon. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, I know the member for Trinity—Spadina's colleague, the member for Timmins—James Bay mentioned a few times chapter 11 of NAFTA.

We never are terribly thrilled when foreign companies can take on our own government policies, but is the member for Trinity—Spadina aware that chapter 11 can also be used, and has been used, by Canadian companies to attack U.S. policies that are prejudicial to the assets of Canadian companies? I can give a case in point.

The international trade minister in his previous life was CEO of Canfor, one of the largest forest products companies in Canada. Canfor to its credit launched a chapter 11 against the U.S. government saying that the countervailing duty process was patently unjust and unfair, that it lacked in due process and objectivity. Of course, when he went to the Conservative Party he changed his tune. I remember at the time forest products companies in Canada being encouraged to attack under chapter 11.

Is the member for Trinity—Spadina aware that the provision can be used by Canadian companies against foreign governments as well?

Ms. Olivia Chow: Mr. Speaker, I remember in the debate on free trade former Prime Minister John Turner saying, "We are going to oppose free trade". Then I remember Mr. Chrétien running in an election saying, "We are going to tear up the trade deal". What happened? Speaking about changing their tune, not only did we sign on to NAFTA, but chapter 11 did not get torn up. It did not get negotiated properly. It did not get renegotiated even though it was promised over and over again that there would be some kind of renegotiation. What happened?

What is happening now with chapter 11 is multinational companies are allowed to sue, whether it is municipalities, provinces or other governments. I remember the case of Hudson where the local government said that it would ban pesticides. It was sued under chapter 11. How much money did that cost the taxpayers in Hudson and taxpayers across Canada? And why can a local government not decide to ban pesticides?

Do not tell me about changing tunes because I know that is a Liberal habit.

Mr. James Moore (Parliamentary Secretary to the Minister of Public Works and Government Services and Minister for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, I had no intention of entering this debate; however, the member opposite is taking shots at chapter 11 of NAFTA, as my colleague from across the way raised.

Chapter 11 extends the right of Canadian companies the same legal powers that existed for foreign companies to sue the Canadian government for changing laws under unfair treatment and it extends that principle of equal treatment for Canadian companies operating in other countries. What chapter 11 does is it empowers Canada, it empowers Canadian companies, so that we can do business abroad and be treated equally with companies in those domestic nations.

Chapter 11 has been a huge benefit to Canada, has extended free trade, has created tens of thousands of jobs. How in the world can she get up in her place, in full sobriety, and actually argue against chapter 11? My God.

Ms. Olivia Chow: Mr. Speaker, tell every forestry worker who has been laid off in the last few years that chapter 11 of NAFTA is doing a marvellous job for them. Tell them that. Tell them it has certainly empowered the Canadian government and all the lumber companies.

Guess what? About $1 billion of Canadian money was left. Even though we won, so what? We gave up that right. It does not matter whether we win or not because we have a government that will actually reward the bullies who are completely ignoring trade agreements, even though we win.

Yet, over and over again, and we just saw the softwood lumber sellout, we said we will back-off and we left $1 billion on the table. Think of what $1 billion could do for those hard-working families in northern Ontario and Quebec who are losing their jobs because of this softwood sellout.

● (1720)

The Deputy Speaker: The time for questions and comments has expired. Resuming debate.

Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And five or more members having risen:

The Deputy Speaker: Call in the members. There has been a request that the vote on this be deferred to the end of government orders today.

* * *

OLYMPIC AND PARALYMPIC MARKS ACT

Hon. Carol Skelton (for the Minister of Industry) moved that Bill C-47, An Act respecting the protection of marks related to the Olympic Games and the Paralympic Games and protection against certain misleading business associations and making a related amendment to the Trade-marks Act, be read the second time and referred to a committee.

Mr. James Moore (Parliamentary Secretary to the Minister of Public Works and Government Services and Minister for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, on behalf of the Conservative federal government, I am proud to rise in this House to begin second reading debate on Bill C-47, the Olympic and Paralympic marks act. The bill is part of the Government of Canada's effort to support the upcoming 2010 Winter and Paralympic Games.

The games, a great honour for British Columbians, are a massive endeavour that will bring the world to Vancouver, a sense of pride to every Canadian and, hopefully, championship glory to our athletes.

As reflected in the short title of this bill, the Olympic and Paralympic marks act, its purpose is relatively straightforward. The government is proposing this legislation for two main reasons: first, to follow through on a commitment made by the International Olympic Committee during the bid phase of the 2010 games to adequately protect the Olympic and Paralympic brand if the games were awarded to Vancouver; and second, to assist the Vancouver organizing committee, VANOC, to maximize private sector participation in the games that will be critical to the success and legacy of the Vancouver 2010 games.

To open the debate on Bill C-47, I would like to offer a brief explanation of how the bill will help provide a legal framework for the marketing of the games and compare that to the legislative approach taken in other countries that have hosted or will be hosting future games.

In 2010 Vancouver-Whistler will become home to 6,000 athletes and officials from more than 80 countries. An army of more than 20,000 employees and volunteers will help make the games run smoothly. The competition will be covered by 10,000 members of the media and witnessed by more than three billion people worldwide. Simply put, the Olympic Games are the world's largest sporting event. This is part of the reason why our government is so proud to be an active partner.

Our government knows that these games are about commitment whether as an athlete or as an organizing committee. Our financial commitment extends to provincial services essential for an event of this magnitude, such as security, health and immigration, as well as border and meteorological services.

Our commitment will include a legacy endowment fund that will provide operational funding for the 2010 games sporting venues and fund high-performance amateur sporting programs across Canada.

However, direct financial contribution is only part of the support that we can provide. We must also ensure that our intellectual property framework is not only up to international standards but will also foster maximum participation of the private sector in the games.

Since the 1988 Calgary Olympic Games, corporate partnerships have become a significant source of revenue for events of all kinds, from the local hockey tournaments to international sporting events. Businesses sign on as partners with particular events because the objectives that the events are in line with happen to be in line with their own. Corporate partnerships work because the value of the association enhances their corporate brands.

The Olympics are no doubt the best known sporting event in the world. Billions of people watch them on television and follow the events on the radio, in the newspapers and on line. As a result, the Olympic symbols, such as the five rings, are among the best known around the world.

The passionate global audience that is attracted to the Olympics, and increasingly to the Paralympic Games are of obvious interest to companies wanting to connect to that audience.

In response to this increased corporate attention, the Olympic movement has developed a sophisticated approach for working with those companies. The IOC, the International Olympic Committee, and the national bodies, such as the Canadian Olympic Committee, work closely with companies and organizations that want to become partners of the games or our national teams.

They work closely with companies and organizations that are interested in using Olympic or national team symbols of various kinds in their marketing and communications. Companies can compete and become official partners in specific product categories or the entire Olympic moment for a national Olympic body and for specific games.

Companies compete to receive licences that allow them to use the Olympic symbols and terms on products. They compete for the right to produce items with Olympic themes from something as simple as a souvenir T-shirt to a marketing campaign focused around the entire product line. These partnerships are now a critical part of the business plan for the event.

For the 2010 Olympic Games, VANOC has projected that it will receive 40% of its operational funding from games-related partnerships and licensing agreements.

In 2006 alone, VANOC announced that it had signed partnership agreements worth $115 million. However, corporate partnerships and licensing agreements depend on the ability of the games organizers to ensure that the Olympic partners and licensees have the unique rights that they competed for and should therefore expect.

Why does this matter? Let me use the example of the T-shirt that I just suggested a minute ago. If I operate a T-shirt company, I can compete for a licence with VANOC to sell T-shirts that have the official Vancouver-Whistler 2010 Olympics symbol on it. When I pay for that licence, I am paying for an exclusive right to produce those 2010 games T-shirts, but if others are able to use those same symbols or ones that are likely to be seen as essentially the same, what business reason do I have to compete for the licence in the first place?

● (1725)

We need a legal framework with clear rules on the use of Olympic symbols and associated words. We need sound, prompt and effective remedies that will deter free riders who seek to cash in on the Olympics to the detriment of the games or the official partners. Put simply, we need to protect the commitment of our partners.

That brings me today to Bill C-47. Canada has a strong intellectual property rights protection regime in place today. For example, the current Trade Marks Act provides a certain degree of protection for Olympics related marks and symbols. Under section 9 of that act, by virtue of their status as public authorities, the Canadian Olympic Committee and VANOC enjoy a certain degree of protection for various Olympic related marks.

However, in light of the upcoming 2010 Winter Games and changes in the marketplace since the Trade Marks Act was written, the protection of Olympic and Paralympic marks is of sufficient importance as to merit a dedicated stand-alone piece of legislation in addition. There are reasons for this.

The first reason is the significant expense required to host Olympic and Paralympic games, to build the world-class sporting facilities and infrastructure needed and, as I have mentioned, an increasing reliance on the private sector.

The second such reason stems from the concern that current laws are insufficient to prevent non-partner companies from using their own trade marks in a manner that misleads or is likely to mislead the public into thinking that they have some business relationship with the games. We need the legal frameworks in place to deal with what are referred to as ambush marketers. We need legislation to address the free riders who jump on the Olympic bandwagon at the last minute for a quick buck.

Finally, there is the concern that current remedies under common law are insufficient to prevent suspected trademark infringers and ambush marketers from continuing their offending behaviour during the limited timelines involved. What is needed are fast but responsible remedies as the games may be over by the time a court ruling brings a case to a close and brings a decision to a given case.

What no one wants are Olympic organizers potentially spending more time and money on litigation to protect their brand than they do on organizing the actual games. As the bulk of the brand policing would take place at a time when Canadians would prefer that VANOC, the Canadian Olympic organizing committee, and the IOC focus on delivering the best Winter Olympics and Paralympics ever.

That is why in 2002 the Government of Canada committed to the IOC to provide necessary legal measures in line with what is asked of Olympic host nations to protect the Olympic symbols, emblems, logos, marks, and many other Olympic related marks and designations. That brings us to why we are here today.

The Deputy Speaker: Perhaps that will be a good point to stop for the moment.

* * *

● (1730)

[*Translation*]

BUSINESS OF SUPPLY

OPPOSITION MOTION—FINANCE

The House resumed from May 10 consideration of the motion.

The Deputy Speaker: It being 5:30 p.m., pursuant to order made Thursday, May 10, the House will now proceed to the taking of the deferred recorded division on the motion relating to the business of supply.

Call in the members

● (1800)

[*English*]

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

(Division No. 185)

YEAS

Members

Alghabra
Bains
Beaumier
Bell (North Vancouver)
Bonin
Brison
Byrne
Chan
Cotler
Cuzner
Dhaliwal
Dion
Dryden
Folco
Godfrey
Graham
Ignatieff
Kadis
Karygiannis
LeBlanc
Bagnell
Barnes
Bélanger
Bevilacqua
Boshcoff
Brown (Oakville)
Cannis
Coderre
Cullen (Etobicoke North)
D'Amours
Dhalla
Dosanjh
Eyking
Fry
Goodale
Guarnieri
Jennings
Karetak-Lindell
Keeper
Lee

MacAulay
Marleau
McGuinty
McKay (Scarborough—Guildwood)
Merasty
Murphy (Moncton—Riverview—Dieppe)
Neville
Pacetti
Pearson
Proulx
Redman
Robillard
Rota
Savage
Scott
Silva
Simms
St. Denis
Telegdi
Thibault (West Nova)
Turner
Wappel
Wilson
Zed– — 87
Malhi
Matthews
McGuire
McTeague
Minna
Murphy (Charlottetown)
Owen
Patry
Peterson
Ratansi
Regan
Rodriguez
Russell
Scarpaleggia
Sgro
Simard
St. Amand
Szabo
Temelkovski
Tonks
Valley
Wilfert
Wrzesnewskyj

NAYS

Members

Abbott
Allen
Ambrose
André
Asselin
Baird
Batters
Benoit
Bigras
Blackburn
Blais
Bonsant
Boucher
Breitkreuz
Brown (Barrie)
Brunelle
Cannan (Kelowna—Lake Country)
Cardin
Carrier
Charlton
Chow
Comartin
Crête
Cullen (Skeena—Bulkley Valley)
Davidson
Day
Del Mastro
Dewar
Duceppe
Epp
Fast
Fitzpatrick
Fletcher
Gallant
Gauthier
Goldring
Gourde
Grewal
Guergis
Hanger
Harris
Hawn
Hiebert
Hinton
Jean
Kamp (Pitt Meadows—Maple Ridge—Mission)
Kenney (Calgary Southeast)
Komarnicki
Kramp (Prince Edward—Hastings)
Laframboise
Lalonde
Lavallée
Lemay
Lessard
Lukiwski
Albrecht
Allison
Anders
Angus
Bachand
Barbot
Bell (Vancouver Island North)
Bernier
Black
Blaikie
Blaney
Bouchard
Bourgeois
Brown (Leeds—Grenville)
Bruinooge
Calkins
Cannon (Pontiac)
Carrie
Casey
Chong
Christopherson
Comuzzi
Crowder
Cummins
Davies
DeBellefeuille
Deschamps
Doyle
Dykstra
Faille
Finley
Flaherty
Galipeau
Gaudet
Godin
Goodyear
Gravel
Guay
Guimond
Harper
Harvey
Hearn
Hill
Jaffer
Julian
Keddy (South Shore—St. Margaret's)
Khan
Kotto
Laforest
Lake
Lauzon
Layton
Lemieux
Lévesque
Lunney

Lussier
MacKenzie
Manning
Marston
Martin (Sault Ste. Marie)
Mathyssen
McDonough
Ménard (Marc-Aurèle-Fortin)
Merrifield
Mills
Moore (Fundy Royal)
Nadeau
Nicholson
O'Connor
Oda
Pallister
Paradis
Petit
Plamondon
Prentice
Priddy
Reid
Ritz
Savoie
Schellenberger
Siksay
Smith
Sorenson
St-Hilaire
Stoffer
Strahl
Thibault (Rimouski-Neigette—Témiscouata—Les Basques)
Thompson (New Brunswick Southwest)
Thompson (Wild Rose)
Toews
Tweed
Van Loan
Verner
Wallace
Warkentin
Watson
Yelich– — 191

MacKay (Central Nova)
Malo
Mark
Martin (Winnipeg Centre)
Masse
Mayes
Ménard (Hochelaga)
Menzies
Miller
Moore (Port Moody—Westwood—Port Coquitlam)
Mourani
Nash
Norlock
Obhrai
Ouellet
Paquette
Perron
Picard
Poilievre
Preston
Rajotte
Richardson
Roy
Scheer
Shipley
Skelton
Solberg
St-Cyr
Stanton
Storseth
Sweet
Tilson
Trost
Van Kesteren
Vellacott
Vincent
Warawa
Wasylycia-Leis
Williams

PAIRED

Nil

The Speaker: I declare the motion defeated.

* * *

BUDGET IMPLEMENTATION ACT, 2007

The House resumed from May 14 consideration of the motion that Bill C-52, An Act to implement certain provisions of the budget tabled in Parliament on March 19, 2007, be read the second time and referred to a committee, and of the motion that this question be now put.

The Speaker: The House will now proceed to the taking of the deferred recorded division on the previous question at the second reading stage of Bill C-52.

The hon. chief government whip is rising on a point of order.

Hon. Jay Hill: Mr. Speaker, I think were you to seek it, you would find unanimous consent to apply the results of the vote just previously taken to the motion currently before the House, with Conservative members present this evening voting yea.

The Speaker: Is there unanimous consent to proceed in this way?

Some hon. members: Agreed.

Hon. Karen Redman: Mr. Speaker, Liberal members will be voting no.

[*Translation*]

Mr. Michel Guimond: Mr. Speaker, the members of the Bloc Québécois will vote in favour of this motion.

Mr. Yvon Godin: Mr. Speaker, the members of the NDP will vote against this motion.

Ms. Louise Thibault: Mr. Speaker, I will vote in favour of this motion.

[*English*]

Hon. Joe Comuzzi: Mr. Speaker, I will vote against this motion.

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

(Division No. 186)

YEAS

Members

Abbott
Allen
Ambrose
André
Bachand
Barbot
Benoit
Bigras
Blais
Bonsant
Boucher
Breitkreuz
Brown (Barrie)
Brunelle
Cannan (Kelowna—Lake Country)
Cardin
Carrier
Chong
Cummins
Day
Del Mastro
Doyle
Dykstra
Faille
Finley
Flaherty
Galipeau
Gaudet
Goldring
Gourde
Grewal
Guergis
Hanger
Harris
Hawn
Hiebert
Hinton
Jean
Keddy (South Shore—St. Margaret's)
Khan
Kotto
Laforest
Lake
Lauzon
Lemay
Lessard
Lukiwski
Lussier
MacKenzie
Manning
Mayes
Ménard (Marc-Aurèle-Fortin)
Merrifield
Mills
Moore (Fundy Royal)
Nadeau
Norlock
Obhrai
Ouellet

Albrecht
Allison
Anders
Asselin
Baird
Batters
Bernier
Blackburn
Blaney
Bouchard
Bourgeois
Brown (Leeds—Grenville)
Bruinooge
Calkins
Cannon (Pontiac)
Carrie
Casey
Crête
Davidson
DeBellefeuille
Deschamps
Duceppe
Epp
Fast
Fitzpatrick
Fletcher
Gallant
Gauthier
Goodyear
Gravel
Guay
Guimond
Harper
Harvey
Hearn
Hill
Jaffer
Kamp (Pitt Meadows—Maple Ridge—Mission)
Kenney (Calgary Southeast)
Komarnicki
Kramp (Prince Edward—Hastings)
Laframboise
Lalonde
Lavallée
Lemieux
Lévesque
Lunney
MacKay (Central Nova)
Malo
Mark
Ménard (Hochelaga)
Menzies
Miller
Moore (Port Moody—Westwood—Port Coquitlam)
Mourani
Nicholson
O'Connor
Oda
Pallister

Paquette
Paradis
Perron
Petit
Picard
Plamondon
Poilievre
Prentice
Preston
Rajotte
Reid
Richardson
Ritz
Roy
Scheer
Schellenberger
Shipley
Skelton
Smith
Solberg
Sorenson
St-Cyr
St-Hilaire
Stanton
Storseth
Strahl
Sweet
Thibault (Rimouski-Neigette—Témiscouata—Les Basques)
Thompson (New Brunswick Southwest)
Thompson (Wild Rose)
Tilson
Toews
Trost
Tweed
Van Kesteren
Van Loan
Vellacott
Verner
Vincent
Wallace
Warawa
Warkentin
Watson
Williams
Yelich– — 163

NAYS

Members

Alghabra
Angus
Bagnell
Bains
Barnes
Beaumier
Bélanger
Bell (Vancouver Island North)
Bell (North Vancouver)
Bevilacqua
Black
Blaikie
Bonin
Boshcoff
Brison
Brown (Oakville)
Byrne
Cannis
Chan
Charlton
Chow
Christopherson
Coderre
Comartin
Comuzzi
Cotler
Crowder
Cullen (Skeena—Bulkley Valley)
Cullen (Etobicoke North)
Cuzner
D'Amours
Davies
Dewar
Dhaliwal
Dhalla
Dion
Dosanjh
Dryden
Eyking
Folco
Fry
Godfrey
Godin
Goodale
Graham
Guarnieri
Ignatieff
Jennings
Julian
Kadis
Karetak-Lindell
Karygiannis
Keeper
Layton
LeBlanc
Lee
MacAulay
Malhi
Marleau
Marston
Martin (Winnipeg Centre)
Martin (Sault Ste. Marie)
Masse
Mathyssen
Matthews
McDonough
McGuinty
McGuire
McKay (Scarborough—Guildwood)
McTeague
Merasty
Minna
Murphy (Moncton—Riverview—Dieppe)
Murphy (Charlottetown)
Nash
Neville
Owen
Pacetti
Patry
Pearson
Peterson
Priddy
Proulx
Ratansi
Redman
Regan
Robillard
Rodriguez
Rota
Russell
Savage
Savoie
Scarpaleggia
Scott
Sgro
Siksay
Silva
Simard
Simms
St. Amand
St. Denis
Stoffer
Szabo
Telegdi
Temelkovski
Thibault (West Nova)
Tonks
Turner
Valley
Wappel
Wasylycia-Leis
Wilfert
Wilson
Wrzesnewskyj
Zed– — 115

PAIRED

Nil

The Speaker: I declare the motion carried.

The next question is on the main motion.

[*Translation*]

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion, the yeas have it.

And five or more members having risen:

● (1810)

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

(Division No. 187)

YEAS

Members

Abbott
Albrecht
Allen
Allison
Ambrose
Anders
André
Asselin
Bachand
Baird
Barbot
Batters
Benoit
Bernier
Bigras
Blackburn
Blais
Blaney
Bonsant
Bouchard
Boucher
Bourgeois
Breitkreuz
Brown (Leeds—Grenville)
Brown (Barrie)
Bruinooge
Brunelle
Calkins
Cannan (Kelowna—Lake Country)
Cannon (Pontiac)
Cardin
Carrie
Carrier
Casey
Chong
Comuzzi
Crête
Cummins
Davidson
Day
DeBellefeuille
Del Mastro
Deschamps
Doyle
Duceppe
Dykstra
Epp
Faille
Fast
Finley
Fitzpatrick
Flaherty
Fletcher
Galipeau
Gallant
Gaudet
Gauthier
Goldring
Goodyear
Gourde
Gravel
Grewal
Guay
Guergis
Guimond
Hanger
Harper
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 Kotto
Kramp (Prince Edward—Hastings) Laforest
Laframboise Lake
Lalonde Lauzon
Lavallée Lemay
Lemieux Lessard
Lévesque Lukiwski
Lunney Lussier
MacKay (Central Nova) MacKenzie
Malo Manning
Mark Mayes
Ménard (Hochelaga) Ménard (Marc-Aurèle-Fortin)
Menzies Merrifield
Miller Mills
Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)
Mourani Nadeau
Nicholson Norlock
O'Connor Obhrai
Oda Ouellet
Pallister Paquette
Paradis Perron
Petit Picard
Plamondon Poilievre
Prentice Preston
Rajotte Reid
Richardson Ritz
Roy Scheer
Schellenberger Shipley
Skelton Smith
Solberg Sorenson
St-Cyr St-Hilaire
Stanton Storseth
Strahl Sweet
Thibault (Rimouski-Neigette—Témiscouata—Les Basques)
Thompson (New Brunswick Southwest)
Thompson (Wild Rose) Tilson
Toews Trost
Tweed Van Kesteren
Van Loan Vellacott
Verner Vincent
Wallace Warawa
Warkentin Watson
Williams Yelich– — 164

NAYS

Members

Alghabra Angus
Bagnell Bains
Barnes Beaumier
Bélanger Bell (Vancouver Island North)
Bell (North Vancouver) Bevilacqua
Black Blaikie
Bonin Boshcoff
Brison Brown (Oakville)
Byrne Cannis
Chan Charlton
Chow Christopherson
Coderre Comartin
Cotler Crowder
Cullen (Skeena—Bulkley Valley) Cullen (Etobicoke North)
Cuzner D'Amours
Davies Dewar
Dhaliwal Dhalla
Dion Dosanjh
Dryden Eyking
Folco Fry
Godfrey Godin
Goodale Graham
Guarnieri Ignatieff
Jennings Julian
Kadis Karetak-Lindell
Karygiannis Keeper
Layton LeBlanc
Lee MacAulay
Malhi Marleau
Marston Martin (Winnipeg Centre)
Martin (Sault Ste. Marie) Masse
Mathyssen Matthews
McDonough McGuinty
McGuire McKay (Scarborough—Guildwood)
McTeague Merasty
Minna Murphy (Moncton—Riverview—Dieppe)
Murphy (Charlottetown) Nash
Neville Owen
Pacetti Patry
Pearson Peterson
Priddy Proulx
Ratansi Redman
Regan Robillard
Rodriguez Rota
Russell Savage
Savoie Scarpaleggia
Scott Sgro
Siksay Silva
Simard Simms
St. Amand St. Denis
Stoffer Szabo
Telegdi Temelkovski
Thibault (West Nova) Tonks
Turner Valley
Wappel Wasylycia-Leis
Wilfert Wilson
Wrzesnewskyj Zed– — 114

PAIRED

Nil

The Speaker: I declare the motion carried. Accordingly, the bill stands referred to the Standing Committee on Finance.

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

[*English*]

The Speaker: Before I put the next question, I would like to remind hon. members of a rule that apparently has been forgotten.

Standing Order 16(1) of the House states:

> When the Speaker is putting a question, no Member shall enter, walk out of or across the House, or make any noise or disturbance.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

PUBLIC ACCOUNTS

The House resumed from May 10 consideration of the motion.

The Speaker: Pursuant to order made earlier today the House will now proceed to the taking of the deferred recorded division on the motion to concur in the 13th report of the Standing Committee on Public Accounts in the name of the hon. member for York West.

● (1820)

[*Translation*]

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

(Division No. 188)

YEAS

Members

Alghabra André
Angus Asselin
Bachand Bagnell
Bains Barbot
Barnes Beaumier
Bélanger Bell (Vancouver Island North)

Bell (North Vancouver)
Bevilacqua
Bigras
Black
Blaikie
Blais
Bonin
Bonsant
Boshcoff
Bouchard
Bourgeois
Brison
Brown (Oakville)
Brunelle
Byrne
Cannis
Cardin
Carrier
Chan
Charlton
Chow
Christopherson
Coderre
Comartin
Comuzzi
Cotler
Crête
Cullen (Skeena—Bulkley Valley)
Cullen (Etobicoke North)
Cuzner
D'Amours
Davies
DeBellefeuille
Deschamps
Dewar
Dhaliwal
Dhalla
Dion
Dosanjh
Dryden
Duceppe
Eyking
Faille
Folco
Fry
Gaudet
Gauthier
Godfrey
Godin
Goodale
Graham
Gravel
Guarnieri
Guay
Guimond
Ignatieff
Jennings
Julian
Kadis
Karetak-Lindell
Karygiannis
Keeper
Kotto
Laforest
Laframboise
Lalonde
Lavallée
Layton
LeBlanc
Lee
Lemay
Lessard
Lévesque
Lussier
MacAulay
Malhi
Malo
Marleau
Marston
Martin (Winnipeg Centre)
Martin (Sault Ste. Marie)
Masse
Mathyssen
Matthews
McDonough
McGuinty
McGuire
McKay (Scarborough—Guildwood)
McTeague
Ménard (Hochelaga)
Ménard (Marc-Aurèle-Fortin)
Merasty
Minna
Mourani
Murphy (Moncton—Riverview—Dieppe)
Murphy (Charlottetown)
Nadeau
Nash
Neville
Ouellet
Owen
Pacetti
Paquette
Patry
Pearson
Perron
Peterson
Picard
Plamondon
Priddy
Proulx
Ratansi
Redman
Regan
Robillard
Rodriguez
Rota
Roy
Russell
Savage
Savoie
Scarpaleggia
Scott
Sgro
Siksay
Silva
Simard
Simms
St-Cyr
St-Hilaire
St. Amand
St. Denis
Stoffer
Szabo
Telegdi
Temelkovski
Thibault (Rimouski-Neigette—Témiscouata—Les Basques)
Thibault (West Nova)
Tonks
Turner
Valley
Vincent
Wappel
Wasylycia-Leis
Wilfert
Wilson
Wrzesnewskyj
Zed– — 160

NAYS

Members

Abbott
Albrecht
Allen
Allison
Ambrose
Anders
Baird
Batters
Benoit
Bernier
Blackburn
Blaney
Boucher
Breitkreuz
Brown (Leeds—Grenville)
Brown (Barrie)
Bruinooge
Calkins
Cannan (Kelowna—Lake Country)
Cannon (Pontiac)
Carrie
Casey
Chong
Cummins
Davidson
Day
Del Mastro
Doyle
Dykstra
Epp
Fast
Finley
Fitzpatrick
Flaherty
Fletcher
Galipeau
Gallant
Goldring
Goodyear
Gourde
Grewal
Guergis
Hanger
Harper
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
Lunney
MacKay (Central Nova)
MacKenzie
Manning
Mark
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
Shipley
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
Yelich– — 116

PAIRED

Nil

The Speaker: I declare the motion carried.

GOVERNMENT ORDERS

[*English*]

SETTLEMENT OF INTERNATIONAL INVESTMENT DISPUTES ACT

The House resumed consideration of the motion that Bill C-53, An Act to implement the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (ICSID Convention), be read the second time and referred to a committee.

The Speaker: The House will now proceed to the taking of the deferred recorded division on the motion at second reading stage of Bill C-53.

Hon. Jay Hill: Mr. Speaker, if you were to seek it I think you would find unanimous consent to apply the results of the vote previously taken to the motion on Bill C-53, with Conservative members voting yea, and I would like to add the hon. member for Edmonton—St. Albert.

The Speaker: Is there unanimous consent to proceed in this way?

Some hon. members: Agreed.

Hon. Karen Redman: Mr. Speaker, Liberals will be voting in favour of the motion.

[*Translation*]

Mr. Michel Guimond: Mr. Speaker, the members of the Bloc Québécois will vote in favour of this motion.

[*English*]

Mr. Yvon Godin: Mr. Speaker, members of the NDP are voting no to the motion, and I would like to add the member for Nanaimo—Cowichan.

[*Translation*]

Ms. Louise Thibault: Mr. Speaker, I will vote in favour of this motion.

[*English*]

Hon. Joe Comuzzi: Mr. Speaker, I vote in favour of the motion.

[*Translation*]

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

(Division No. 189)

YEAS

Members

Abbott
Alghabra
Allison
Anders
Asselin
Bagnell
Baird
Barnes
Beaumier
Bell (North Vancouver)
Bernier
Bigras
Blais
Bonin
Boshcoff
Boucher
Breitkreuz
Brown (Oakville)
Brown (Barrie)
Brunelle
Calkins
Cannis
Cardin
Carrier
Chan
Coderre
Cotler
Cullen (Etobicoke North)
Cuzner
Davidson
DeBellefeuille
Deschamps
Dhalla
Dosanjh
Dryden
Dykstra
Eyking
Albrecht
Allen
Ambrose
André
Bachand
Bains
Barbot
Batters
Bélanger
Benoit
Bevilacqua
Blackburn
Blaney
Bonsant
Bouchard
Bourgeois
Brison
Brown (Leeds—Grenville)
Bruinooge
Byrne
Cannan (Kelowna—Lake Country)
Cannon (Pontiac)
Carrie
Casey
Chong
Comuzzi
Crête
Cummins
D'Amours
Day
Del Mastro
Dhaliwal
Dion
Doyle
Duceppe
Epp
Faille
Fast
Fitzpatrick
Fletcher
Fry
Gallant
Gauthier
Goldring
Goodyear
Graham
Grewal
Guay
Guimond
Harper
Harvey
Hearn
Hill
Ignatieff
Jean
Kadis
Karetak-Lindell
Keddy (South Shore—St. Margaret's)
Kenney (Calgary Southeast)
Komarnicki
Kramp (Prince Edward—Hastings)
Laframboise
Lalonde
Lavallée
Lee
Lemieux
Lévesque
Lunney
MacAulay
MacKenzie
Malo
Mark
Matthews
McGuinty
McKay (Scarborough—Guildwood)
Ménard (Hochelaga)
Menzies
Merrifield
Mills
Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)
Mourani
Murphy (Charlottetown)
Neville
Norlock
Obhrai
Ouellet
Pacetti
Paquette
Patry
Perron
Petit
Plamondon
Prentice
Proulx
Ratansi
Regan
Richardson
Robillard
Rota
Russell
Scarpaleggia
Schellenberger
Sgro
Silva
Simms
Smith
Sorenson
St-Hilaire
St. Denis
Storseth
Sweet
Telegdi
Thibault (Rimouski-Neigette—Témiscouata—Les Basques)
Thibault (West Nova)
Thompson (New Brunswick Southwest)
Tilson
Tonks
Turner
Valley
Van Loan
Finley
Flaherty
Folco
Galipeau
Gaudet
Godfrey
Goodale
Gourde
Gravel
Guarnieri
Guergis
Hanger
Harris
Hawn
Hiebert
Hinton
Jaffer
Jennings
Kamp (Pitt Meadows—Maple Ridge—Mission)
Karygiannis
Keeper
Khan
Kotto
Laforest
Lake
Lauzon
LeBlanc
Lemay
Lessard
Lukiwski
Lussier
MacKay (Central Nova)
Malhi
Manning
Marleau
Mayes
McGuire
McTeague
Ménard (Marc-Aurèle-Fortin)
Merasty
Miller
Minna
Murphy (Moncton—Riverview—Dieppe)
Nadeau
Nicholson
O'Connor
Oda
Owen
Pallister
Paradis
Pearson
Peterson
Picard
Poilievre
Preston
Rajotte
Redman
Reid
Ritz
Rodriguez
Roy
Savage
Scheer
Scott
Shipley
Simard
Skelton
Solberg
St-Cyr
St. Amand
Stanton
Strahl
Szabo
Temelkovski
Thompson (Wild Rose)
Toews
Trost
Tweed
Van Kesteren
Vellacott

Verner
Wallace
Warawa
Watson
Williams
Wrzesnewskyj
Zed– — 251

Vincent
Wappel
Warkentin
Wilfert
Wilson
Yelich

NAYS

Members

Angus
Black
Charlton
Christopherson
Crowder
Davies
Godin
Layton
Martin (Winnipeg Centre)
Masse
McDonough
Priddy
Siksay
Wasylycia-Leis– — 27

Bell (Vancouver Island North)
Blaikie
Chow
Comartin
Cullen (Skeena—Bulkley Valley)
Dewar
Julian
Marston
Martin (Sault Ste. Marie)
Mathyssen
Nash
Savoie
Stoffer

PAIRED

Nil

The Speaker: I declare the motion carried. Accordingly, the bill stands referred to the Standing Committee on Foreign Affairs and International Development.

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

* * *

● (1825)

[*English*]

BUSINESS OF SUPPLY

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, pursuant to the Standing Orders of the House, I would like to undesignate Thursday, May 17, as an allotted day and instead designate Friday, May 18, as an allotted day.

The Speaker: 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.

PRIVATE MEMBERS' BUSINESS

[*Translation*]

CANADA EVIDENCE ACT

Mr. Serge Ménard (Marc-Aurèle-Fortin, BQ) moved that Bill C-426, An Act to amend the Canada Evidence Act (protection of journalistic sources and search warrants), be read the second time and referred to a committee.

He said: Mr. Speaker, it must be quite something for individual members to have to select the topic of their private members' bills. Mine has to do with a concern I have ever since the late 1960s. As a young lawyer at the time, I witnessed the birth of the Quebec Federation of Professional Journalists. I had friends who were journalists and I was called upon, as a lawyer, to sort out many problems between journalists and the police.

At that time, we came to the conclusion that it would be great if there were legislation. Since then, we have had section 2(*b*) of the Canadian Charter of Rights and Freedoms guarantee the freedom of the press and other media of communication. In addition, the case law has evolved toward providing some protection. I think that the bill I have introduced is fitting a lot of case law in just two and a half pages. The sad reality is that the problem is still a current one. It happens all the time. It may not be as newsworthy as other items, but unfortunately there is still a problem.

The first broad principle we must understand is that this is not a question of giving journalists privileges; it is a question of protecting a journalistic activity that is for the common good and that enables people who are witnesses to breaches of trust or great injustices to direct investigative journalists toward sources of information or evidence of breaches of trust. The journalists will then write their articles based on that information.

The bill is also an attempt to protect another broad principle: that journalists must not be perceived as auxiliary police. In too many criminal cases, there have been attempts to use information that journalists have gathered, with harmful effects, because then demonstrators, for example, attack the journalists. In fact, several camera operators have had rocks thrown at them at demonstrations.

While the content of the bill is very brief, it addresses four major subjects. First, there is protection of journalistic sources. Sources request confidentiality because, if they are revealed, they could suffer reprisals, sometimes actual physical reprisals, and often economic.

Second, it establishes the principle that use of material that journalists have gathered but not published will be the exception. This involves various cases where confidentiality has been requested, but it is still important for journalists not to be perceived as auxiliary police. As well, it provides for search warrants to be issued in exceptional cases, and we will see the requirements that must be met. It also provides for how the search is to be conducted, once it has been begun. And I also decided to solve one small problem by offering a way in which publication can be easily proved. A publication has been published, and it seems to me that it can be proved by producing it in evidence.

As well, it obviously provides for the necessary exceptions: first, to prevent easy defamation through bad influence by a malicious source, and second, to reconcile these principles with the state's interest so that an investigation can be carried out and crimes punished.

This bill is therefore based on the importance of freedom of information in a democratic society. Because this is a value of a democratic society, and not a privilege, we will also see that it provides that the judge may raise the question on his or her own initiative.

First, the bill uses the definition of the word "record" found in the Access to Information Act, because it is the broadest definition found in our legislation and it is also used in numerous other laws. The bill also relates to the Canada Evidence Act. Obviously, we are legislating only in relation to federal matters and this bill applies to federal matters.

Then it defines the word "journalist". The definition is broad, but also contains restrictions, as we will see. A journalist is a person who contributes regularly and directly to the gathering, writing, production or dissemination of information for the public through any media, or anyone who assists such a person.

● (1830)

Thus, we cannot act as a journalist one day and spread slander. No, it would have to be a regular contribution.

The definition of media is broad. It includes blogs, with the exception of occasional blogs, and includes those written for the public on a regular basis.

Subsection 3 establishes the principle that a journalist has the right to refuse to disclose a confidential source. As I said earlier, this is a principle of public interest and not a privilege given to journalists. If judges notice a problem of that nature, they can raise the issue themselves.

Subsection 5 talks about the inevitable exception. However, it is very limited and intended to protect public interest. Thus, a judge "may not order a journalist to disclose to a person the source of any information that the journalist has gathered, written, produced or disseminated for the public through any media, unless the judge considers that:"

First of all, the person who is requesting the disclosure has done everything in the person's power to discover the source of the information through other means. The disclosure is in the public interest, and the judge must consider three principles: the outcome of the litigation, and therefore the importance of this case for the outcome of the litigation; the freedom of information, and thus the impact it could have on how easy it is for journalists to obtain information; and the impact of the journalist's testimony on the source.

All of these provisions were based on current case law. The burden of proof falls to whoever requests the disclosure. They must prove that the disclosure is necessary.

Let us now move on to subsection 7. We are not talking about records with a confidential source, but notes that journalists have decided not to publish. This is done simply to establish the principle that journalists must not be seen as working on behalf of the state. If they decide to not publish something, then before searching for their personal notes, we must ensure that it is really necessary to do so and that other means have been attempted to obtain them. Television cameras are not police cameras and must not be perceived as such.

A judge must meet very strict conditions for issuing a warrant. When we read them, we realize the importance of these conditions. What is quite important, among other things, is that there must be a supporting affidavit enabling the judge to properly consider all the circumstances in order to determine if the applicable conditions are met.

Obviously, the judge must provide the conditions for the search to ensure that the media are not unduly prevented from publishing the information. The search must not interfere with their work.

Once the warrant is provided, the way in which the search is to be conducted is indicated. It must not be unreasonably conducted. Once again, I refer to jurisprudence. Given that a decision will have to be made on whether the information is public or secret, every document must be sealed immediately.

I have added something that I believe may be useful, that before sealing documents, the police involved in a search must obtain information.

To fully respect the principle that documents must not be disclosed before a judge has ruled to that effect, I establish this principle, namely that anyone who participates in seizing a document must keep its contents confidential, unless otherwise instructed by the judge at a later date.

Finally, the fourth part is to ensure, since we are amending the Canada Evidence Act to make it easier to produce a publication in evidence, that it is not necessary to summons the editor in chief or anyone else at the newspaper. If it is published, it is published and one only has to produce it. That is established by subsection 11.

The bill is a distillation but what purpose does it serve?

● (1835)

That is what I was told by one of the experts I consulted. Instead of citing 1,000 or 2,000 pages of jurisprudence, instead of identifying majority and minority judges and so on, this piece of legislation—which respects the principles of jurisprudence—is only two and a half pages long. That makes it a very useful, practical tool. It is useful to police officers because it tells them the requirements that must be met before seeking a search warrant. It also helps them execute search warrants. All of these rules exist in the many long pages of the jurisprudence. The bill will also be useful to justices of the peace who issue search warrants. Before publishing search warrants, justices will consult this short piece of legislation and know exactly what to do. It will also be useful to the media and journalists who can read it to find out how they are protected.

It should be noted that this is just a federal law. Therefore, it does not apply to civil matters. It does, however, cover police relations. In the past, this is what caused the most problems. I am sure that it will also influence civil law because it is inspired by paragraph 2(*b*) of the Canadian Charter of Rights and Freedoms, which also applies to civil legislation. It therefore affects civil law. Given that the principles underlying this act summarize the jurisprudence related to paragraph 2(*b*), judges in the civil law system will certainly look to it for inspiration.

Once again, it is important to understand that this is not a privilege for journalists. This does not release them from their civil obligation to not engage in gratuitous defamation. Journalists will have to use independently gathered evidence to decide whether to expose and disseminate what they have learned. The source must remain anonymous to avoid reprisals. In so doing, the paper or other medium the journalist works for that publishes findings assumes full civil responsibility for any damage resulting from false or defamatory information. To comply with their civil obligations, the media must be able to present a defence based on public interest and truth.

I had a lot of help drafting this bill. First, I was inspired by current jurisprudence on this issue, which I deal with as a hobby. In fact, I practised criminal law, but I have been interested in this issue since the end of the 1960s. I also relied on the work of the Fédération professionnelle des journalistes du Québec, including a remarkable study by Marie-Claude Pednault. I was also inspired by the memorandum of understanding in Quebec between the justice department, the bar and the Fédération professionnelle des journalistes du Québec. I consulted legislation in Belgium, France, Sweden and a number of other countries. I read jurisprudence in the European Court of Human Rights.

This bill is short, but, for those who are going to read it, it is dense. It was not scribbled down quickly on a napkin. I also consulted a number of expert lawyers and information law professors. I think this piece of legislation fills a need and it will be useful.

By the way, the United States has 32 laws on this very mater. This bill is consistent with the line of thinking in democratic countries that recognize the fact that in the society we live in, it is in the public's interest for some people with information about corruption or gross injustices to be able to turn to journalists and direct them in their investigations. Then, when there are legal debates and the crux of the debate is not on the defence of the corruption for which there is evidence, but on the knowledge of who provided the information, the judge will be able to refuse in order to protect the source.

● (1840)

Allow me to cite Justice Cory, in one of the cases that inspired me:

> Freedom of the press is vital to a free society and comprises the right to disseminate news, information and beliefs. The gathering of information could in many circumstances be seriously inhibited, if government had too ready access to information in the hands of the media. The press should not be turned into an investigative arm of the police. Thus, the fear that the police can easily gain access to a reporter's notes could well hamper the ability of the press to gather information.

As you can see, this truly is an issue that raises extremely important principles of democracy.

Hon. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, I am honoured to ask my former minister a question. He was the public safety minister in the Quebec government when I was deputy commissioner for police ethics for the province of Quebec.

My question has to do with the definition of journalist. I would like to know if a definition already exists in any legislation in Canada, either federally or provincially, or if there is any case law that establishes the definition of a journalist.

I must admit, although I am in favour of this bill—and I intend to recommend that my caucus support it and refer it to committee—we have some concerns nonetheless. The definition of journalist, as written in the bill, is rather broad and could even include the distributor or printer of a document produced by a journalist.

I would like to hear the hon. member's response to this.

Mr. Serge Ménard: Mr. Speaker, that is a very good question that deserves a good answer and I will be quick to provide it.

There are several definitions for the term "journalist". That was the most succinct one that I found. However, there is also an extremely important fact to be considered when we state: "anyone who assists such a person". The idea is that if someone cannot obtain the information from the journalist, they may turn to the printer.

It is very important to protect the individuals who work with the journalist and who, through their jobs, as humble as they may be, may have knowledge of a secret source. These individuals may have seen, for example, notes on the journalist's desk or have information required for printing the newspaper.

Rather than considering each individual case—and I must admit that sometimes we found some expressions to be somewhat ridiculous—we opted for the expression, "anyone who assists such a person". By accepting the rules of interpretation, namely that the words must always serve the obvious purpose of the law, this purpose must be to protect the source that could suffer retaliation if their name were to be disclosed, even by the housekeeper. In fact, the latter could have learned certain things by listening to a conversation between two people at some point.

Thus, we speak of any individual who works with the business and who would have access to these names. I believe that is how the courts would interpret it. That is why we decided to use this very simple expression which, when interpreted thus, is clear in concrete cases.

● (1845)

[*English*]

Mr. David Christopherson (Hamilton Centre, NDP): Mr. Speaker, I thank the member for introducing this important bill. It is certainly high time for it. I will speak directly to the bill later, but my first question is with regard to the blogosphere. The hon. member mentioned the not occasional bloggers and then referred to proposed subsection 39.1(1) that provides the definition of "journalist", stating:

> "journalist" means a person who contributes regularly and directly to the gathering, writing, production or dissemination....

I wondered if in this opening discussion of the bill the member would expand a little on how he sees this applying to the world of blogs in a positive way as well as any concerns he has identified that he might be hoping the committee would deal with at committee level should the bill pass in this place.

[*Translation*]

Mr. Serge Ménard: Mr. Speaker, perhaps I was a little hasty in using the word "blog". Basically, in the definition, I was trying to anticipate the world in which we will probably live and in which there will be electronic journals. Furthermore, I sought the advice of computer experts on this. And it has already begun. There are people who keep blogs on a regular basis.

We believe that by applying the spirit of this definition to people who write, film or record, the expression of a person "who contributes regularly and directly to the gathering, writing, production or dissemination of information ..." is broad enough to include people who keep electronic journals or who already have real journals.

However, this will not apply to anyone who decides one day to start a blog, seek out their source and begin to slander. No—

The Deputy Speaker: The member for Crowfoot has the floor.

[*English*]

Mr. Kevin Sorenson (Crowfoot, CPC): Mr. Speaker, it is a pleasure to rise in the House and speak to Bill C-426.

I doubt that there is any Canadian who would argue with the statement that freedom of speech and freedom of the press are not two cornerstones of a free and democratic society. I think all would agree with the statement that they are imperative.

In fact, subsection 2(b) of the Canadian Charter of Rights and Freedoms provides a specific constitutional right to "freedom of thought, belief, opinion and expression, including freedom of the press and other media of communication".

In consideration of Bill C-426, I think that it is important to first summarize the main components of the bill and then determine whether they are an improvement on the current law that we have in the country today. In other words, are there limitations in the current law that threaten freedom of the press and if so, do the provisions that Bill C-426 brings forward address these gaps? If no such limitation exists, then Bill C-426 may be unnecessary.

I would like to begin with a summary of the primary components of Bill C-426. The bill has three main components. The first is a statutory protection that prohibits a journalist from being compelled to disclose the source of information supplied to the journalist. Although not totally clear in the bill, this appears to be a protection from testimonial compulsion when the journalist becomes a witness in a case.

This protection, however, is not absolute. It is subject to a more general provision that expressly prohibits a judge from making an order forcing the journalist to disclose an information source unless the judge is satisfied that certain tests are met.

The difficulty with the two sections being in the same provision is that the first section addresses the journalist as a witness and the second section is all encompassing. It does not matter whether the journalist is a witness or not. This means that it is not clear which section applies and in which circumstance it applies.

A second component of Bill C-426 protects a journalist from having to disclose unpublished information only if the material is of "vital importance" and it cannot be produced in evidence by any other means.

The problem with the bill is that vital importance is not defined. What do we mean by vital importance? Also, the section refers to unpublished information that is produced as evidence. What if the information that is brought forward does not become evidence in the case? Is it still protected? This provision in this bill does not make that clear.

The final component of the bill creates restrictions on the ability of a judge to issue a search warrant to seize information in the possession of the journalist. The reference to a judge is curious in view of the fact that search warrants are usually issued by a justice, defined in the Criminal Code to be a justice of the peace or a provincial court judge. It is not clear whether the reference to a judge is intended to remove this discretion from what the Criminal Code lists as being a justice of the peace or a court judge.

The issuance of search warrants by judicial officers, usually justices, has been considered by the courts. The Supreme Court of Canada has expressively stated:

> The privacy interests of individuals in a democratic society must be carefully weighed in a search warrant application against the interests of the state in investigating and prosecuting crimes.

The Supreme Court has also stated that even if the statutory requirements for issuing a search warrant have been met, where the premises to be searched are those of the media, the justice must exercise his or her discretion to determine whether a warrant is actually necessary.

Where a warrant is justified, the courts have directed that the justice must consider the conditions that may be attached to the warrant to ensure that any disruption of the gathering and dissemination of the news is limited as much as possible.

● (1850)

The Supreme Court of Canada has clearly said that a number of factors should be taken into consideration when a justice is exercising his or her discretion to issue a search warrant to seize documents in the possession of the press. The weight given to the various factors varies depending on the facts.

The courts have recognized that where the police seek to obtain a search warrant to retrieve materials in the possession of a journalist that carry a high expectation of privacy, for example, handwritten notes or information jotted down in a scribbler, the justice exercising his or her discretion as to whether to issue the warrant should consider factors that may not be relevant in other circumstances.

One such factor is whether reasonable efforts have been made by the police to obtain the information from other sources. The courts have recognized that a fear that the police can easily gain access to a reporter's notes could hamper the ability of the press to gather that information, to hold onto that information.

There are many examples to illustrate the fact that there is no one size fits all approach to determining whether a search warrant should be issued in particular circumstances involving the press, and if so, what conditions should be attached to the warrant. Each case is considered having regard to the particular facts before the judge.

I suggest that this case by case approach is a very effective way to ensure that an appropriate balance is struck between freedom of the press and the state interest in investigating and prosecuting crime.

In contrast to this approach, Bill C-426 sets out a set of mandatory statutory requirements that must be met in each and every case before a search warrant can be issued. In my view, there is a risk that this makes the law too rigid. I also think that there are two other serious problems with Bill C-426: first, is the very broad definition of a journalist; and second, is the absence of a definition or qualification on what type of information is protected by the bill.

In the bill, a journalist is defined as:

> —a person who contributes regularly and directly to the gathering, writing, production or dissemination of information for the public through any media, or anyone who assists such a person.

The concern that I have with this definition is that it is so broad, it captures persons it was not clearly intended to include. Even my Liberal colleague from across the way questioned who then would be qualified, who would be listed as a journalist, so I think this particular aspect of the bill is a concern to all parties.

For example, the definition applies not only to persons engaged in journalistic activities, but also to teenagers who are daily bloggers on the Internet. They could be listed as journalists in those cases. The technician at the television station who repairs the computers used by journalists also technically falls within the definition of a journalist. I cannot imagine that the intent of Bill C-426 was to extend statutory protection to the activities of these individuals.

A further problem is that the bill does not define or qualify what kind of information in the possession of a journalist attracts the protection of the search warrant provision. The section is cast so broadly that it could include information that has absolutely nothing to do with the journalist's activity, for example, phone bills or other things.

The section also does not distinguish between information that journalists collect during their work and information relevant to a criminal investigation involving the journalist as a target.

In conclusion, I submit that it is not clear at all that there are any limitations in the current law that need to be addressed. I think the current law does a very good job of achieving the delicate balance between freedom of the press and the state interest in the investigation of the crime. The current law takes a principled approach that is sufficiently flexible to address a wide variety of fact situations.

● (1855)

I am also concerned that there are some serious problems with many of the provisions in Bill C-426. A number of these problems are sufficiently serious that, not only would they not achieve the policy objective of the bill, but they would create considerable uncertainty about the state of the law.

I am pleased to have had the opportunity today to bring forward in this place some of the concerns we have with this private members' bill. I want to thank the official opposition for addressing some of those concerns in their questions.

[*Translation*]

Hon. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, as I mentioned earlier when I addressed my question to my colleague from the Bloc, the member for the riding of Marc-Aurèle-Fortin, I am very happy to speak in favour of his bill. I will be brief. Perhaps not as brief as you would like, but I will try.

Bill C-426, as the member for Marc-Aurèle-Fortin mentioned seeks to amend the Canada Evidence Act to protect the confidentiality of journalistic sources and the freedom of the press. It would also add a new clause to the Canada Evidence Act that would allow journalists who appear before a court to refuse to disclose information or a record that has not been published unless it is of vital importance and cannot be produced in evidence by any other means.

In addition, the new clause establishes specific conditions that must be met for a judge to issue a search warrant to obtain information or records that a journalist possesses. The bill stipulates the manner in which a search must be conducted.

Bill C-426 also allows journalists to refuse to disclose the source of the information that they gather, write, produce or disseminate to the public through any media, and to refuse to disclose any information or document that could identify a source.

Under the bill, a judge could only order a journalist to disclose the source of the information if the judge considers it to be in the public interest, having regard to the outcome of the litigation, the freedom of information and the impact of the journalist's testimony on the source.

At present, as the member for Marc-Aurèle-Fortin stated, journalistic freedom is protected by provision 2(b) of the Canadian Charter of Rights and Freedoms, which guarantees freedom of expression, including freedom of the press. However, there is no legislative measure in Canada that allows a journalist to refuse to disclose a source.

Many lower courts in the country have adopted diverging points of view on this question. They generally rule that even though disclosure of a journalistic source could harm the parties concerned, it is often more important to disclose the information before a court. They generally hesitate to compel journalists to reveal information obtained from a source on a confidential basis. Canadian courts follow the precedence established by the decision rendered by a court in Great Britain in the case of the Attorney General vs Mulholland, which states that journalists should not be required to disclose information provided by a source on a confidential basis unless the petitioner can show that the information is relevant and necessary to the conclusion of a case.

As I said in my question for the member for Marc-Aurèle-Fortin, the definition of "journalist" seems pretty broad to me. He suggested a few ways to resolve this, and I am looking forward to discussing this in committee. In fact, that is why I plan to vote in favour of this bill at second reading and why I am recommending that my Liberal colleagues support this bill.

I would like to raise a few points concerning weaknesses in some parts of the English version of the text. I simply wish to clarify this in the hope that, with the support of other members, my colleague will allow some amendments to be made in committee. Paragraph 39.1(7) reads as follows:

● (1900)

[*English*]

> A journalist is required to disclose information or a record that has not been published only if the information or record is of vital importance and cannot be produced in evidence by any other means.

The English version of the bill refers to "vital importance", while the French version refers to "importance déterminante".

[*Translation*]

I should point out that the French version of the text provides a much more concise definition of the conditions required for such disclosure. For example, the word "déterminante" refers, I suppose, to the determination of the case, whereas in English, "vital importance" is very vague and much broader. Therefore, I think we need to find another English expression that makes the English version as clear as the French one.

Next, in the introductory paragraph to paragraph 39.1(8), the English text is poorly written.

● (1905)

[*English*]

It would make the subsection much clearer if the term "if" was replaced by "unless".

The English text also refers to a search that is "unreasonably conducted". This is a very broad term that has no precise meaning. I have been unable to find any kind of definition that is provided through jurisprudence on this.

Whereas the French version of the bill which refers to "effectuée de façon abusive" is much clearer and there is an abundance of jurisprudence that actually defines what an abusive search would be. We could be using our legislative drafters and experts in committee in order to tighten up the English text.

Subsection 39.1(9) states: "Any record seized...shall be sealed right away and opened only before a judge who shall determine the manner in which the record is to be kept and disclosed.". In this subsection the English "right away" should be changed or replaced by the term "immediately". "Right away" is not a term that we would use in legislation. Those are just a couple of examples.

One of the cases obviously that raised this as an issue with the member for Marc-Aurèle-Fortin was the O'Neill v. Canada which made a lot of headlines and received a lot of attention.

As the member knows, it was challenged constitutionally and section 4 of the Security of Information Act was struck down through a court decision, but the act has yet to be amended. Therefore, I would suggest that the member may wish to agree to an amendment which would go beyond the scope of his bill that would include amendments to the Security of Information Act. Given that it is his bill, he could accept the amendment or not.

In the case of O'Neill vs. Canada, the Ontario Superior Court judge struck down paragraph 4(1)(a), subsection 4(3), and paragraph 4(4)(b) of the Security of Information Act as violations of section 7: the right to life, liberty and security of the person and the right not to be deprived thereof except in accordance with the principles of fundamental justice and subsection 2(b).

Justice Ratushny held that these subsections were over-broad, arbitrary, and vague and gave the government an unfettered ability to protect whatever information it chose to classify as unauthorized for disclosure and to punish any violation by way of a criminal offence. Therefore, the relevant subsections were declared of no force and effect.

The Deputy Speaker: Order, please. I am sorry to interrupt the hon. member but there are only 10 minutes allotted for everyone.

The hon. member for Hamilton Centre.

Mr. David Christopherson (Hamilton Centre, NDP): Mr. Speaker, I appreciate the opportunity to join in the debate. I want to thank the hon. member for Marc-Aurèle-Fortin for bringing this forward. At the end of the day it would be nice to see unanimous support for this bill.

Quite frankly, this should be seen as complex, yes, but controversial, no. The issue should be motherhood in terms of whether we believe as a nation that we have laws that will protect the freedom of the press and, in this case, the specific part of it that relates to releasing confidential information, information that a reporter, during the course of his or her duties, has given such commitment and whether the law and the courts would have the right to force a reporter to divulge it.

We have had a couple of very clear examples in Canada. One of them happened in my own home town of Hamilton. All members and many people watching would be familiar with the reporter from the *Ottawa Citizen*, Juliet O'Neill. I believe the case has already been mentioned during the debates and we know what happened. We now have the benefit of 20/20 hindsight.

When we look back, now that we know exactly what happened, it is actually a bit of a stain on this country that this process took place. Police not only went through her office but they went to her home. I just want to make this as personal as possible because at the end of the day this person was looking at armed officers at her door carrying out the duties that the court had ordered. What it meant was that they were going through her underwear drawer.

Given the incredibly historic importance of the Maher Arar case, where was Canada? Where was our Charter of Rights? Where were the words that sound good about protection and the individual rights and freedoms that Canadians have under the Constitution for journalists and freedom of the press? Where was all of that? The speeches do not matter much if, when the rubber hits the road, the protection is not there for individual Canadians.

That is why I again want to thank my colleague, who I have known for quite some time. I said before that we had the opportunity, when we were both the respective solicitors general of our provinces, to work together on both provincial and national matters. I am not the least bit surprised that when we are talking about rights, it would be the hon. member for Marc-Aurèle-Fortin who stepped up and put this important legislation forward. I honour him for that. This is very good.

The other case I want to mention is the one of Ken Peters who was a reporter for *The Hamilton Spectator*. I also want to say that the mover of the bill acknowledged that he was aware of this case and its significance. I am sure it was one of the reasons that he saw fit to bring this bill forward.

Many of us in Hamilton have known Ken for a long time. He would be the poster child of a professional journalist. If we were to ask anybody who has worked with him, either within the business or as a community leader who has been on the other side of his role, the person would say that he is a professional through and through.

What did he say when he was eventually asked by a judge to divulge a confidential source? He stated:

> "I have no alternative," Peters told the Canadian Press last week. "I am a Canadian journalist. We protect our sources."

The ability to say that as a proud Canadian only matters if we have the law to back it up, otherwise they are just words.

To illustrate the kind of class that Mr. Peters has, when the judge asked him directly to release that confidential source, he stood in his place and said, "With all due respect, Your Honour, I can't do that".

● (1910)

At that moment Mr. Peters needed this place. He needed the Constitution of Canada and he needed the Canadian Charter of Rights and Freedoms. They were not there.

The Canadian Newspaper Association stated on November 18, 2004:

> Anne Kothawala, President and CEO of the Canadian Newspaper Association called on media organizations across Canada to join in expressing support for Ken Peters, a Hamilton Spectator reporter cited yesterday for contempt of court for refusing to provide information that would expose a confidential source. Mr. Peters faces a possible jail term and will be sentenced next week.
>
> "The principle that a journalist has not just a right but also an obligation to protect sources is absolutely fundamental to press freedom," Ms. Kothawala said. "It's a principle that has been recognized all around the world as critical for democracy."

What country stands prouder on the world stage in presenting itself as a democratic nation than Canada? This is where it all happens. This is where that pride comes from. If it is not based in law, again it is just words.

I want to say to the member in going through the procedures here, there has been a call for a shield. If I am interpreting that properly, a shield would mean "I am a journalist and I am protecting this source" and that ends it right there. Not having that would be the opposite. Canada falls somewhere in between but not in a great place, given the Ken Peters case and the Juliet O'Neill case.

We are open for more debate later I would hope. I hope the bill gets to committee where it can be thought out thoroughly, but it looks like it is a bit of shield and then a little more process.

I know that professional journalists across Canada have been calling for at the very least a more clarified process and this does that. I can appreciate that the member had to keep in mind when he wrote the bill that it has to get through the House, so the end product is not always what has been presented here. Knowing the member as I do, that committee would be fascinating to watch.

I would hope at that committee there would be an opportunity for all parties, or at least a majority, to beef up the shield part.

I know that we cannot go all the way, or at least I have heard pretty good arguments, that at some point there may need to be the ability and that we would want collectively as democrats, not New Democrats per se, but as democrats, to make sure that the flexibility is there.

As it is written I suspect when we begin to hear from some of the journalist associations and the journalists themselves they may suggest that the process is good and it provides more context and makes it clearer and tighter, but the fact is that the Security of Information Act which was brought in to amend the Official Secrets Act after the Anti-terrorism Act caused all kinds of trouble, section 4 of that act was used to actually issue the warrant for *The Ottawa Citizen* journalist. It would seem to me there is ample room and opportunity for us to provide more along the line of a guaranteed protection. Although I do believe the existence of it is necessary, I hope that we could collectively look at other legislation. Many American states are beginning to move toward this. I think there is an opportunity for us to have a good piece of legislation.

I do not want to be too partisan, so let me just read from the last paragraph from a *Hamilton Spectator* editorial that concerned a meeting with the Liberal minister at the time:

> The minister admitted he hadn't had time to consider the matter much further since then, being distracted by the troubles inherent in a minority government and all. But he did say that he believed in the importance and necessary role a free press played in supporting democracy and that he felt that a "shield law or something" like it should be examined.
>
> We'll take you at your word on that Mr. Minister and look forward to any proposals you may bring forward.

I am not aware that any came forward.

● (1915)

I thank very much the hon. member for bringing this bill to us. I hope that a majority in the House would wish that it least get to committee. Every one of us at some point has talked about the fact that freedom of the press needs to be protected. Now is the opportunity for parliamentarians to put their precious vote behind those words.

[*Translation*]

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, before I begin, could you tell me how many minutes are left in the debate? Do I have 10 minutes?

The Deputy Speaker: You have five minutes.

Mrs. Carole Lavallée: All right, thank you. Now that I know how much time I have, I can choose from among the notes I have prepared.

First and foremost, I would like to commend my colleague, the member for Marc-Aurèle-Fortin, on his excellent initiative. He has worked very hard on something that is essential to improving our quality of life. This bill allows journalists to refuse to disclose information or a record that has not been published unless it is of vital importance and cannot be produced in evidence by any other means.

This bill is balanced. It protects sources and consequently the practice of journalism. It also takes the public interest into account. It does not create a privileged class of people—journalists—who could write or say anything with impunity. On this subject, Claude Ryan, the eminent editorialist for *Le Devoir*, once said that the threat of imprisonment meant that a journalist had to think twice before attacking someone's reputation without valid proof.

This bill concerns a matter of principle: the credibility of the journalist, but also of journalism. Imagine a situation where people with valuable information did not dare to pass it on to journalists.

Lawyer Marie Claude Pedneault did an excellent job for the Fédération professionnelle des journalistes du Québec, as my colleague from Marc-Aurèle-Fortin mentioned earlier. I invite anyone who is interested to read her report. I borrowed from it heavily in preparing my speech for today, not because I wanted to plagiarize her, but as a tribute to her. I essentially took factual information from her report. Hon. members will understand that any political comments I make are my own.

First and foremost, Ms. Pedneault gave specific cases where the journalistic source was problematic. The most famous case in the past 30 years is obviously the Watergate case, and the best-known journalistic source in the world was called Deep Throat. Everyone knows about that case, and I do not need to say anything more about it.

More recently, 30 years later, there was the Valerie Plame affair in the United States. The journalist's crime was to have refused to reveal, to the commission of inquiry looking into the Valerie Plame affair, the name of the person who told her that Ms. Plame was a CIA agent. Right now, the *New York Times* reporter, Judith Miller, is behind bars, most likely in New York State. She will have to stay there until the end of the deliberations of the grand jury responsible for the inquiry. This is not right, you will agree.

My NDP and Liberal Party colleagues have spoken of other cases. There is Juliet O'Neil of the *Ottawa Citizen*. In January 2004, 20 RCMP officers searched her home looking for documents she had quoted in her newspaper and that talked about the alleged relations between Maher Arar and some terrorist groups.

● (1920)

There is also the case of Ken Peter of the *Hamilton Spectator*, of whom we have heard plenty from our NDP colleague. And in August 2004, Pierre Jobin told about the imminent transfer of mentally ill people in the Duberger area of Quebec City. Fortunately, the judge examined the situation and said that revealing the names ran the risk of irremediably affecting Pierre Jobin's ability to get information in the future from confidential sources. As may be seen, judges sometimes choose to protect journalistic activity because the public's interest is not directly at stake.

The trend in the U.S., however, is very worrying, because in recent years there have been more subpoenas issued to American journalists than there were in the previous 30 years. The chief reason is the fact that George Bush's government is not very transparent and that a preferred way of publicizing an irregular situation or wrongdoing is to let a journalist know about it anonymously.

The Bush administration always takes the same approach. Journalists receive a subpoena, they are forced to testify and they are forced to give the name of their source.

American judges, following in the footsteps of George Bush, take a hard line—

● (1925)

The Deputy Speaker: I am sorry, but 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.

ADJOURNMENT PROCEEDINGS

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

[*Translation*]

TRANSPORTATION

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, in May of last year, I put several questions to the Minister of the Economic Development Agency of Canada for the Regions of Quebec regarding the Saint-Hubert airport.

The Saint-Hubert airport has a very important development project. The runway must be lengthened and widened, and the tarmac must be improved and upgraded. Why? So that it can accommodate larger aircraft. Indeed, a nearby company, Pratt & Whitney, has changed the type of aircraft it uses for its engine test flights, and these new aircraft require a runway that is 1,200 feet longer. In any case, the Saint-Hubert airport would have to undertake this work in the coming years.

The federal government is being asked to contribute $70 million. The Minister of Transport, Infrastructure and Communities and the Minister of the Economic Development Agency of Canada for the Regions of Quebec told me there would be two phases. The first phase could involve a $9.5 million investment, while the second phase would be implemented the following year.

During oral question period, I was told that the first $9.5 million were guaranteed—I do not remember the exact terms used—and that there was no problem as far as the first phase was concerned.

I asked for this adjournment debate so that I could understand what exactly is happening with these two phases, which the Minister of Transport, Infrastructure and Communities and the Minister of the Economic Development Agency of Canada for the Regions of Quebec referred to.

What is the status of these two phases? How far along is the work? All the ministers who are answering my questions about the Saint-Hubert airport really seem to want to help the airport. The last time we addressed this issue here during an adjournment debate, the parliamentary secretary himself said that it was a good project and that the government wanted to help, but was looking for funding.

I would therefore like to know who is talking to whom right now and where we are at.

[*English*]

Mr. Brian Jean (Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, I am very pleased to respond once again to my colleague's questions and concerns regarding the St-Hubert Airport.

As the Minister of Transport, Infrastructure and Communities noted on March 22, he met with the representatives of the city of Longueuil, the Longueuil St-Hubert Airport Development Corporation and Pratt & Whitney, which presented a proposal for a runway enlargement and expansion as well as other improvements to the St-Hubert Airport.

The discussions examined the various programs available from the Canadian government through the Department of Transportation. At that time, it was noted that the proposed changes to the airport did not fall under the criteria set out for the airports capital assistance program, which is in place for all Canadian airports that are under the criteria.

This program assists eligible applicants in financing capital projects related to safety, asset protection and operating cost reduction. It is designed and has specific criteria to ensure safe operations of aircraft, which is so important for Canadians, that are used for regularly scheduled flights. The standard applied across Canada is to provide funding fairly and to rehabilitate only the length of runway necessary to ensure, again, safety. Safety is the utmost concern.

In this context, it is currently not possible for Transport Canada to fund the entire project submitted by Pratt & Whitney and the city of Longueuil under ACAP.

Indeed, regarding the concerns presented by the member about job loss, I draw attention to a letter to the editor from Pratt & Whitney, which was published in the Montreal *Gazette* last Thursday, in response to some matters that were raised by my colleague, as well as other persons on that side of the House.

Pratt & Whitney explains that as a user of the airport it was approached to support the project and consider if it could find additional investment opportunities. However, it has said, "whether it goes ahead or not, this project will have no adverse impact on Pratt & Whitney's current manpower level".

Therefore, there is no sense in spreading misinformation and in fact fearmongering because it wants to make very clear that, "Pratt & Whitney is not asking for any government support for the Saint Hubert Airport and does not intend to do so. There will be no layoffs —in fact, we are growing".

Pratt & Whitney has also stated:

> We have created hundreds of jobs over the past few years and will be producing a record number of engines this year. Of our 7,000 employees in Canada, 800 are located at our major service centre in St. Hubert, where operations are also in full swing because of increased customer demand.

I do not think it can be said any more clearly than that.

With regard to funding, considering that this project in particular contributes, as I said to the member last time, to the economic development of the greater Montreal area, the government could assess such a request as part of another program under which it would in fact be eligible after that criteria is set for the new budget.

However, as the member knows, asking the Economic Development Agency of Canada to contribute a full one-third of its budget to this project would most certainly deprive funding to other regions of Quebec and Quebeckers. We have to be fair to all regions of Quebec and equitable across Canada.

The Minister of Transport and the Minister of Labour have both stated, as has been said in the House, that they would be willing to look at a formal application and conduct a serious analysis to see what we could do as a government to further support this company project and the people of Quebec.

Please rest assured that this department will carefully review the eligible components of this project under ACAP and the existing program and refer the other components that the member speaks of to other departments and/or programs under which they may be eligible for funding.

● (1930)

[*Translation*]

Mrs. Carole Lavallée: Mr. Speaker, I would like to thank the parliamentary secretary for his explanation.

Nevertheless, I have to go back to the answer the Minister of Labour and Minister of the Economic Development Agency of Canada for the Regions of Quebec gave me on May 7. He talked about two phases for the $70 million request for the Saint-Hubert airport—yes, the Saint-Hubert airport. He said that the first phase would be $9.5 million and that the second would be $60 million.

With respect to the $9.5 million, I am sure he can find programs. I understand he has already found a program to give the subsidy to. However, with respect to the $60 million, they are still trying to figure out which program will get it.

They have to understand that activities cannot be tailored to programs. Projects already exist. Subsidy programs have to be adjusted to accommodate projects proposed by communities like Saint-Hubert, which has an extremely—

[*English*]

The Deputy Speaker: The hon. Parliamentary Secretary to the Minister of Transport.

Mr. Brian Jean: Mr. Speaker, I am sure this member is not asking this government to play favourites in Canada. I am sure that what she is asking us to do is to set criteria that are fair and equitable for all people in Canada and all the airports in Canada that would be approved under this particular financing. She of course would want us to be fair to all Canadians.

Indeed, we have set criteria in ACAP. We will be providing any funding requested that is eligible. Indeed, on any programs that are set up in the near future, she is probably waiting with bated breath for the new program criteria. We will refer this particular project to the new criteria. If it is eligible we will be more than pleased to support it, just as we are happy to support all programs across Canada on a fair and equitable basis for all Canadians.

● (1935)

SOFTWOOD LUMBER

Mr. Brent St. Denis (Algoma—Manitoulin—Kapuskasing, Lib.): Mr. Speaker, I am pleased to participate in this debate this evening. It gives me a chance to follow up on a question I posed to the Prime Minister on April 20. I asked him the question not only on my own behalf but on behalf of the forestry communities in my riding of Algoma—Manitoulin—Kapuskasing in northern Ontario. They are suffering terribly at this very difficult time. Thousands of workers have been laid off. Families are affected.

First of all, I asked the Prime Minister about the idea of having a national forestry summit. I think we have to get our best minds together and include our community leaders, our industry representatives and our union leaders, the stakeholders that represent a broad range of interest in the forestry sector, to see what we can do as a society and as a country to ensure the ongoing strength of our forestry sector.

Our country was built on forestry. If it were not for forests of Canada we would not have seen some of the great ships that travelled the oceans of this world hundreds of years ago.

As well, I asked the Prime Minister about the softwood lumber deal that his government negotiated with the U.S. shortly after the Conservatives took office in January 2006.

I would like to quote from a letter from the United Steelworkers of America, Local 1-2995, in Kapuskasing. Its president, Guy Bourgouin, began his letter of August 28 of last year with "despite this success", and by that he means the successes that Canada had had up to that time at the various WTO and NAFTA resolution tribunals. There had been some tremendous progress recorded by the industry, Canada and the provinces before those important panels. He said:

> However, despite this success, Canada appears to have capitulated to U.S. demands. Under the proposed deal we are still faced with restrictions on our access to the U.S. market in the form of a tax and/or quota, we are agreeing to allowing U.S. oversight of our provincial forest policies, and we are leaving a billion dollars of illegally collected tariffs south of the border. To top it all off, there is nothing in the agreement to ensure the stability of employment in the forest sector or the ongoing viability of our forest dependent communities.

I could not have said it any better myself.

The Communications, Energy and Paperworkers Union of Canada, which has led the charge in calling for a forest industry summit, says that the summit is necessary, that funds are needed to ensure that communities affected by the tremendous downturn in the sector have a chance to diversify their economies, and that more research needs to be done. In fact, the union says the whole management of R and D related to forestry needs a new and serious injection of federal investment. The union calls upon the government to help promote stable employment in our forest dependent communities.

The Liberal Party position before the election of 2005-06, as announced in our November program, included measures to do exactly what the unions are calling for. They were measures to help workers and their families, to help communities diversify, and to invest in R and D. In fact, at that time we also made a commitment to help advance to the companies a significant portion of the funds that were being held by the U.S.

Unfortunately, with the help of the Bloc and NDP, the Conservatives—

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

The hon. Parliamentary Secretary to the Minister of International Trade.

Mr. Ted Menzies (Parliamentary Secretary to the Minister of International Trade and Minister of International Cooperation, CPC): Mr. Speaker, I am pleased to have this opportunity to respond to the question asked by the hon. member for Algoma—Manitoulin—Kapuskasing concerning the softwood lumber agreement and the Canadian forest industry.

I think at the outset it is important to remind my colleague of the wide ranging benefits of the agreement. In 2006 Canada and the United States cleared one of the most significant hurdles this industry has ever seen, the softwood lumber dispute.

Key lumber producing provinces like British Columbia, Ontario and Quebec, as well as a clear majority of industry players signalled their strong support for the agreement.

Together with the provinces and industry, we worked hard to address a broad range of concerns. The final agreement bears that out. It revoked the U.S. duty orders and terminates all litigation.

It provides at least seven years of stability. It includes a number of initiatives to make North America's lumber industry more competitive over the long term. It returned over $5 billion in duty deposit refunds to Canadian softwood lumber exporters and it safeguards the abilities of the provinces to manage their forests.

As I have said before, the softwood lumber agreement was, and is, the single best way forward for this industry and the hundreds of thousands of Canadians who rely on it.

However, while the softwood lumber agreement is good for Canada, our work certainly did not end on October 12, the day that the agreement entered into force. The enabling legislation was passed on December 14, 2006, and we are now moving forward on the business of implementation.

In fact, the inaugural meeting of the softwood lumber committee took place in Washington, D.C. on February 22-23 of this year. The meeting was an opportunity for representatives from Canada and the United States to begin addressing longer term policy issues of importance to Canada such as establishing a process for determining regional exemptions from export measures and possible exclusions for softwood lumber products made from logs harvested from private lands.

The United States indicated prior to the meeting that it also intended to raise some questions about certain programs implemented by the Ontario and Quebec governments. As my colleague, the hon. Minister of International Trade stated, this was a very cordial first meeting with a very positive, constructive dialogue taking place.

As we all know, following the softwood lumber committee meeting, the United States requested consultations under the agreement on a number of provincial programs as well as federal programs and Canada's interpretation of a provision of the agreement. Consultations involve a more formal exchange of information and are designed to help resolve differences through a better understanding of the measures at issue.

The consultations occurred in Ottawa on April 19 of this year between Canadian and American federal officials. The consultations were constructive and positive providing a useful opportunity to clarify issues and concerns identified by the United States. American officials are now reviewing the information that Canada provided and will contact us if they have any further questions or concerns.

Both sides have an interest in ensuring that the agreement operates smoothly. Disagreements are inevitable in administering and implementing such a complex agreement. It was for this reason that we included in the agreement various institutional provisions that allow for a full exchange of views and to facilitate the resolution of differences in points of view.

We should never forget that we are one another's most important commercial partners.

Mr. Brent St. Denis: Mr. Speaker, I would like to finish up a comment from my opening remarks. Had it not been for the Bloc, the NDP and the Conservatives calling an election in late November 2005, we would have had a much better arrangement for the forest sector.

We would not have caved in to the American demands. We would not have lost the tremendous progress that had been made in the courts, and in the NAFTA and WTO panels. The industry would have had a significant portion of its U.S. duties back in its hands by way of federal advances.

Let me conclude by saying that I am not sure what benefits the parliamentary secretary was talking about. My communities have not seen any such benefits. In fact, we are already seeing the American industry and government officials challenging already, before we are even two years into the deal, the terms of the so-called softwood lumber agreement.

When he talks about industry support, it was very begrudging. It was—

● (1940)

The Deputy Speaker: The hon. Parliamentary Secretary to the Minister of International Trade.

Mr. Ted Menzies: Mr. Speaker, with all due respect to the hon. member, it is fine to stand in this House and suggest that if the Liberals had had one more month, they would have brought together an agreement that was, in the member's words, superior to the one we brought forward.

This may sound repetitive, and I am sure members have heard it in this House before, but they had 13 years to bring forward an agreement.

The softwood lumber dispute had gone on for 20 years. This new government brought it to an end. This new government recognized that we were not getting anywhere with litigation. The industries were suffering. The communities were suffering. Litigation was not of benefit to either the workers in the industry or Canadian industries themselves. We put that to bed. We brought together a softwood lumber agreement that is working.

● (1945)

The Deputy Speaker: A motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 2 p.m. pursuant to Standing Order 24 (1).

(The House adjourned at 7:45 p.m.)

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