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OFFICIAL REPORT
(HANSARD)

Thursday, September 30, 2010

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Thursday, September 30, 2010

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1005)

[*Translation*]

PRIVACY COMMISSIONER OF CANADA

The Speaker: I have the honour to lay upon the table the 2009-10 annual report on the Access to Information Act and the Privacy Act of the Privacy Commissioner of Canada.

[*English*]

These documents are deemed to have been permanently referred to the Standing Committee on Justice and Human Rights.

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HOUSE OF COMMONS CALENDAR, 2011

The Speaker: Pursuant to Standing Order 28(2)(b), I have the honour to lay upon the table the House of Commons calendar for the year 2011.

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[*Translation*]

COURTS ADMINISTRATION SERVICE

Mr. Daniel Petit (Parliamentary Secretary to the Minister of Justice, CPC): Mr. Speaker, pursuant to Standing Order 32(1) and subsection 12(2) of the Courts Administration Service Act, I have the honour to table in the House of Commons, in both official languages, the 2009-10 annual report of the Courts Administration Service.

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JUSTICE

Mr. Daniel Petit (Parliamentary Secretary to the Minister of Justice, CPC): Mr. Speaker, furthermore, pursuant to Standing Order 32(1) and section 696.5 of the Criminal Code, I have the honour to table in the House of Commons, in both official languages, the report entitled "Applications for Ministerial Review - Miscarriages of Justice".

[*English*]

SUSTAINING CANADA'S ECONOMIC RECOVERY ACT

Hon. Jim Flaherty (Minister of Finance, CPC) moved for leave to introduce Bill C-47, A second Act to implement certain provisions of the budget tabled in Parliament on March 4, 2010 and other measures.

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

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INTERPARLIAMENTARY DELEGATIONS

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, the following report of the Canadian NATO Parliamentary Association respecting its participation at the subcommittee on democratic governance and the Georgia-NATO Interparliamentary Council held in Tbilisi, Georgia from April 5-8, 2010.

Pursuant to Standing Order 31, I have the honour to present to the House, in both official languages, the following report of the Canadian NATO Parliamentary Association respecting its participation at the Mediterranean and Middle East special group held in Rome, Italy from June 27-28, 2010.

[*Translation*]

Ms. Monique Guay (Rivière-du-Nord, BQ): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to table in the House, in both official languages, the report of the Canadian delegation of the Canadian Branch of the Assemblée parlementaire de la Francophonie, respecting its participation in the APF's Commission de la coopération et du développement, held in Rome, Italy, on June 8 and 9, 2010.

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[*English*]

IMMIGRATION AND REFUGEE PROTECTION ACT

Ms. Olivia Chow (Trinity—Spadina, NDP) moved for leave to introduce Bill C-566, An Act to amend the Immigration and Refugee Protection Act (sponsorship of relative).

She said: Mr. Speaker, generations of immigrants who settled in Canada shared a common dream that one day their loved ones would join them in their new homeland. However, the immigration laws of today are harsh and tear families apart.

Routine Proceedings

Why can ordinary Canadians not sponsor their brother or sister? A 20-year old daughter left alone cannot join her parents in Canada. Keeping families separate is un-Canadian. Before the nineties, half of landed immigrants who came to Canada were sponsored by family members. Now it is less than one-quarter.

My bill would allow Canadians, once in their lifetime, to fulfill their dreams to sponsor a loved one to join them in Canada. Let us go back to the core Canadian family values and support this once in a lifetime chance for family reunification.

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

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INCOME TAX ACT

Mr. Peter Julian (Burnaby—New Westminster, NDP) moved for leave to introduce Bill C-567, An Act to amend the Income Tax Act (fairness for home buyers).

He said: Mr. Speaker, as members are aware, as the cost of home ownership continues to increase over time in this country, one of the valuable tools that middle-class families use is the homebuyers' plan. Unfortunately, the homebuyers' plan is not indexed. What happens over time is that the homebuyers' plan continues to diminish in value.

What we need to do, in the NDP's opinion, is index the homebuyers' plan so that over time the purchasing value of the money that is put into the homebuyers' plan by families across this country continues to have the same value. Whether they purchase now, 5 years from now, or 10 years from now, that homebuyers' plan should have the same strength.

The Greater Vancouver Real Estate Board has endorsed this bill that has come forward. This in fact comes from the real estate agents lobbying across the country, speaking out on ensuring the cost of home ownership and accessibility to home ownership.

I am pleased to rise in the House to move this bill, fairness for home buyers, which would assure that over time people would have the same access to home ownership in Canada.

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

* * *

●(1010)

STATISTICS ACT

Hon. Carolyn Bennett (St. Paul's, Lib.) moved for leave to introduce Bill C-568, An Act to amend the Statistics Act (mandatory long-form census).

She said: Mr. Speaker, it is my honour to present this bill in view of the motion in the House last night. Both the Minister of Industry and the Prime Minister have clearly stated that they will not abide by the will of this House. I am pleased to table this bill.

The groups that were not consulted on this want this mandatory long form census to be placed into the Statistics Act of Canada such that any future government cannot go forward with the census without the mandatory long form census.

I am very pleased to present this bill this morning and pleased to have the support of the member for Ottawa—Vanier, the member for

Windsor West and the member for Chicoutimi—Le Fjord, the industry critic.

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

* * *

NATIONAL STRATEGY FOR FETAL ALCOHOL SPECTRUM DISORDER

Mr. John Rafferty (Thunder Bay—Rainy River, NDP) moved for leave to introduce Bill C-569, An Act respecting the establishment of a National Strategy for Fetal Alcohol Spectrum Disorder.

He said: Mr. Speaker, I rise today to table this bill on behalf of many of my constituents and other families across Canada who have been affected by FASD on some level.

I would particularly like to recognize Dave and Margie Fulton, Marilyn Leiterman and Elspeth Ross, who have worked countless hours to improve the lives of affected families and to reduce the occurrence of FASD in our society.

FASD takes an enormous toll upon families, communities and governments. FASD is a serious but entirely preventable, public health issue. A federal strategy designed at prevention and treatment of FASD is long overdue. This bill, if passed, will ensure that such a strategy is finally put into place.

As I did with Bill C-532, my first piece of legislation on this matter, I encourage all members who have the opportunity to put forward a bill for debate before the next election to strongly consider adopting this bill, making it their own, so that we can move forward on this matter as quickly as possible.

Working together, we can make a difference.

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

* * *

LABELLING OF FOOD PRODUCTS CONTAINING SODIUM ACT

Mr. Paul Dewar (Ottawa Centre, NDP) moved for leave to introduce Bill C-570, An Act respecting the labelling of food products containing sodium.

He said: Mr. Speaker, I am introducing legislation to improve the labelling of salt in processed food. The nutrition facts tables currently express the amount of sodium both in milligrams per serving as well as a percentage of the daily value quote. The daily value percentage is based on the upper intake level, which is the maximum amount of sodium that should be consumed in a day.

This bill would ensure that the daily value percentage is calculated according to Health Canada's recommended adequate intake of 1,500 milligrams per day. The labels now are misleading Canadians instead of helping us make healthier choices.

I invite the government to adopt this bill and its regulations so that when the minister tells Canadians to pay closer attention to the label on the food, the label will be giving the consumer the correct information.

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

* * *

●(1015)

TRADE IN CONFLICT MINERALS ACT

Mr. Paul Dewar (Ottawa Centre, NDP) seconded by the member for Etobicoke Centre, moved for leave to introduce Bill C-571, An Act respecting corporate practices relating to the purchase of minerals from the Great Lakes Region of Africa.

He said: Mr. Speaker, I thank my colleague from the Liberal Party for seconding the bill.

The illegal extraction of minerals from Africa's great lakes region has been directly financing the conflict in places like the Democratic Republic of Congo where millions have lost their lives and the human rights of millions more have been violated. We are connected to these conflicts through our use of minerals that finance these conflicts.

The UN Security Council has made recommendations to put an end to the trade of conflict minerals and this bill heeds the call to that action of the Security Council. It would create a due diligence mechanism for Canadian companies to ensure that they are not purchasing minerals that finance conflicts. The bill would also mandate the extractive sector's Corporate Social Responsibility Counsellor to report to the minister and Parliament as to which companies are not practising due diligence in purchasing these materials.

I invite the government to adopt this bill. Should we win a seat on the Security Council, this will be an area where Canada can play a significant leadership role in promoting global peace and security.

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

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STRENGTHENING FISCAL TRANSPARENCY ACT

Mr. Paul Dewar (Ottawa Centre, NDP) moved for leave to introduce Bill C-572, An Act to amend the Parliament of Canada Act (Parliamentary Budget Officer).

He said: Mr. Speaker, I present to the House an bill to strengthen fiscal transparency.

On numerous occasions, parliamentarians are asked to make decisions without being provided any information about the fiscal and economic implications of the choices before us. The government created the Parliamentary Budget Officer. However, the design had major flaws.

Although the officer's mandate is broad and strong, the position does not have the tools and independence necessary to deliver that mandate. This bill would address those flaws by making the Parliamentary Budget Officer an independent officer of Parliament, with the same powers as Parliament's other officers. This is in keeping with the spirit of the Federal Accountability Act.

Routine Proceedings

I hope to have the full co-operation of all hon. members, particularly the government, in advancing fiscal transparency and accountability in our country and in Parliament.

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

* * *

[Translation]

PETITIONS

CITIZENSHIP AND IMMIGRATION

Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ): Mr. Speaker, I am pleased to present a petition from people requesting that the House direct the Minister of Citizenship, Immigration and Multiculturalism to use his ministerial discretion to grant a temporary resident permit to Mr. Freeman on humanitarian and compassionate grounds so that he can be reunited with his family.

Mr. Freeman has spent most of his life in Canada. He has four Canadian-born children and his wife is Canadian. He had a run-in with the American justice system at a time when there was significant racial violence in Chicago. He has fully paid his debt to society, having served his entire sentence in the United States following a plea bargain with American prosecutors.

Those who have signed the petition feel that we should help him so that he can be with his family again.

[English]

PASSPORT FEES

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, I present a petition which calls on the Canadian government to negotiate with the United States government to reduce the U.S. and Canadian passport fees.

The number of American tourists visiting Canada is at its lowest level since 1972. It has fallen by five million in the last seven years, from 16 million in 2002 to only 11 million in 2009.

Passport fees for multiple member families are a significant barrier to traditional cross-border family vacations. The cost of the passports for an American family of four can be over \$500. While over half of Canadians have passports, only a quarter of Americans have passports.

At the Midwestern Legislative Conference of the Council of State Governments attended by me and over 500 other elected representatives from 11 border states and three provinces, a resolution was passed unanimously which reads as follows:

RESOLVED that [the] Conference calls on President Barack Obama and the Prime Minister...to immediately examine a reduced fee for passports to facilitate cross-border tourism;

...we encourage the governments to examine the idea of a limited time two-for-one passport renewal or new application; and be it further

RESOLVED, that this resolution be submitted to appropriate federal, state and provincial officials.

Points of Order

To be a fair process, passport fees must be reduced on both sides of the border. Therefore, the petitioners call on the government to work with the American government to examine a mutual reduction in passport fees to facilitate tourism, and to promote a limited time two-for-one passport renewal or new application fee on a mutual basis with the United States.

• (1020)

MULTIPLE SCLEROSIS

Ms. Judy Foote (Random—Burin—St. George's, Lib.): Mr. Speaker, I rise to present a petition on behalf of 1,100 MS patients in Newfoundland and Labrador; of course, we know there are many more throughout the country.

This petition is signed by people throughout the province of Newfoundland and Labrador. They are calling on the government to make it possible for MS patients throughout the country to avail themselves of the liberation treatment.

On October 4 one of my constituents, Perry Goodyear from Grand Bank, will be flying to New York to have the treatment done. It is very costly for people to do this and it is very difficult for them as well, as some of them are confined to wheelchairs.

The petitioners are asking the government to consider the seriousness of this issue on behalf of MS patients, to recognize that the treatment that is being done by Dr. Zamboni is showing wonderful results for patients who have MS. The petitioners are asking the government to take a leadership role and to recognize that there will be provinces that will not participate unless the federal government plays a leadership role.

The petitioners are asking the government to once again recognize the need, recognize how serious this is for MS patients, to recognize the importance of doing this and to move quickly on it.

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, I too have a petition signed by fellow Canadians most of whom are from Quebec and Ontario. They are calling on the Minister of Health to convene a meeting of ministers of health of the provinces and of the federal government to discuss allowing hospitals, private clinics and individual doctors to test for and treat CCSVI in all Canadians who so desire testing and treatment, and to plan and implement a nationwide clinical trial for the evaluation of venography and balloon venoplasty for the treatment of CCSVI in persons diagnosed with MS.

[Translation]

KAIROS

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, as you well know, the government cut the funding to KAIROS a few months ago. Today I am presenting petitions signed by dozens of people from Montreal and the Eastern Townships: Cowansville, Sutton and Verdun. In light of the significant role that KAIROS plays in the network for international development funding, and given its success as an organization in terms of developing projects that truly help third-world citizens, the people who signed these petitions are asking the government to immediately reinstate funding to KAIROS and finance its overseas programs from 2010 to 2013.

[English]

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

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POINTS OF ORDER

MOTION TO CONCUR IN SEVENTH REPORT OF INDUSTRY, SCIENCE AND TECHNOLOGY COMMITTEE

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC): Mr. Speaker, I rise on a point of order to bring to your attention the motion on the order paper to concur in the seventh report of the Standing Committee on Industry, Science and Technology, which is essentially the same as the supply motion that was adopted yesterday.

On page 560 of O'Brien and Bosc, it refers to the rule of anticipation. It states:

The rule is dependent on the principle which forbids the same question from being decided twice within the same session.

On that same page it states:

The rule of anticipation becomes operative only when one of two similar motions on the order paper is actually proceeded with.

That is what happened yesterday with the Liberal supply motion.

I would add that the concurrence motion was moved last Friday by the NDP with the full knowledge that the subject matter of the concurrence motion was the same as that of the Liberal supply day motion which was scheduled for debate the following Tuesday.

Surely the NDP was aware that the continuation of the debate on the concurrence motion at the later date and the subsequent vote would be redundant. More important and unfortunate is that the debate on the concurrence motion interrupted the debate on Bill C-22, the protecting children from online sexual exploitation bill, which was scheduled to conclude on Friday. As a result of the concurrence motion, Bill C-22 was not sent to committee.

Mr. Speaker, as you know, there is one hour and 36 minutes remaining in the debate on the concurrence motion, and the government is bound by the rules to schedule a continuation of this debate within 10 sitting days, which will conclude in a division on the same question twice.

Mr. Speaker, in order to prevent this unnecessary debate and vote from taking place, I would ask that you strike the motion to concur in the seventh report of the Standing Committee on Industry, Science and Technology from the order paper.

• (1025)

The Speaker: I thank the hon. parliamentary secretary for his submissions on this matter. I will look into it further and get back to the House in due course.

*Government Orders***GOVERNMENT ORDERS***[English]***CANADA-PANAMA FREE TRADE ACT**

The House resumed from September 29 consideration of the motion that Bill C-46, An Act to implement the Free Trade Agreement between Canada and the Republic of Panama, the Agreement on the Environment between Canada and the Republic of Panama and the Agreement on Labour Cooperation between Canada and the Republic of Panama, be read the second time and referred to a committee, and of the amendment.

Hon. Bryon Wilfert (Richmond Hill, Lib.): Mr. Speaker, I am pleased to participate in the debate on Bill C-46, as I did the other day on Bill C-8 which dealt with another free trade agreement the government is proposing. This bill deals with a free trade agreement with Panama.

Obviously, free trade agreements are important to Canada given that we export over 80% of our goods, and obviously Canada needs to be competitive in the international community. It is disturbing that for the first time in over 30 years, we have a significant trade deficit. The government needs to look at a comprehensive approach in terms of how we deal with the issue of trade in the international community.

At the moment we have what I would call one-off agreements. There is one with Jordan and now there is this one with Panama. We also debated one involving Colombia. The difficulty is that our competitors are taking a much more aggressive approach. For example, we have no free trade agreements with any state in Asia. With markets such as Japan, China, India, the ASEAN members, this is very important, and a multilateral approach particularly with ASEAN would be beneficial.

We are still in negotiations with Korea; I believe we are in the seventh round now. With Singapore, we are in the ninth round. This is disturbing, given that the Americans have been reaching out. We see the Japanese concluding free trade agreements with countries as diverse as the Philippines and Mexico, yet at the same time, we are doing these small agreements.

The one with Panama is fine. We on this side of the House certainly support the bill going to committee. However, in terms of the big picture, there are real issues that we need to be grappling with on the issue of free trade. A multilateral approach gives us a bigger market. For example, ASEAN, with 590 million people from Vietnam, the Philippines, Indonesia, et cetera, is very important, yet we are simply chipping away at it. We do not have a coherent policy in terms of how we should tackle trade issues.

As a significant amount of our trade, some 75% or 80%, is with the United States, when there is an economic downturn in that country, as we have seen, it has an impact on our economy. We need to diversify, but diversifying with Jordan and Panama is not going to solve things in the big picture. It is not going to deal with what our competitors have been doing internationally. We need to be in the game. We have been more on the sidelines. We have to engage in these major markets. There are opportunities for us out there, but the government needs to lead. The government needs to demonstrate.

A few years ago, the Canadian Chamber of Commerce wrote a very compelling paper about China. It clearly indicated that there was no policy of the government in terms of how to engage that market. For example, Canada is a world leader in the area of environmental technology, particularly with respect to clean air, clean water and contaminated sites. This is very important work and certainly is useful for China. We need to be part of that, but we are not seeing the kind of leadership needed in order to go forward.

From that standpoint, the agreements the government has been putting forward simply focus on a very small niche. They do not deal with the kinds of issues they should be dealing with.

We are seeing an increase in protectionism in the United States. That is of concern, particularly in the area of agriculture. It means difficulties for our farmers. It is a difficulty in terms of our being able to compete in the international arena. The United States' protectionist policies are having an effect here. With respect to the America first policy, the government had discussions with the United States and changes were made in terms of Canadian companies being able to compete, but that only affected 37 of the 50 states in the U.S. It is important that we be there.

The Conservative government has not shown the kind of leadership that is needed on the multilateral side, in terms of being much more visible in the United States. Policy in the United States is not done in Washington; it is done in districts and states across the U.S. That is where we need to be focusing our efforts.

● (1030)

Canadian businesses can compete with anyone in the world if there is a level playing field. When there is not a level playing field, obviously we often face difficulties.

Although my party supports this bill going to committee, the fact is that we would like to see a clear strategy, particularly for the emerging key markets, such as Brazil, India, China, and Japan. We have watched and continually see the United States, Australia, and others being very aggressive, particularly in their talk about a big Asia Pacific free trade zone. If they are in first, we obviously will pick up the pieces.

I think Canadian businesses deserve more than picking up the pieces. They deserve the opportunity. Again, we have to be aggressive. We can talk free trade, but we really have to demonstrate it. The only way to demonstrate it is to show leadership.

Government Orders

Currently, penetrating the Korean market is an issue, particularly in the automotive sector, and the Japanese are carefully watching our discussions. If, and it is a big if, a free trade agreement were to occur between Canada and Korea, the Japanese would be particularly anxious to come to the table. At the moment, the Americans are talking to them about possible free trade.

Some people say that we could never get a free trade agreement with Japan because of agriculture. I do not know of too many people in this House who represent ridings that have a lot of rice. Rice is always the one issue the Japanese deal with. Even then, Japan was able to conclude a successful agreement with the Philippines, for example.

The issue in this agreement, and we are supportive of sending it to committee, is the Canadian merchandise we export to Panama: machinery, electronic equipment, pharmaceutical equipment, et cetera. It is a relatively small market. It is also important that we look at some of the other free trade zones in Latin America.

Latin America has developed, along with states such as Argentina, Uruguay, and Chile, zones in which there is a free flow of goods and where tariffs have been dropped so that businesses can compete. As a country, we need to send out a very clear message that we are prepared to enter into agreements where it is in our national interest.

Obviously, we have to look at environmental issues. This country has traditionally been a leader on climate change, clean water, and clean air issues. Countries really need that expertise.

Not only are Canadians very cost effective in terms of what they are able to produce and export, we can do it in two official languages, which is very helpful. Again, if we are not at the table, that is a problem.

We also have to look at the issue of labour co-operation. I notice in this agreement that there is a side agreement on labour co-operation. Obviously we have to expect that what we are asking is what we would demand at home, including the right to association, the right to collective bargaining, and the abolition of child labour. These are standards we have, and we would expect the same in dealing with other countries.

I know that some colleagues have concerns on the labour end of it. When it goes to committee and we have the appropriate witnesses, we can have those kinds of discussions and strengthen, if need be, those provisions. I think that is important. No piece of legislation I have seen in 14 years here has ever been perfect. That is why we send it to committee, where colleagues have an opportunity to look very carefully at legislation, hear from witnesses, and move forward.

My understanding, in terms of the major stakeholders on this particular bill with Panama, is that there are no major objections. On the whole, it is a fairly straightforward agreement. Again, it will give us some access, but we have to build on that, particularly in the Central American region in countries such as Nicaragua, Guatemala, and Costa Rica. Those countries are also looking at better co-operation. As a balance to the United States, I think Canada could play an important role.

• (1035)

Again, it is the whole issue of having a level playing field with access to markets. We need to be able to at least secure that. When we are looking at new partnerships, we must be able to tell our business community to go forward with the opportunity.

There were reservations about the free trade agreement with the United States and whether we could compete. Obviously, we can compete extremely well when a level playing field is available.

Canada's total exports to this particular country amount to 12.6%. Imports amount to about 17.3%. Over 80% of Canada's economy depends on trade. To keep that, we need to have as much access to markets as we can.

Former Prime Minister Trudeau, in the seventies, talked about a third option, and that third option was to diversify. If we had diversified in the seventies and eighties, maybe we would be in better shape than we are now.

Tariffs are the worst thing that can happen to a trading nation. Obviously, I am not old enough to remember the Great Depression in the 1930s, but some of my colleagues on the other side might. The first thing that happened was that major tariff barriers went up, and protectionism became rampant. That is not something we want to do. That was not good. We need to make sure that we have protection.

We also need to demonstrate leadership when it comes to issues such as climate change and the environment. The Conference of the Parties will soon meet in Mexico, and that will be an opportunity to strengthen international regimes.

Canada is traditionally well known for its international leadership, particularly in areas of multilateralism. The International Criminal Court is an example.

The 11th Conference of the Parties, in 2005, was the most successful COP ever to deal with developing a clear climate change regime internationally. That was important. The former Liberal government got a lot of accolades because of that. Again, it was because of the fact that we demonstrated leadership. We need to continue to do that. We need to continue to say to our allies and others that if protectionism is wrong, this is what we are prepared to do to focus forward.

The European Union has some very stringent policies, particularly when it comes to foodstuffs, even in terms of colouring food. We have to be able to talk about these issues with colleagues. We have seen other countries react to issues in this country, and we need to have a strong voice on those issues. Some of my colleagues, particularly those from Newfoundland and Labrador, are well aware of the issue with regard to the seal hunt.

What are we doing to educate? What are we doing to get our message out on some of these issues so that these sudden trade barriers will not come forward and harm the interests of Canadian farmers and producers, whoever they happen to be?

Government Orders

It is instructive to look at what went forward when we made an agreement with Israel in 1997. That was an opportunity to start further negotiations in other areas of the Middle East. Bill C-8, the Jordan agreement, will build on that. The gulf trading area, a Middle East trading area, is important all the way from the United Arab Emirates to Algeria. That is another market we could penetrate.

In other words, what is the strategy? What is going to be the policy in order for us to move forward? We on this side of the House are quite willing to work with the government to develop a strategy, because it is in our nation's interest. If we do these kinds of things, we will serve our citizens well.

● (1040)

Non-agricultural products, particularly fish and seafood, would be helpful for our markets, but that is only one part of the puzzle. It would be nice to see a really strong policy that the government, members of the opposition, and members of key sectors that deal with international trade really hammer out together. It would be the kind the policy and the kinds of tools we need to be much more aggressive.

The Americans certainly have not been sitting idly by. The Australians, in particular, have been very aggressive in Asia and have reaped a number of benefits. ASEAN, of course, which was getting closer on trade issues with China, now realizes that they cannot put all their eggs in one basket. They are wondering where Canada is on the international stage. They see where the Australians and the Americans are, and they are saying that we need to be there.

Some people do not know that in Indonesia, for example, we are the fifth largest investor, particularly in the area of mining, but our approach is not necessarily coherent. It is not necessarily a policy to say, "Go out there and good luck". That is not the way to build good trade relations.

Obviously, we support the faster elimination of tariff barriers, particularly in those areas that are important to Canadian industry. In this agreement, Panama will see the elimination of at least 90% of current barriers on goods coming from Canada, which is obviously a positive, but where are those big deals we need to hear about in the House? Where are those big negotiations going on?

On this side, we are watching very carefully the issue of Korea. That is very important because of the nature of that market. We need to be able to say to our businesses that there are tremendous opportunities out there. We do not want to be dealing just with our American friends, which is great, but given policy there, we need to make sure that we are at the forefront.

We were one of the first major countries in China. We had a tremendous opportunity there. Mr. Chrétien led a number of Team Canada missions there in the 1990s. We were leaders. Unfortunately, relations with China changed with the current government, and we lost a lot of ground.

We have to continue to have a consistent policy on how to deal with our trading partners. We cannot be all things to all people. We have to have a particular niche. For example, on the environment, we could have a whole Team Canada just dealing with environmental issues in the Pearl River Delta. There are days when the smog is so

thick it rolls into Hong Kong and one cannot see across the harbour. We need to take advantage of those things.

People cry out and say that they need to see Canada there. It would be very helpful if we would do that. Although we will support the bill going to committee, we want to look at the issue of labour to make sure that the guarantees are there. We want to make sure that if these things can be strengthened, that will be done. We welcome the opportunity, but we want to see the bigger picture. We want to see more emphasis on multilateralism, and if that goes forward, it will benefit Canada in our future trading relationships around the world.

● (1045)

Mr. Ed Fast (Abbotsford, CPC): Mr. Speaker, I thank my friend for his support of the Canada-Panama free trade agreement.

He is correct in suggesting that Canada, as one of the great free trading nations, needs to develop new trading relationships.

Where his argument falls down is the suggestion that previous Liberal governments somehow were able to achieve much more in the area of international trade. If we look at the record of the previous governments, it is really an appalling record. For years the previous Liberal government tried to conclude an agreement on approved destination status with China. It never happened. Our government got the job done.

I also refer to additional free trade agreements that he did not refer to, which our government has been able to achieve, such as with the European Free Trade Association. I refer now to the European Union, which is negotiating a free trade agreement with Canada.

Would the member not agree with me that this Conservative government's successes far surpass the record of the previous Liberal government?

Hon. Bryon Wilfert: First, Mr. Speaker, the member had better define what he means by "appalling", because my definition and his are obviously different.

I give the example of the preferred destination status with China. If the member checks the record, in the fall of 2005 it was the Liberal government that actually had an agreement in place. There was something called an election, which obviously precluded the final signing of that agreement.

My question to the member, which I realize is a rhetorical one, is why it took the Conservative Party almost four years to get that finalized when the Liberal government had done all the work. The work was already done. In December 2005, that destination agreement existed, and we lost four years of an opportunity to really showcase Canada, because those guys over there, unfortunately, were ragging the puck.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, members will know that the total two-way trade between Canada and Panama in 1999 was only \$132 million. Imports to Canada from Panama were only \$21 million, and half of that was refined heavy oil. The fact of the matter is that members know that trade is not going to stop tomorrow if we do not implement this trade deal.

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For a government that pretends to be tough on crime, it is somewhat surprising that it would be ready to implement a free trade deal with a country such as Panama that was blacklisted by the OECD in 2000 as an unco-operative tax haven. In fact, there are 350,000 foreign companies registered to hide from the tax man in their home countries.

Why would the Liberals get in bed with the Conservatives to facilitate this agreement when what we should be doing is following the American example and forcing Panama to sign tax agreements so that there can be an exchange of tax information about tax evaders? The Liberal opposition is actually facilitating the government promoting tax evasion if it supports this initiative.

• (1050)

Hon. Bryon Wilfert: Mr. Speaker, I am certainly not an advocate of getting into bed with the Conservatives, the NDP or anybody else, although I know the NDP has had experience with being in bed with the Conservatives, particularly in 2005.

I want to point out that one of the things free trade provides us is an opportunity to deal with political liberalization, et cetera. Panama has come a long way from the Noriega days. There is no question that there is continual liberalization and improvement within Panama. One of the things that at least my party believes in is engagement. There cannot be improvements unless we engage others, and this is one vehicle.

I understand the member is concerned about those issues and I would suggest to the member that the bill going to committee is an opportunity to look at some of those issues and strengthen it. That is why bills go to committee. We do not just say we do not like a bill because it is not perfect. If it is not perfect, we have to work on it, and that is why members deal with it in committee.

[*Translation*]

Mr. Guy André (Berthier—Maskinongé, BQ): Mr. Speaker, I want to start by saying that it seems the Liberals want to return to power. On Wednesday evening, there was a vote to improve the employment insurance system. The Liberals, who can practically taste power, have started voting against workers again.

When Prime Minister Martin was in office, the Bloc Québécois spoke out vigorously against tax shelters. Tax shelters in other countries hide money from the taxman for certain large companies, many of them subsidized by taxes paid by Quebec and Canadian workers. As a result, wealth is not redistributed to improve our health and education systems and living conditions for those who do pay taxes: workers.

How can this government and this opposition keep supporting free trade agreements that will negatively affect working conditions for Quebecers and Canadians, agreements that will make it easier for mining and other companies to take advantage of tax shelters?

[*English*]

Hon. Bryon Wilfert: Mr. Speaker, as I indicated earlier, one of the side agreements deals with labour. If the member has legitimate concerns on the labour issue, that is where at committee with the appropriate witnesses that kind of discussion needs to go forward in terms of strengthening these provisions. But if we simply want perfection and say no, if this is not here now we are not going to

engage with any free trade, then we can put up a big wall around the country and obviously we will not be doing our businesses any favours and certainly not the population. So again, it is about engaging. Obviously there are provisions we can strengthen, but we cannot strengthen the bill if we simply say we are not going to do anything because it is not there now. That is why we have these discussions and obviously why amendments are made at committee.

Ms. Joyce Murray (Vancouver Quadra, Lib.): Mr. Speaker, over two years ago I was on the international trade committee delegation to Panama and I am pleased to see the progress and support with respect to this free trade agreement.

However, does the member for Richmond Hill believe this focus by the Conservative government on these smaller free trade agreements with smaller potential for trade impedes the ability of Canada to do more strategic larger agreements with Asia-Pacific, for example, or Brazil?

Hon. Bryon Wilfert: Mr. Speaker, I would point out that it does not impede it, but it is not really focusing on what the real issues of the day are in terms of what our competitors are doing, and again, much more engagement on the multilateral level with organizations that are out there. I go back to one that I am most familiar with, dealing with the Asia-Pacific region, and that is ASEAN. Obviously if we do that, we are going to have a bigger bang in terms of that approach. Although these things are helpful, we need a strong policy, a strong strategy. We need to listen to what organizations such as the Canadian Chamber of Commerce have said, which is that we really do not have that, and unless we have it, we are not going to be competitive internationally in the longer term.

In order to do that, we have to get together. We have to really start hammering out something not for this year or for the next five years, but the kind of policy that will take us 15 or 20 years down the road, because standing still is not going to help and obviously the Australians in particular recognized that when they launched their very aggressive free trade approaches in the Asia-Pacific.

• (1055)

[*Translation*]

Mr. Claude Guimond (Rimouski-Neigette—Témiscouata—Les Basques, BQ): Mr. Speaker, I will first point out that I will be splitting my time with the member for Berthier—Maskinongé.

First of all, I would like to quickly go over the Bloc Québécois position on bilateral agreements. Make no mistake, the Bloc Québécois is not a protectionist party. Quebec exports 52% of what it produces, and our businesses, especially cutting-edge businesses, could not survive in the domestic market alone. Therefore, the Bloc Québécois supported the North American Free Trade Agreement, NAFTA, and was the first party to propose entering into a free trade agreement with the European Union. Clearly, our party supports free trade.

We believe that in order for trade to be mutually beneficial, it must first be fair. A trading system that results in exploitation in poor countries and dumping in rich countries is not viable. The Bloc Québécois will never tolerate a system of free trade that would result in a race to the bottom.

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We know very well that the lack of environmental or labour standards in trade agreements puts a great deal of pressure on our industries, particularly our traditional industries. It is very difficult for them to compete with products made with no regard for basic social rights. We support a true multilateralism policy and not shameless profiteering without regard for human conditions and the environment, which all too often is the basis for these bilateral agreements that our Conservative friends and, for some time now, our Liberal friends want to negotiate. This Bloc Québécois position was eloquently presented yesterday by the member for Saint-Maurice—Champlain, and I would like to congratulate him on his apt remarks.

That said, the Bloc Québécois, as per usual, methodically examined Bill C-46, which would implement a free trade agreement between Canada and Panama. We do not support this bill because, for the most part, it does not reflect the beliefs and values of our party and Quebecers.

Even though the free trade agreement signed on May 14, 2010, comes with a side agreement on labour co-operation, protecting labour rights remains a serious concern. Indeed, President Ricardo Martinelli's right-wing government passed Law 30, legislation that is considered anti-union, in June 2010. Quite simply, and as my hon. colleague from Saint-Maurice—Champlain explained so well, the law criminalizes workers who demonstrate to defend their rights. That cannot be justified.

We also know that Panama was shaken in recent months by crackdowns described as anti-union. Between two and six people were killed and about 100 were injured during violent demonstrations that were held after Law 30 passed in June 2010.

I have been a farm unionist for 20 years and I think we are fortunate to live here in Quebec and in Canada, in a democracy where we are not up against legislation like Panama's Law 30, which would bully us and prevent labour groups from raising their voices to improve their conditions. This is unacceptable. We are fortunate that we do not have to deal with such legislation and governments like Panama's that pass that kind of legislation in 2010.

As a member who comes from the labour movement, I naturally believe that workers' rights are universal rights, and no trade agreement—and I mean no agreement—should be entered into without absolute assurance that workers' rights will be respected.

● (1100)

Considering that in the present case we do not have that assurance, it is not possible for the Bloc Québécois to speak out in favour of this agreement.

We vigorously defend this position through our actions and our decisions. It is for that reason, among others, that we were able to support the Canada-Colombia free trade agreement.

Even though on August 5, the Panamanian government agreed to review this law, we nonetheless have cause for concern about the Martinelli government's true willingness to respect the International Labour Organization conventions. Why is the government in such a hurry to ratify this agreement? Should we not ensure that the Panamanian government is backing away from Law 30 before we make any commitment?

Something else that bothers the Bloc Québécois greatly is the fact that Panama is still on the OECD's grey list of tax havens. It is even on France's blacklist of tax havens.

While major European corporations are leaving this country because of its lack of banking transparency and its promotion of tax evasion, Canada wants to send its companies there. Does that make any sense?

Also worrisome is the fact that on the Finance Canada website on treaties and conventions there is no indication that Canada is negotiating an information sharing agreement with Panama.

We feel it is imperative that before concluding a Canada-Panama free trade agreement, the Conservative government, supported by the Liberals, sign an information sharing agreement with Panama. I hope the Liberals will support us on this. Nonetheless, this agreement must not exempt subsidiaries domiciled in the targeted jurisdictions from paying income tax.

In closing, without any assurance that workers' rights are respected in Panama and considering that this country is still on France's blacklist and the OECD's grey list of tax havens, unfortunately it is not possible for the Bloc Québécois to support this bill.

We will vigorously oppose any agreement, treaty or government decision that does not respect these fundamental rights.

Mr. John Weston (West Vancouver—Sunshine Coast—Sea to Sky Country, CPC): Mr. Speaker, I am always happy to hear Canada's name come up on the world stage, even if they are opposed to the bill introduced by our government. I have a question for my colleague.

[*English*]

What do the following have in common: EFTA, Peru, Colombia, Jordan and Panama? The answer is that these are all countries or groups with which Canada has entered into free trade agreements. What about India, China and Korea? These are countries with which our Conservative government has engaged in the last few years in an unprecedented way, making Canada truly the country of the 21st century.

As the hon. member weighs the labour issues he has considered, I would ask him to think for a minute about the gains Canada has made on the world stage. What does he think about how we are doing in trade and our international respect?

● (1105)

[*Translation*]

Mr. Claude Guimond: Mr. Speaker, I thank my colleague for his question.

As I mentioned in my speech, the Bloc Québécois is in favour of free trade and free trade agreements. We participated in the discussions on the free trade agreements with Peru and Colombia. We were against the agreement with Colombia because that country does not respect human rights.

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With respect to the agreement we are debating today, I made it clear that Law 30, which is anti-union legislation, is unacceptable. Also, we want Canada to sign agreements that address tax havens. This is in line with article 26 of the OECD model tax convention.

I can assure my colleague that the Bloc Québécois will continue to do a thorough job on the upcoming agreements with China, India and Jordan.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, I always listen closely to my colleague's speeches. He mentioned a number of important things, including crime. The Conservative government always claims that it wants to address the issue of crime, but now it is signing a free trade agreement with Panama, a country that allows money laundering, which would increase the prevalence of this phenomenon in Canada.

How can the Conservatives be so irresponsible as to say that money laundering is allowed, that it is fine and that it is not serious, because we do not have to live with it? The government wants to sign an agreement and tell the Panamanian government that it can continue to tolerate money laundering.

Mr. Claude Guimond: Mr. Speaker, I would like to thank my colleague and say that I enjoy working with him on the Standing Committee on International Trade. We always have very good discussions.

It is unacceptable to want to sign an agreement with a country like Panama, which is a tax haven. We are not the ones saying that. Panama is on the OECD's grey list and on France's blacklist. Europeans are taking their companies out of Panama because they feel it is unacceptable to do business with a tax haven. But in Canada, the Conservatives—backed by the Liberals—are rushing to sign an agreement with the Panamanian government.

Last night, my colleague from Berthier—Maskinongé said that the Bloc Québécois is making proposals to overhaul and improve employment insurance for the benefit of our workers. The two parties are telling us that it will cost too much, but at the same time, the government is signing an agreement with a tax haven where, if things were done properly, we could reap some benefits.

Mr. Guy André (Berthier—Maskinongé, BQ): Mr. Speaker, I would like to begin by congratulating my colleague on his excellent speech about the Canada-Panama free trade agreement.

I was involved in a parliamentary mission to Colombia with the NDP member here and the Liberal member. We also visited Panama as members of a committee to assess the possibility of free trade.

I am keen to talk about this today because I have been following the progress of this accord for the past few years. I should reiterate that we are against this free trade agreement. My Bloc Québécois colleague made it clear that we are not against all free trade agreements. We support a free trade agreement between Quebec and the European Union. Back in the day, the Quebec sovereignty movement was very supportive of the free trade agreement with the United States and Mexico, the North American Free Trade Agreement.

I want to make it clear that we are not against all free trade agreements. I have noticed that, anytime we discuss a free trade agreement in the House, there is a lot of pressure on those who

oppose such agreements, as though they were opposed to economic growth and to making Canada and Quebec more competitive in a free trade environment.

That is not the case. We support free trade agreements when they are fair for workers and the economy and when they comply with environmental standards. We oppose free trade agreements when these basic conditions are not met.

When we were discussing the Canada-Colombia free trade agreement, we told the House about the human tragedies that befall unionized workers in Colombia. We also talked about violations of mine workers' rights and environmental standards. We opposed that bill.

Even though things in Panama are not as bad as they are in Colombia, the Canada-Panama free trade agreement includes a number of unacceptable clauses, so we should not sign it.

First of all, there is Law 30. We tend to sign agreements with right-wing governments. We signed an agreement with Mr. Uribe, whom my colleagues and I met. We signed an agreement with a right-wing government that does not respect workers' rights, particularly their right to demonstrate and unionize to protect their rights. The government lets companies violate environmental standards.

The Conservative government, unfortunately supported by the Liberals, tends to want to sign agreements with such right-wing countries because it says they will generate revenue and improve our competitiveness.

Our imports from Panama are five times greater than our exports to that country. How will this free trade agreement spur our economic growth? I do not believe it will happen. We must immediately disregard this argument.

• (1110)

I do not think that the workers in my riding of Berthier—Maskinongé, or Quebecers as a whole, will get rich from this Canada-Panama free trade agreement. On the contrary, without respect for labour or environmental rights, these free trade agreements put pressure on our own companies operating in Canada. In the case of mining or the production of all kinds of agricultural products, for example, they create pressure to lower standards.

We must compete against countries that do not respect labour rights. In the case of Panama, it is even said that the right-wing government condones child labour, just like Colombia. Consequently, the agreement does not improve the working conditions of our workers, and it places pressure on companies. They think that in Panama or other countries, they can engage in such activities. This agreement will allow them to set up operations in those countries, where labour is cheaper. The agreement also eliminates tariffs and promotes trade.

Panama is also recognized as a tax haven. We have discussed tax havens on many occasions, and it is important.

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A number of companies here receive subsidies. Some are having serious financial problems because of this global competition. Not only do our workers have to work very hard and in very difficult conditions, but they are financing these companies through their tax dollars, to make them a little more competitive globally. Indeed, with free trade and considering the degree of competition from China, we have lost many jobs in the manufacturing sector, in the furniture sector in my riding for example.

So the workers are paying to improve our productivity in the context of globalization and, on top of that, the revenues are going into tax havens. The companies receiving subsidies are earning huge profits. They will go and set up shop in other countries that offer more attractive tax benefits and where it is easier for them to exploit workers. So they simply move and do not pay taxes. They do not redistribute this wealth or the profits they make by paying taxes in Canada and in Quebec.

As an indirect result, this leads to cuts in social programs and education. We are told there is no more money. Our current system is already under tremendous pressure, so cuts have to be made to public services and education, all because the government does not have enough money.

Quebec and Canada should at least be collecting taxes from these companies, which are earning huge profits. We could follow the example of certain other countries, which I will not name, that have chosen to put education, health, and so on first, by making taxes a priority on a national level. That money must come back. If workers are subsidizing businesses, of course the tax dollars should come back to the country.

That is why we do not support this Canada-Panama agreement. On the one hand, it does not respect labour rights—Panama passed its Law 30—and on the other hand, there are also concerns about environmental standards. Lastly, we do not believe that this agreement will do anything to stimulate the economy in Quebec or Canada. Our exports to and imports from Panama are very limited. This will not create more jobs.

•(1115)

We want globalization to be fair and equitable, as defined by Joseph Stiglitz—a former adviser to the President of the United States—in several books, which I invite all members of this House to read. They are not necessarily leftist readings, and I invite all members to read them.

[English]

Mr. Alan Tonks (York South—Weston, Lib.): Mr. Speaker, the member has spent a great deal, and quite rightfully so, on the rights of workers, fair trade and fair labour conditions.

My question is related to the support in the bill for the International Labour Organization's declaration on fundamental principles and rights of work. It talks about child labour, occupational health and safety, compensation for injuries on the job and so on.

We have a commitment to the International Labour Organization's declaration by all parties to this agreement and there is a provision where a panel of last resort would be established to hold a hearing on a particular violation to the agreement.

With all the issues he has mentioned about occupational health and safety, children's rights and so on, is it not better to have an agreement that would invoke a multilateral organization, like the ILO, with a provision that there would be compensation back to those very people who he is concerned about, those who are exploited under present conditions? Would it not be better to have this agreement that would address those kinds of issues in Panama?

•(1120)

[Translation]

Mr. Guy André: Mr. Speaker, I would like to thank my colleague for this question.

However, I do not necessarily agree with his position, and I will tell you why. In recent months, Panama has been shaken by a wave of anti-labour repression. I say it is recent because in 2010 there have been several deaths, between two and six depending on which source you consult, and about a hundred people injured during a violent demonstration following the June 2010 adoption of Law 30, which some are calling the “sausage law” because it contained such diverse reforms, notably to the labour code and environmental legislation.

When the public protested, the crackdown was severe. And in that context we, as Quebeckers or as Canadians, cannot sign agreements with countries that do not respect working conditions and environmental standards. This issue always comes back to haunt us, putting pressure on our own environmental laws and our own workers.

I know that the Conservative government does not seem to care about respecting the environment—

The Acting Speaker (Mr. Barry Devolin): Order, please. The hon. member for Abbotsford has the floor for questions or comments.

[English]

Mr. Ed Fast (Abbotsford, CPC): Mr. Speaker, I am very disappointed with the member and the Bloc for not supporting this free trade agreement. Canada is one of the great free trading nations of the world. We heard earlier today that in order to grow our economy to ensure our future prosperity it was critical that we continue to find new trading relationships.

The member has highlighted certain concerns about this agreement as well as some of the issues taking place in Panama. Why would he not at least allow the bill to go to committee so there can be a thorough review of it to ensure there are the protections that he would like to see in the bill?

My guess is it is simply a matter of ideology. He does not share the ideology of the present government of Panama. Is that not correct?

[Translation]

Mr. Guy André: Mr. Speaker, once again I would like to say that we live in a democracy where I can express my feelings and also say that I do not necessarily agree with the ideology of the Conservatives who sit across from me in this House.

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As I mentioned in my speech, the issue is always to improve competitiveness through free trade agreements and to accumulate more wealth, but we have seen that these types of agreements do not make our population richer. Since we have started signing free trade agreements, the poor are getting poorer and the rich are getting richer. The statistics prove this. Let us not kid ourselves.

I would like the Conservative member to answer this question in his speech: How can we say that doing business with a country that generates five times more imports than exports will help our workers and improve our living conditions, and all of this in a country that allows tax shelters?

• (1125)

[English]

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, I am saddened to rise in the House on Bill C-46, which could be more aptly called the drug pushers, money laundering act. It is absolutely shameful what the government has brought forward.

Panama is ranked as one of the top drug pushing, money laundering, tax havens in the entire planet. The Panamanian government has done nothing to resolve that. There is absolutely nothing in Bill C-46 to deal with the drug pushing and money laundering that the Conservatives are promoting. It also would do absolutely nothing to address the tax haven status.

People who watched CBC or heard Radio-Canada last night would have seen the impact of tax havens and money laundering and how that impacted on our social programs in Canada. It impacts how we as Canadians can deal with some of the fundamental issues.

This widespread money laundering and the use of tax havens so drug pushers and folks who earn money illegally can get around existing tax laws are not small issues.

Hard-working middle-class Canadians, poor Canadians, work very hard and they pay their taxes. They do what they must do as Canadians to support our society. Yet the Conservative government is going to shamefully sign an agreement with a drug pushing, money laundering tax haven paradise without even addressing one word of it in this agreement. It is absolutely shameful. It is a symbol of what is dysfunctional about the Conservative government on trade policy. The NDP is the only national party to stand up in the House against this completely dysfunctional trade policy of the Conservatives.

We have seen the kind of bills the Conservative have brought forward. They brought forward the softwood lumber sellout. As a result, two thousand jobs were lost in my riding. Tens of thousands of jobs right across the country were lost as the Conservatives deliberately shut down the softwood lumber industry. It was appalling and incompetent. People from the industry, except the CEOs who wanted to take their operations across to the United States, told the government very clearly that it would be disastrous. The NDP was the only national party to rise in the House and say that it would be disastrous. The Conservatives rammed it through, with the support of their Liberal cohorts, and we saw the results.

We saw the results with the shipbuilding sellout. Shipbuilding workers from British Columbia, Nova Scotia, Newfoundland and Labrador and Quebec all said that this would have a negative impact

on the shipbuilding industry. As a result, hundreds of jobs have been lost in the shipbuilding industry.

In the springtime, after what was an appallingly ridiculous debate, the Conservatives and the Liberals pushed through the Colombia free trade deal, essentially putting an X on Canada's reputation of standing up for human rights.

This present deal would provide a stamp of approval on the drug pushing, money laundering, tax haven paradise. This deal says that it would be okay to do this kind of activity, that it would be okay to have whomever, Hell's Angels, drug pushers, getting around Canadian income tax laws by having their money in Panama. Panama has strict rules about ensuring that Canadian authorities cannot find out a wit about the illegal money laundering taking place. The Conservatives say that is okay.

Each member of the Conservative Party, each member of Parliament who has made a great speech about cracking down on crime, is now going to stand and give his or her stamp of approval to a government that has not cracked down on fighting money laundering and drug pushing, one of the worst in the world.

Mr. Ed Fast: You should be embarrassed.

Mr. Peter Julian: Mr. Speaker, I hear the Conservatives reacting, as they normally do. None of them have read the agreement. There is not a single word in the entire text that deals with money laundering or the tax haven status. It is appalling. This is a symbol of a completely dysfunctional trade policy pushed by the Conservatives and supported, as we have seen every time, by the Liberal Party of Canada.

• (1130)

The Conservatives will say that by doing this they are actually contributing to the growth of our export industries.

The NDP has pushed for fair trade rules. We are the only national party speaking out against the hemorrhaging in our manufacturing sector, the loss of half a million good-paying manufacturing jobs. We are the only national party speaking out against the chronic under-financing of our major exporting industries.

I am pleased to say that this week some of the export associations have finally heeded our call. They are actually going to go to the government, with the support of the NDP, to get substantial increases in product promotion support.

Why? Because Canada, quite frankly, just plays lip service to exports. We have a trade minister who loves to cut ribbons and sign fancy agreements that do not deal with the fundamental issues.

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Let us compare what Canada invests to support our export industries abroad with what other countries spend. We spend \$12 million to \$13 million in product promotion. Australia spends half a billion dollars. The European community spends \$125 million for their wine export sector alone. That is 10 times what we spend for all industries right across the board. For the United States market, our most important trading partner, we spend \$3 million or \$4 million, which is the equivalent of promotion support for marketing a medium-sized enterprise in the lower mainland of British Columbia. We do that as a nation for the entire U.S. market.

The Conservatives, on the one hand, love these camera opportunities and these signatures but have done absolutely nothing to stimulate export growth.

What has been the result? If the Conservatives say that, although their actions might encourage some money laundering and drug pushing and use of tax havens, they are really doing this for exports, then they are going to have to explain that in this House. They have been mute so far in this debate. They have not spoken to these issues at all. In fact, it appears that they do not want to stand up and defend this deal. This should indicate to the public, those who are looking for work but have taken a brief break and are tuning in to CPAC today, that if the Conservatives are not willing to speak to the issue it is because they know that they do not have a leg to stand on, that they simply do not have any basis for supporting this dysfunctional deal.

If we look at the export figures, what do we see? If we move from the realm of inflation-devalued current dollars to constant dollars, which actually reflects a constant value over time, what we see is that after we sign these bilateral trade deals our exports actually go down. Let me cite a few examples.

With Israel, before we implemented a free trade agreement, we had exports of \$270 million a year. In 2003, seven years later, we had gone from \$270 million to \$239 million in exports. What is wrong with this picture?

It was the Liberal government at the time that starved our export industries. But at the same time they had the big song and dance about how this was going to be terrific for our export industries. What happened? There was a decrease from \$270 million to \$239 million.

Let us look at another example.

I can see the Conservatives waking up now. They are saying, "Gee, nobody told us that. Gee, we should have done our homework., Gee, we should have actually looked at the export figures. Maybe we'd know what we were talking about if we actually compared the figures".

I am glad the Conservatives are waking up, because these are important issues. We are talking about lost jobs. We are talking about half a million manufacturing jobs lost. We are talking about an actual net decrease in income for most Canadian families. The Conservatives have not understood that; the Liberals certainly did not. For 20 years, this so-called free trade regime has proven very costly to the average Canadian family.

•(1135)

These are important figures. I am glad they are taking note.

Look at Chile. We had \$467 million in exports, before the implementation of the magic free trade agreement. Well, the exports to that market have gone from \$467 million to \$433 million. That is after the FTA, after the song and dance, after all of the pretensions about how this was going to stimulate our export industries, even though Liberals and Conservatives have done nothing to stimulate our export industries beyond the photo ops and signatures on bad trade deals. With Chile, after 10 years of free trade our exports were down.

Let us move on. I could continue. I will not cite the EFTA figures, because we already had this debate. It was the famous shipbuilding sellout. Since we signed that deal, our exports have gone down. There has been a huge decrease in the EFTA market, and yet we had Conservatives and Liberals standing in this House and saying this was going to be a magical day for Canada. Our exports went down the toilet.

At the same time, we opened up our shipbuilding industry, and it lost a large number of jobs. Here again is an example of the dysfunction and incompetence of the Conservative government when it comes to trade policy. It is dysfunctional.

They are not reflecting Canadian values. They are selling out human rights, our softwood industry, our shipbuilding industry. Then, as we sign the bilateral agreements, we see a decrease in exports to these markets .

The final bilateral agreement I will mention is the one with Costa Rica. We have talked about the others; let us talk about Costa Rica. I think it is an important one to flag.

There again we saw a decrease. We had \$77 million in exports before the implementation of the deal. Seven years later, in 2009, we had gone from \$77 million in exports to \$73 million.

I rest my case. The Conservatives have strange pretensions. It does not matter about endorsing money laundering. Forget about that, Canadians. Do not worry about drug-pusher tax havens, and these fiscal paradises for the wealthy, where they do not have to pay taxes as ordinary Canadians do. Do not worry about that, because we know what we are doing.

Clearly, they do not. In case after case, our exports to those markets, after we sign these FTAs, go down, not up. They fluctuate up and down, it is true. However, in case after case, we see that in constant dollars our exports to those markets have gone down.

The Conservatives might even be forced to admit that the exports went down, and that we are selling out human rights and the softwood industry. If so, however, they are giving a rubber stamp to drug-pusher money launderers.

But what about Canadians' incomes? They have gone up, right? Well, unfortunately, even that is not true.

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Statistics Canada has essentially told us what has happened to middle-class and poor Canadians since 1989, since these free trade pacts came in, which in almost all cases have led to a decline in our exports to those markets.

We have the most recent figures. What has happened to the poorest Canadians? The poorest Canadians, viewed in terms of market income, have neither gained nor lost. Fortunately, that is because of the advocacy of the NDP, which has worked to ensure that some social programs have been maintained.

What about the middle class, the hard-working people who support their families and pay their taxes? Well, the second-income category has actually seen a 5% reduction in real income over the last 20 years. What is 5%? It is like going without a paycheque for a couple of weeks a year. This has happened on the watch of the Liberals and Conservatives over the last 20 years.

We were told that these so-called free trade agreements would not be costly to the Canadian middle class and poorer Canadians. It would not be costly for manufacturing jobs. It would not cost us a bit. Well, it has been extremely costly. It has hit middle-class Canadians hard. Even the upper middle class has seen a net reduction in real income.

● (1140)

If we think about that, it is very sobering. We have heard all the pretensions, spin, and flim-flam from Liberals and Conservatives about their having some idea of how to make sure we stimulate export growth and family incomes. Then we look at the hard facts. None of these facts have been studied by Liberals or Conservatives, because they do not even track this stuff. They do not track going in what the economic impacts will be on these trade deals, and they do not track going out what has actually happened. There is no tracking at all. It is simply a photo op.

We have a trade agreement that is negotiated badly, written badly and does not deal with any of the real issues. Then there is a photo op and the minister goes on his next little trip. There is no evaluation, no homework, and no sense of what the real impacts have been on ordinary Canadians.

There is, however, one group of people that has benefited over the last 20 years. Their income growth has skyrocketed by 25%. Corporate CEOs and lawyers now take 52% of all income in the country. Income has gone down for the middle class and stagnated for the very poor, but the very rich are taking a huge and ever larger piece of the pie. A hefty 52% is now going to the very wealthy. Yes, they will support these trade agreements. They move their money offshore. They invest in low-wage factories. They can afford to. However, government should be looking to stimulate the Canadian economy.

Government should be looking to make sure middle-class Canadians are taken care of. They say that through hard work poor Canadians can raise their living standard, that over time there will be progress, and that we can build local economies where small businesses thrive as we forge a national economy where nobody is left behind. But exactly the contrary has occurred over the last 20 years, because Conservatives and Liberals in the House are simply not doing their homework.

What have we in the NDP been proposing? We have been making proposals like many of our allies in places like the U.S. Congress, which now has a fair trade act before it. It was interesting to note the comments of the Minister of International Trade in Europe when he said free trade was looked down on there. He is right, because Europe is trying to move to a more progressive trade model.

This is perhaps a discussion for another day, but we have a completely dysfunctional approach to negotiations with the European Union. We went to them and said we were going to sacrifice supply management. Supply management is on the table. We sold out the softwood lumber industry in northern Canada, northern Ontario, and B.C. We sold out our shipbuilding industry on both coasts. What can we sell out this time? Let us sell out the prairie farmers in the west, farmers in Ontario and Quebec, rural Canadians. We have a dysfunctional trade approach with the European Union, and we are saying that this time it is farmers who have to pay.

We in the NDP are saying a fair trade model has to be put into place. We are saying that what we need to do is economically boost all Canadians and make sure nobody is left behind.

This Panama trade deal, this drug-pusher, money-laundering, tax haven, fiscal paradise act does not do it. The government did not do its homework. It shows a complete lack of regard for the valuable opinions of the Canadian public. We have a dysfunctional government that is trying to foist a bad policy on Canadians without having done its homework. That is why in this corner of the House we will be voting yes for the hoist motion and no to this bill.

Mr. Ed Fast (Abbotsford, CPC): Mr. Speaker, the hyperbole coming from the member is breathtaking. Canadians have seen why they elected a Conservative government to protect the economy and prosperity of this country and why the NDP has no hope of ever leading Canada.

He suggested that our government does not track the figures of our free trade experiences with other countries around the world. Let me quote Statistics Canada. Regarding our free trade agreement with the U.S., after 10 years there is 150% growth in bilateral trade with that country; with Israel, 133%; Chile, 250%; Mexico, 157%. I do not know where he is getting his statistics, probably from far-left think tanks who continue to spout these untruths.

My question for him is this: how can he stand and defend protectionism when the G20 arrived at a consensus that protectionism was going to ruin economies around the world?

Government Orders

●(1145)

Mr. Peter Julian: Mr. Speaker, the member for Abbotsford cannot get me started on the billion dollars the government wasted on the G20 with the fake lake and thousands of dollars spent on bug spray. It was absolutely irresponsible

However, it is interesting to note that the Conservatives are again trying to spin the figures and not put them in constant terms.

The member is right that, over time, we could have a growth in trade if the dollars are worth less, which is a little trick the Conservatives have used yet again from their talking points. They want to pretend that a dollar now is worth the same as a dollar 15 years ago but not one of them has actually tracked it. I know this because we asked the people at International Trade about it and they said that they do not do that. We had to commission a study. That is why we now have apples compared to apples, constant dollars, and we see a net decrease in exports.

Again the Conservatives have not done their homework. Canadians are owed more than just that ridiculous spin from the Conservative PMO.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I thank the member for his input into the debate again on a bilateral trade proposal.

One of the reasons I acknowledged the member when he stood to speak was that he has the conviction to put on the table where he stands on some of the issues that he thinks need to part of the conversation. If we talk about bilateral trade in a vacuum, that this is trade, we trade with them, they trade with us and it is a win-win situation, we do not have to consider the ripple effect of other things that are going on.

The revelations on the Swiss bank accounts, with Crédit Suisse and HSBC, raised the fact that even in Canada there were almost 1,800 private bank accounts, only two of which, they discovered, had ever reported income. There are some bad things that are going on and some of those things are facilitated by other countries, as the member has raised, whether it be in Colombia or in this case here.

I would encourage the member to present this dilemma where, yes, we want to do trade but we cannot do trade at any cost. There must be a point at which we need to have those other arrangements also addressed as a part of the trade deal. There must be other conditions. I ask the member if he wants to comment on how we can do trade ethically.

Mr. Peter Julian: Mr. Speaker, I wish the member for Mississauga South was the trade critic for the Liberal Party because, when he rises on trade issues, he makes a great deal of sense.

Those are exactly the kinds of questions that should be asked in the House. He is absolutely right. Here we have one of the most notorious, drug-pushing, money-laundering tax havens on the planet and the government says that it is okay, that it is going to give a stamp of approval to the actions of that government and that it will not address any of the money laundering, not a word on the tax haven status and not a word on money laundering.

As the member for Mississauga South has mentioned, Canadians' values are profound. Canadians are honest, hard-working people

who pay their taxes and it is not reflected by the dishonest action by the government. To try to pretend that it is in some way dealing with the drug-pushing, money-laundering, tax haven status of Panama, when any member reading through this will see that there is not a word addressing that issue, is simply hypocritical. There is no other way to put it. I think Conservative voters will punish Conservative MPs for this kind of hypocritical action.

●(1150)

[*Translation*]

Mr. Guy André (Berthier—Maskinongé, BQ): Mr. Speaker, first of all, I would like to clarify something our colleague said in his speech when he said that his party was the only one that speaking out for the manufacturing sector. The Bloc Québécois has done a great job of defending the manufacturing sector and, of course, workers in recent years. So I wanted to make that clarification.

I agree on some level with my colleague's comments. The Bloc Québécois does not understand why the Conservative Party always favours bilateral agreements, especially with right-wing governments, as we saw with Colombia, and as we are seeing with Panama. Often, in these countries, workers and environmental standards are not respected. We believe that we should favour multilateral agreements, which would mean that a group of countries—and Quebec should be its own country one day—must respect the working conditions, environmental standards and labour standards of the group. We must oppose child labour. In bilateral agreements, it seems as though this government often favours mining companies and certain companies at the expense of the collective good.

I would like to hear what my colleague has to say about that.

Mr. Peter Julian: Mr. Speaker, I thank the member for Berthier—Maskinongé for asking a good question.

I did say that we are the only national party standing up for these issues. However, on the Colombia file, the Bloc Québécois has been a major ally. That may not have been the case with respect to the softwood lumber agreement and the shipbuilding agreement. So today, it is important for us to work on this issue together.

Yesterday, our labour critic did a great job talking about another aspect of the agreement. I had only 20 minutes to talk. She talked about the fact that there is ongoing union suppression in Panama and that union members have been killed. The Conservatives seem to think that is a good reason to sign another agreement, as they did with Colombia. The Conservatives do not seem bothered by the fact that people have been killed. In fact, they seem all the more eager to sign an agreement. I think that is a terrible approach. We should be taking a multilateral approach instead. I think everyone can find common ground on that. We should be holding multilateral negotiations based on fair trade, not free trade, because free trade has cost Canadians dearly.

Government Orders

It is interesting to note that even the Minister of International Trade avoids using the term “free trade agreement” when he is in Europe because the term lost so much value during the Bush era in the United States that nobody uses it anymore. We should focus on fair trade. The NDP is ready to work with all other parties in the House to implement a functional international trade policy based on fair trade.

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, I want to thank the hon. member for Berthier—Maskinongé for his enthusiasm. His riding and mine are neighbours.

From the outset, I want to remind the House that the Bloc Québécois does not have an ideological position on matters of free trade, liberalizing trade, or open markets. We think that open markets and liberalized trade are conditions for economic growth. That is true for Canada and Quebec and for most industrialized and emerging countries. It is perhaps less true for some countries, especially African countries that, despite measures to open up borders, have seen their situation deteriorate.

Accordingly, knowing that liberalizing trade can be a way to increase wealth, we also have to consider that wealth is often poorly distributed around the world and within industrialized societies. In his book *The Conscience of a Liberal*, Paul Krugman points out that in 1980, 1% of the American population had roughly 8% of the total wealth and total revenue. In 2007, that same 1% of the population held 24% of total American revenue. This situation has not been seen since 1928. It is interesting to note that inequality of wealth contributes to economic instability.

The recent and ongoing economic crisis for which we are calling on the government to continue providing stimulus measures, namely by pushing back the deadline for the infrastructure programs which is currently March 31, 2011, was originally a financial crisis, of course. Nonetheless, income inequality in the United States caused a major portion of the American public to go into debt, to buy property in particular. The entire chain reaction that brought in the unsound financial products that provoked this crisis was caused in part by income inequality.

Therefore, we cannot simply open our borders, move forward and hope for the best. That is why, since its inception, the Bloc Québécois has always wanted the opening of markets to be regulated by the state. That is one of the reasons why we want Quebec to become a sovereign country. It would allow Quebec to take part in international forums during which basic rules must be formulated in order to avoid uncontrolled globalization and problems like the ones we encountered during the financial and economic crisis that originated in the United States and spread across the globe. We examine all agreements negotiated by the government through that lens. When agreements are negotiated on the basis of equality and mutual respect, we support them.

For example, we recently supported the Canada-European Free Trade Association free trade agreement. This association consists of Iceland, Norway, Switzerland and Liechtenstein. Members will say that, until recently, at least two of these countries were considered to be tax havens, which is the case for Panama. However, these two countries—Switzerland and Liechtenstein—were removed from the

OECD list because they agreed to co-operate and transfer tax information to at least 12 other countries.

It seems that their economies are somewhat similar to Canada's, not in terms of industrial composition, but level of development. There was no chapter 11—I will come back to that—as there is in some free trade agreements recently signed and ratified by Canada. Therefore, we did not have a problem with that agreement.

The same goes for Jordan. The free trade agreement did not provide for the protection of investments beyond what is normally covered. Once again, I am referring to chapter 11 of NAFTA. I will have an opportunity to come back to this because some of Canada's free trade agreements include investment protection.

● (1155)

We did not have that problem with Jordan. I also believe that we must send a message to Middle Eastern countries that Canada has a balanced policy with respect to countries that may not be openly at war, but are in a conflict situation. I am obviously referring to Israel, with which we signed a free trade agreement in 1994, if I recall correctly. We are not challenging that. Having a free trade agreement with Jordan balances Canada's position in the region. Thus, we had no problem supporting the free trade agreement with Jordan.

However, we were fiercely opposed to the free trade agreement with Colombia because of the human rights situation, and we were quite right. It is completely wrong for Canada to sign a trade agreement with a country where human rights are widely violated.

For example, in my riding of Joliette, there is a community of new Quebeckers of Colombian origin who had to leave their home country because of violence. These people told me that they did not understand how Canada could sign a free trade agreement with Colombia, when the country does not respect human rights and people are victims of violence, particularly at the hands of paramilitary organizations that have ties to some Colombian political leaders. They told me that they did not understand how Canada, which is trying to improve respect for human rights around the world and at home, could sign this free trade agreement. Many of us regularly take action to address human rights violations, such as those the first nations suffer in many areas.

Therefore, we opposed that free trade agreement, as well as the agreement with Peru, because of chapter 11 on investment protection and the lack of a framework to make mining companies, specifically Canadian ones, accountable.

In looking at the free trade agreement with Panama, we can see that there are some problems. We do not think it will benefit Canada or the people of Panama. I am not necessarily referring to some industries here or in Panama that could benefit; I am referring to the people of Panama, Canada and Quebec.

Government Orders

How about the infamous chapter 11? I remember that NAFTA was the first free trade agreement to include that provision. The provision allows foreign companies to directly sue the Canadian, American or Mexican government before a special tribunal. That did not exist before. Any trade disputes between countries were resolved at the WTO.

This meant that multinational companies became a new entity, a new player on the international law scene. That makes absolutely no sense. It is extremely dangerous, and I think that the increase in the number of lawsuits and complaints filed under chapter 11 of NAFTA is proof of that. So far, there is not much jurisprudence, but the free trade agreement is relatively new. I believe that we opened a Pandora's box, and we need to close it up.

Unfortunately, the Canadian government decided to use this model as the inspiration for its bilateral agreements, in particular those with countries in the global south. That was the case with Colombia, Peru and Chile. We believe that it is completely immoral to allow companies from Canada, the United States or any other country to take governments to court over public health, environmental issues or industrial policies.

We cannot accept that Canada includes such investment protection measures in its bilateral agreements, particularly with more vulnerable countries in the global south. That is the main reason we are opposing this free trade agreement. The second reason is because of the issue of respect for human rights and workers' rights, as was brought up by my NDP colleague earlier.

• (1200)

Again just recently, in June 2010, there was a protest against changes to the labour code. These repressive changes were decried on July 14 by the International Trade Union Confederation, which is made up of practically the entire labour movement on the planet. We are not the only ones who are concerned about respect for workers' rights. If we move ahead with this free trade agreement, we will be accomplices in contravening certain international conventions of the International Labour Organization. I am specifically thinking about convention no. 87 regarding the right to freedom of association.

So, after this chapter on investment protection that gives too much power to multinational companies—or that gives them power that they should not have—there is issue of respecting workers' rights, which is the second reason we oppose this agreement.

There is a third very important reason: the fact that Panama is a tax haven on the OECD's grey list. It signed co-operation agreements with a number of countries, but does not abide by those agreements. So here we are signing an agreement with Panama, which has signed agreements to disclose and exchange tax information, but does not follow through on those obligations. And we are not even talking about the fact that the corporate tax rate is insignificant, that there is a lack of transparency—as I mentioned earlier—and that there is a lot of information missing about what is going on with tax treatment, especially for foreign companies.

I am not leaving out the other two issues I mentioned, but we think it makes perfect sense for Canada to start by signing a real tax information exchange agreement with Panama, at the very least. If that works, then we can figure out what comes next. The problem is

that the Conservatives included in this tax information exchange agreement a provision making subsidiaries located in jurisdictions with which we have agreements tax exempt.

Panama's corporate income tax rate is insignificant. If Canadian companies report profits made in Panama there, they pay 1%, 2% or 3%, as in Barbados, and they can transfer that capital without paying tax in Canada. Once again, this is a manoeuvre that found its way into Conservative budgets that were passed in collusion with the Liberals because they were too weak to oppose them. Not only do we want a tax information exchange agreement, but we also do not want exemptions for profits taxed in Panama because the tax rate there is just too low.

We should take our cue in this matter from France. The French president decided that French companies, especially banks, located in tax havens that appear on the OECD's grey list had to divest their assets. This is how it happened. In a September 30, 2009, press release, the French economy and finance minister announced that companies, banks in particular, operating in jurisdictions like Panama would be penalized. Bercy implemented retaliatory measures in early 2010.

This made the banks think twice, and a few days later, the banks announced that by the end of March 2010—so a few months ago—they would divest themselves of all assets in any tax havens still on the OECD grey list. So as I said, on September 30, 2009, the French finance minister announced his intention to take retaliatory measures and the next day, the banks themselves, through the Association Française des Banques, announced that by March 31, 2010, they would divest themselves of all branches in any tax havens still on the OECD grey list.

We do have the means, and this is a perfect example, but it takes political will. Unfortunately, despite the fine words of the Minister of Finance, the Prime Minister and the government on this issue, what we are seeing is quite the opposite.

• (1205)

The government has made it very easy to use tax havens. Do people know who bought the French bank branches in those tax havens? Most of them were purchased by Canadian banks. Clearly, our banks are confident that they have the support of the Conservative government to invest more in these tax havens, particularly Scotiabank, the Canadian bank that uses tax havens the most. This has already been criticized in this House. We now know that it is one of the banks that purchased many of the French bank branches in these tax havens. That is unacceptable.

Government Orders

In closing, I would remind the House of the point raised by my colleague from Berthier—Maskinongé, specifically, that the bilateral approach to these trade agreements is not beneficial for Canada or for emerging and developing countries. This strategy was imposed by the Americans in the Bush era, which is now over. President Obama has said he would like to return to multilateralism. It was reminiscent of Mao Zedong's strategy in the 1940s, before his successful revolution in 1949, of encircling the cities from the countryside.

How does it work? We attack the weak, like Panama, and we get them to sign a free trade agreement that suits our vision of unbridled liberalization, what we call neo-liberalism, which has now been completely discredited by the financial crisis and the economic crisis. We impose our view on the weak to try to encircle countries like Brazil, which is currently putting up resistance at the Doha round, as are India and China. The Doha round is at a standstill because industrialized countries like the United States and Canada do not realize that the old negotiating process does not apply in this new climate. China is a major player. Brazil, in South America, is a major player. They have managed to make the point that the agenda the industrialized countries wanted to set does not serve the interests of the vast majority of countries around the world. As long as Canada, the United States and Europe do not understand that, it is quite clear that we will not make any progress on issues related to multilateral negotiation at the World Trade Organization.

I find it particularly ironic that Canada is in such a hurry to sign a free trade agreement with Panama and that we are being presented with a bill to ratify the agreement as quickly as possible, when this is dragging on in the United States and in other countries, where the long-term effects of these bilateral agreements are assessed more seriously than they are here.

This is an ill-conceived and outdated bilateral negotiation strategy, and we are not in favour of this free trade agreement.

We think the future is in multilateral organizations such as the World Trade Organization. Obviously, we have to go further. People are starting to talk about it. We support the idea of second-generation free trade agreements. What is more, Europeans do not like the expression "free trade" whatsoever. They prefer to talk about partnerships. The agreement currently under negotiation is a partnership agreement. This goes far beyond free trade. This partnership must include more than just trade. Second-generation agreements absolutely must take into account the effects of trade liberalization on industrial sectors. There need to be conversion periods for industrial sectors that might otherwise be left out in the cold.

The Bloc Québécois thinks that agriculture should be left out of trade negotiations, as culture is or should be, because these are not commodities as other things are. Culture is not simply about entertainment. It is a nation's signature, a country's signature. So we must ensure that there is a convention to protect these cultures, and more specifically cultural diversity.

•(1210)

Canada and Quebec were driving forces behind the convention, and I congratulate everyone on that. For agriculture, it could be the same thing. We should perhaps exclude some sectors, give them the

time to adapt and include mechanisms so that respect for environmental rights recognized by major international conventions, such as the Cartagena convention, which Canada has still not signed, and the major conventions of the International Labour Organization is a condition for opening our markets.

The Canada-Panama free trade agreement is a bad example; it is not the right way to go. I can assure this House that we will continue with the debate and that we will vote against this agreement if we do not see some considerable improvements. I think that there are far too many improvements needed for them to be made here.

•(1215)

[*English*]

Mr. Ed Fast (Abbotsford, CPC): Madam Speaker, the member and his party are going to oppose this free trade agreement, as they have opposed so many other free trade agreements before, but he mentioned that one of the reasons he is opposing it is because he believes there is a failure to protect labour and the efforts of workers to get proper living conditions and wages.

I do not know if he is aware that there is a supplementary agreement to this free trade agreement, called the agreement on labour cooperation between Canada and the Republic of Panama, which actually addresses those very issues and is tied into the international treaties relating to labour. This declaration covers specific things such as the abolition of child labour; the right of freedom of association, for example, unions; the right to collective bargaining; elimination of discrimination; and the elimination of forced or compulsory labour. These are all protections that are built into this free trade agreement.

I wonder if the member is aware of those protections. Secondly, if he is and is still concerned, why would he not at least allow this agreement, which is good for Canada because it builds on our trading relationship, to go to committee where he can review it, together with other members of the committee, and perhaps make amendments that would satisfy him?

[*Translation*]

Mr. Pierre Paquette: Madam Speaker, on July 14, 2010, the International Trade Union Confederation joined its affiliates in Panama in condemning the violent repression of the strike movement by workers and in demanding the repeal of the controversial Law 30, which has become a licence to kill for the police, creating a climate of extreme violence. Those are not my words; they are the words of the International Trade Union Confederation.

There is likely a side agreement about the environment, too. As the member just said, there is one concerning labour. There are side agreements in NAFTA and in the agreement with Chile, but we have yet to see any concrete results because they are not binding agreements.

Government Orders

As a bit of an aside, I would like to say that even Canada disagreed with including side agreements on labour and the environment in NAFTA in 1992. When Bill Clinton was elected as president in 1992, the Canadian government, which was Conservative at the time, had to accept this inclusion. They are strictly co-operation and training agreements that are in no way binding. And if they did not work with the United States, Mexico or Chile, I would be surprised if they work with Panama.

[*English*]

Mr. Alan Tonks (York South—Weston, Lib.): Madam Speaker, I am sure that members of the House are quite taken by the depth of knowledge that the member has and I found it instructional myself with his analysis of two major issues.

One is the international regime with respect to labour standards and occupational health and safety, and so on. The question was trying to extract what this agreement would do to firm up fair labour relationships.

The member has also addressed the issue of tax havens. He has talked about the second generation of globalization as a need to reassess, for example, mechanisms such as the WTO and chapter 11 dispute mechanisms that are not working properly. We have heard before that crime and international criminal activity are focusing around the whole issue of tax havens and the lack of accountability in the international banking regime. He has indicated that the OECD is grappling with this very same issue.

Would it not be better to send the bill to committee, given the member's approach and his overview with respect to globalization, and look at the experience of late through the OECD to see if we can come up with mechanisms similar to the labour initiative that would allay the fears put forward with respect to the international banking regimes that in fact are very problematic to trade?

● (1220)

[*Translation*]

Mr. Pierre Paquette: Madam Speaker, we could do that if we could imagine—and this is my reasoning—that it would be possible to correct some of the agreement's shortcomings. However, some of the problems with the agreement or relations with Panama are beyond Canada's control. For example, there is the issue of police repression of unions. Although we could study the issue in committee, we would be wasting our time if the Panamanian leaders have no interest in examining and addressing the situation. As for chapter 11, we have raised this on a number of occasions. It would require a change in the government's philosophy, and there is absolutely no indication of that. We believe that it would really be a waste of time.

I just wanted to highlight one of the concerns that was raised. When I say that we must comply with the major international labour conventions, I do not mean that we all comply with them in the same way. We respect the rights that are protected. I would like to give a brief example and end on that note.

The right to unionize is for the most part respected in Canada and Quebec. The closing of the Walmart in Jonquière showed us that there are still shortcomings in the law, but we do unionize to a certain extent in Canada, Quebec and the United States. It is different in

Europe. We are not asking others to do as we do, we are asking them to respect a right. For the time being, this does not seem possible for Panama.

[*English*]

Mr. John Rafferty (Thunder Bay—Rainy River, NDP): Madam Speaker, it appears that the Conservative government and the Liberal Party are intent on building a free trade platform that provides corporations with additional powers and indeed with incentives. It would give them the right to challenge Canadian regulations and standards and shape trade to serve their needs, and not necessarily in the public interest.

My colleague talked about being in such a hurry for this trade agreement to go through. I would like to ask my colleague, why does he think the Conservative government and the Liberal Party are in such a rush to allow multinational corporations to leverage additional power, and in his case, to leverage additional power over the Quebec government?

[*Translation*]

Mr. Pierre Paquette (Joliette, BQ): Madam Speaker, I thank the hon. member for his question.

I too have to wonder about this, but it seems to be the strategy chosen by the Canadian government. I was talking about Colombia. While the United States-Colombia free trade agreement was debated at length in the U.S. Congress, here, the Conservatives tried to impose it by shoving it down our throats. The same goes for the agreement with Panama. Discussions are currently underway between the United States and Panama. I believe they have agreed to enter into a free trade agreement, but there will be a ratification process that is much more involved than what we have at this time. This stems from several problems, but I will mention only one, specifically, the fact that free trade agreements are negotiated by the government, by the executive. We, as parliamentarians, have no influence over these agreements, except when an implementation act affects Canadian legislation.

In the case of chapter 11, for instance, we have no influence, either as a committee or as parliamentarians. It was negotiated by the government, the executive, and from a legislative standpoint, parliamentarians cannot add a thing, except very indirectly. What we need in order to have a process that is at least equivalent to that of the United States is a process to ensure that before any free trade agreement is signed with any country—Panama, in this case—a debate would have to be held here in this House and the House of Commons would have to give the executive the mandate to negotiate that agreement. Unfortunately, this is not possible for treaties at present. Let us hope that, for democracy's sake, the ratification process will be taken further.

Mr. Guy André (Berthier—Maskinongé, BQ): Madam Speaker, before asking my brief question, I would like to congratulate the member for Joliette on his excellent speech, which summarized the Bloc's thoughts on free trade agreements.

Government Orders

I would like to ask my colleague how this government—the last I heard, it wanted to lead a fight against tax shelters—can sign this agreement with a country that is considered to be a tax haven. I would like him to specifically address the impact these tax havens have on the tax revenue Quebec or Canada could bring in to improve our healthcare and education systems. There is enormous pressure to privatize these systems because of a lack of tax revenue.

● (1225)

Mr. Pierre Paquette: Madam Speaker, I will answer the last question. Canadian banks are required to disclose how much the federal and provincial governments lose as a result of the banks' use of tax havens. Last year, the annual reports of Canada's banks showed that \$2 billion was lost because the banks take advantage of havens. We are talking about several billion dollars that is being paid by the middle class and by taxpayers—businesses or individuals—who are not able to pay accountants and lawyers to take advantage of these havens themselves. That is completely anti-democratic.

[*English*]

Mr. Bruce Hyer (Thunder Bay—Superior North, NDP): Madam Speaker, I am not an expert in foreign trade, although I am a person with a small business and I do some foreign trading in a variety of forums. I am a forester and a biologist, and I am still listening and learning in this debate.

However, I am alarmed about what I hear about Bill C-46. Despite popular mythology, the NDP is not protectionist. The NDP believes in trade and the jobs that are created by trade, but we believe in fair trade, trade that is fair to all parties, all Canadians, not just large multinationals but fair to average Canadian citizens, to our middle class, our working people, people with small businesses, trade that is fair to workers and fair in the area of women's equity.

Forget about Latin American countries, where they have far to go. Canada still has huge gaps in pay equity, which is shameful. We believe in trade that is fair to farmers, especially farmers of small and medium size farms across Canada.

My area of expertise is in the environment and I am concerned about fairness to the environment, not only the Canadian environment but also the global environment.

Fair trade would be fair in the areas of clean water, water quality, surface water, ground water and especially drinking water, which should be a basic human right and not traded away in trade agreements anywhere. I believe in trade that is fair to air quality, which we now realize is a global concern and not just an urban concern. I believe in trade that is fair to biodiversity. We have important biodiversity in Canada, but in Panama it is amazing. It has over 10,000 documented species in Panama, but almost 1,300 of those are found nowhere else in the world. I am concerned that in our rush to promote multinationals, in promoting quick development in Panama, that we will put many of these species and rare diverse ecosystems, forested ecosystems at risk.

Canada has its own endangered species and biodiversity problems. Some of them are very small and very little known and some of them are quite well known, like grizzlies, wolverines and polar bears.

Speaking of polar bears, I am concerned about the entire lack in Bill C-46 and the proposed treaty to do anything about concerns of greenhouse gases and global climate change.

As many of us recognize increasingly that the Conservative government is more interested in protecting the rights and benefits for large multinationals, especially big banks and big oil companies.

In the name of big oil and the Conservatives attachment to it, several decades ago they brought us NAFTA. As we know, the Liberals won a majority election by promising to scrap NAFTA, but they did not keep their word.

Now the Conservatives, through a series of serial bilateral NAFTA-style agreements, are pandering to the aspirations of those large multinationals with which they seem to see as their main client base.

This template is well documented and forecasted in Naomi Klein's book, *The Shock Doctrine*. Every Canadian who can read should read Naomi Klein's book. It is alarming, it is prescient and it should be required reading.

As we can see, the Bill C-46 treaty will move this agenda one step forward. It is a small step, a small country and a small portion of our trade, but it is part of a disturbing trend.

● (1230)

Let us talk about a few specifics.

With respect to the area of market access, an important part of this treaty, Bill C-46 would eliminate all non-agricultural tariffs in to and out of Canada. It would eliminate most agricultural tariffs either immediately or within the next five to ten years.

Let me get back to the environment and some of the wording in the proposed bill.

The bill promises not to weaken environmental regulations. As we know, environmental regulations in Canada are already disturbingly weak, but in Panama they are virtually nonexistent. Bill C-46 proposes to enforce existing regulations. In theory that sounds great, but, again, Canada is already doing little in the area of environmental enforcement. Panama has virtually no environmental enforcement.

In the area of disputes, Bill C-46 proposes to hold consultations, information exchanges. We have seen these kinds of words before in Conservative legislation and we know what kind of commitment to protecting our environment, or Panama's environment or the world's environment for that matter, would entail.

Where is this free trade agreement and other various free trade agreements that the Conservative government has been signing not fair?

Let me talk about some of the problems with so-called U.S.A.-Canada relations. Very few Canadians, and even some members of Parliament, know that the nominal tax rate for large corporations in the United States is 36%. Very few know that in Canada, under the Conservatives, it has been reduced to 18%, half of the U.S. rate.

That has been justified by those who know about it and agree with it. They claim it is an alleged stimulus to investment, but that investment has not occurred in Canada. The moneys from those huge tax breaks to big corporations has moved out of Canada into the U.S. and into various tax havens, including Panama. That investment simply has not occurred in Canada.

I can understand having slightly lower tax rates than the United States, but half the large corporate tax rate? How will we continue to pay for our health care system? How will we continue to invest in the technologies and industries of the future, such as clean energy, sustainable energy?

Let us talk about another aspect of the bad NAFTA agreement and a bad softwood lumber deal.

The U.S. has rolled over our economies in many of the areas that are covered by NAFTA, which is most of our areas. It has exported jobs from Canada. It has exported natural resources in low value-added form, in the form of minerals, trees, cereal grains and other crops and especially in the area of oil.

Under NAFTA, we can either do as we are doing now, which is giving the United States relatively low cost oil, but we have to charge ourselves the same for that oil. We cannot take advantage of our natural asset, sell it at the world price and sell it to ourselves at a reasonable cost that Canadians can afford to foster economic development in Canada.

Canada could choose to be 100% self-reliant on oil and energy, but we export about half of it to the United States and import roughly the same amount from places like Saudi Arabia and Venezuela. Most of the oil that runs our cars and heats our homes in eastern Canada comes from those places. It does not come from our west at an affordable price with a guaranteed supply for the future. Rather it is imported from other places so large multinational oil corporations benefit by exporting those jobs and those litres of oil to the United States.

● (1235)

The government does not believe in fair trade on oil. It does not believe in fair trade on energy self-sufficiency. It does not believe in fair trade on Canadian autonomy.

Let us go back to Panama and why I and my party are inclined to oppose Bill C-46.

Panama is a well-known source of drugs. It is a well-known tax haven for those wealthy multinational corporations and wealthy tax-avoiding Canadians, whose interests the Conservatives seem to be placing paramount.

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It seems this is a new opportunity for the Conservatives, with the passive support of the Liberals, to export lost tax dollars, low value-added resources and hundreds of thousands of jobs: manufacturing jobs, real jobs, productive jobs, jobs that can support a family, jobs that can support the Canadian health care system.

The Conservative initiative in Bill C-46 is one more new opportunity, it seems, in a small, symbolic but worrisome way, to sabotage Canadian regulations, autonomy, health care and Canadian labour standards. The labour agreement here is not in the treaty itself; it is a side agreement. The side agreement has no effective mechanism to protect our labour rights, not to mention the labour rights in Panama.

The side agreement on the environment for this Panama treaty will unfortunately continue the degradation of the natural environment not only in Panama, but probably will help to continue the stagnation of dealing effectively with our environmental degradation. It is a side deal with no teeth.

Let us talk about tax havens. In 2000 the Organisation for Economic Co-operation and Development, the OECD, blacklisted Panama as, "An unco-operative tax haven". In 2008 Panama was one of only 11 countries with no tax sharing information.

I would like to ask a large question, much bigger than Panama, much bigger than Bill C-46. What is happening to our Canada under this Conservative government?

In looking at the past Conservative government of Brian Mulroney, if one liked Mulroney, then one would love the current government. It is moving faster and more effectively to undercut the core of Canadian values, jobs and autonomy.

We have half the large corporate tax rate in Canada than what there is in the United States, 36% versus 18%. We have a huge growth in Canada, in a time of fiscal difficulty, of banks, big oil, their executives and a variety of speculative traders.

Canada has a huge growth in unemployment, especially in real full-time jobs. Those are not the part-time, or underground jobs. Those are not the jobs of people scrambling to survive after they have given up trying to look for real jobs, which are not even reflected in the statistical figures anymore. These are the kinds of jobs that will support families, mortgages and a university education. The quality of life that Canadians have come to expect for decades is eroding. We have a huge loss in Canada of our middle class.

● (1240)

The Conservatives have been doing a wonderful job of distracting Canadians, distracting the media, and distracting the House of Commons with wedge issues. There was a huge one last week. Wake up, Canadians. Wake up, parliamentarians.

As I said, Naomi Klein, in *The Shock Doctrine*, does a good job of documenting the blueprint for this plan. If members have not read it, I urge them to read it. It documents the right-wing agenda, which is clear. It is as clear as *Das Kapital*. It is as clear as what was in *Mein Kampf*.

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I would like to recommend another book, called *The Spirit Level*. *The Spirit Level* is by Wilkinson and Pickett. Wilkinson and Pickett are epidemiologists and statisticians, and *The Spirit Level* is full of graphs. It does not sound very interesting, does it? However, it is fascinating.

The Spirit Level documents scientifically what many of us have known for decades, which is that trickle-down economics is baloney. Wilkinson and Pickett, in *The Spirit Level*, have taken the figures and facts from the United Nations and other data sources for all the developed wealthy countries of the world and have shown clearly that the best countries in the world to live in are the Scandinavian countries. When it comes to health, happiness, fairness, equitableness, crime, and prisons, the United States heads the list of the worst developed country in the world in which to live.

They do a wonderful job of showing how that is highly correlated with the gap in income in those countries. Those countries that have a reasonable gap in income between the bottom 20% and the top 20% are happy, healthy countries. They are the Scandinavian countries, some of the European countries, and Japan.

On the other hand, countries such as the United States, Portugal, and others have a huge gap and a growing gap.

Where is Canada in that spectrum? Canada is right in the middle. We are halfway between the Scandinavian countries and the United States in terms of happiness, welfare, and quality of life, and we are also halfway between those countries in terms of the spread of income.

My question for this Parliament, for Canadians, is this: Do we want to drift or be driven, as is happening now, closer to the U.S. greed-based model, with its excessive gaps in income, or do we want to move back toward the Scandinavian model that has done such a good job of providing employment, wealth, happiness, and security for Scandinavians?

The last thing I would like to say is that Panama is less than one-tenth of 1% of our trade. It is pretty minuscule. In 2008, we had a trade surplus. We exported \$128 million, and Panama exported \$21 million to Canada. It has been going down since 2008, though. In 2009, it was \$91 million and \$41 million. The trend throughout Latin America has been that the balance-of-trade deficit is getting worse for us.

As we make hard decisions in this act, over how many months and years and coming elections, I hope we will give real consideration to how we get back to fair trade rather than alleged free trade and to how we get back to a Canada that has values based on a middle class and full employment.

• (1245)

Mr. Kevin Sorenson (Crowfoot, CPC): Madam Speaker, I am not certain about how to really begin. I am very disappointed by what I just heard from the member. I commend him for the way he presented his speech. He did it in a calm way, which is different from other NDP members whom we have seen today. His approach was fairly calm, but his substance I found quite offensive.

The member stands in this House and says, “Wake up, Canadians. You are being sabotaged. The autonomy of your country is at stake.

Your health care here in Canada is at stake. All labour agreements are at stake. The well-being of every Canadian is at stake”. I find that offensive. He points to this legislation, as well as at the government, and says that everything about Canada is bad.

We look around and we see that Canada is coming out of this recession in probably the best position of any other country, and the member stands here painting a picture of nothing but doom and gloom.

I believe that one of the problems of this House is that many times we really begin to believe our own rhetoric. I would ask the member to simply calm down a bit.

The government believes in free trade. The Panama free trade agreement is here to enhance the environmental and labour practices of both countries, and agreements have been negotiated to do that.

Is it because of his frustration with Canada that he does not want to have us influence that country and continue to enhance trade?

Mr. Bruce Hyer: Madam Speaker, I believe that most of the members of this House believe in the kinds of traditional values that have helped Canada become the wonderful country it has been for a century and a half and beyond, but I think we are in trouble. I am going to stand by my comments.

Our middle class is disappearing. We have increased poverty. The gap in income is growing, and I unfortunately believe that most, perhaps not all, people who stand on that side of the aisle believe that the model we need for the future is one of greed. It is a U.S.-based model. It is a so-called free trade model. It is one on which we will just have to agree to disagree, and I just hope that in the future, Canadians will vote for parties that believe in more equity and more fairness.

Hon. John McCallum (Markham—Unionville, Lib.): Madam Speaker, I have said before that I find the NDP approach to economic policy, to put it politely, a bit old fashioned. I am curious. It has consistently opposed free trade, which is wrong-headed in general.

My question is very simple. Is there any country in the world, any country on this planet, with which the NDP would favour free trade with Canada?

Mr. Bruce Hyer: Madam Speaker, time is limited, so I will keep my response short.

The countries that obey and follow the precepts of the United Nations Universal Declaration of Human Rights would be basic ones. The ones in which the gaps in income, as indicated in the book *The Spirit Level*, which I mentioned, are reasonable and moderate I would say are the countries we want to trade with.

• (1250)

Mr. Kevin Sorenson: Name one country. Just name one.

Hon. John McCallum: Name one.

Ms. Olivia Chow: Japan.

Mr. Bruce Hyer: There is Scandinavia, Japan, and the list goes on. There are many.

Mr. Brent Rathgeber: How about Cuba? You like those guys.

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Mr. Bruce Hyer: There are some fine countries in this world. Canada is still a fine country but we are headed in the wrong—

The Acting Speaker (Ms. Denise Savoie): Order, please. I will not be recognizing members who heckle across the way when they have not been recognized.

Questions and comments, the hon. member for Alfred-Pellan.

[*Translation*]

Mr. Robert Carrier (Alfred-Pellan, BQ): Madam Speaker, I would like to thank my NDP colleague for calmly explaining this bill's weaknesses, which suggest that our government has little to gain economically from this kind of agreement.

It is very important to emphasize that Panama is a tax haven. If we increase trade between our two countries, more of our country's money will be sheltered from taxation.

Signing this kind of agreement is contrary to Canada's interests. I would like the member to comment further on Panamanian tax shelters.

[*English*]

Mr. Bruce Hyer: Madam Speaker, I do not pretend to be an expert in this field. I was merely quoting the report by the Organisation for Economic Co-operation and Development in 2000, which said that this was a country with a serious a problem, because it is a tax haven.

Members may have noticed in the news this week that the Canada Revenue Agency is becoming increasingly concerned about large corporations and rich Canadians who are choosing, through legal, quasi-legal or sometimes not very legal means, to move their wealth into areas that are tax havens. It is a wake-up call to do a much better job of thinking about where Canadian wealth is being distributed.

Mr. Claude Gravelle (Nickel Belt, NDP): Madam Speaker, I commend my colleague for his low-key speech on this bill.

The member opposite used the words "sabotaging Canada". The fact that foreign corporations are using Panama as a tax haven for probably billions and billions of dollars is sabotaging our health care, education, and housing, all the things necessary to give Canadians a good life. How is this tax haven affecting ordinary Canadians?

Mr. Bruce Hyer: Madam Speaker, I would like to go back to the growing gap between the bottom and the top. In a good society, we need to be sure that no one is left behind. Increasingly, many Canadians are being left behind, and many small businesses, present or potential, are being left behind and are having trouble competing, even though they have created 80% to 90% of all new jobs over many decades.

We have increasingly been worshipping at the altar of bigger is better; trade with any country, whether it has ethics or not; the buck is all that matters; and worship the dollar. We will reap what we sow if we continue on that path.

Mr. Gerald Keddy (Parliamentary Secretary to the Minister of International Trade, CPC): Madam Speaker, I listened to the hon. member's comments, and quite frankly, I disagree with just about everything he said.

I do not understand why his party would not want to trade with a country that handles about 5% of the world's trade through the Panama Canal and that is an automatic partner for our Atlantic and Pacific gateways. I fail to understand why it would not want to trade with a country that has an immediate \$5.2 billion in infrastructure with the widening of the Panama Canal. I fail to understand why it would not want to trade with a country that is the gateway to 34 more countries and economies in Central and South America and the Caribbean. I fail to understand why it would not want to trade with a country that is democratically elected and is looking to improve the position and status of its citizens.

● (1255)

Mr. Bruce Hyer: Madam Speaker, I believe in trade, and my party believes in trade. We want to trade with any country that has fair trade and that deals with its citizens, unions, aboriginal peoples, and the environment with respect.

As we negotiate, and treaties are negotiations, we need to make sure that we look at all the factors that affect the long-term sustainability of both our economies and not do just short-term thinking.

Mr. John Rafferty (Thunder Bay—Rainy River, NDP): Madam Speaker, I have spoken on other free trade agreements in the past. This will not be a complete repeat but what has happened is that the government has made the same mistakes again.

I will speak in two parts. In the first part, I will voice my concerns about this agreement, and, in the second part, I will talk about what a fair trade agreement should look like and what would be acceptable.

I will echo the hon. member's remarks. Canada is a trading nation. We need trade to survive, as does every other nation on this planet. Trade is essential. We believe in trade but we believe more than anything in fair trade. We believe agreements can be struck that reflect the values I will talk about right now as I speak to the concerns I have.

It seems that the Conservative government is engaging in NAFTA style trade agreements and, in this particular case, with a country that is also an offshore banking centre and that acts as a platform for multinationals and a conduit for opaque banking activities and tax evasion.

It is not just me who thinks that but also a Democrat congressman in the United States. I will quote just a small part from a letter he has written. It reads:

Panama's industrial policy is premised on obtaining a comparative advantage by banning taxation of foreign corporations, hiding tax liabilities and transactions behind banking secrecy rules and the ease with which U.S. and other firms can create unregulated subsidiaries. According to the State Department, Panama has over 350,000 foreign-registered companies.

Michael Michaud is the congressman who made those remarks.

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It looks as if the Canadian government is building a so-called free trade platform that would provide front corporations with additional powers and incentives and give them the right to challenge Canadian regulations and standards, and shape trade to serve their needs, not necessarily the needs that are in the public interest.

It seems that we are making it easier for Canadian foreign companies to move to Panama, to flout Canadian labour laws and to pay their workers in Panama, which, I think, the average wage at the moment is about \$2 an hour, and not have to pay for pensions, benefits and sick days.

Canadian law states that workers enjoy certain minimum workplace safety laws and benefits. Corporations in Panama do not have any of these.

As with the other free trade agreements with Colombia and Peru, appended outside of those agreements, outside of the main text, are labour co-operation agreements. We have heard people speak about those this morning.

The problem with the agreement, as it was in the other free trade agreements, is that it is an agreement without any vigorous enforcement mechanism. The same template was used in the Canada-Colombia and the Canada-Peru agreements. The labour side agreement does not deliver an effective mechanism for the protection of labour rights.

I will say what I said when I spoke on the Canada-Colombia free trade agreement. If the labour co-operation agreement is so important, why is it a side agreement? Why is it not in the main body of the agreement? If it is in the main body of the agreement, then there would be a vigorous enforcement mechanism. Again, it is a side deal.

The side agreement on the environment is the same. There is no effective mechanism to force Canada or Panama to respect environmental rights. The agreement commits both countries to pursue environmental co-operation and to work to improve their environmental laws and policies but it can only ask both parties to enforce their laws. That is why it has been put into a side agreement, at least I assume that is why. Why is it not in the main body of the free trade agreement?

● (1300)

I am also concerned as to why the Conservative government and the Liberal Party are in such a rush? Why are they in such a rush to move Canadian jobs overseas? Why are they in such a rush to enhance the capacity of multinational corporations to evade taxes? Why are they in such a rush to allow these corporations to leverage additional power over Canada's government and Parliament?

We heard earlier today various speakers in the debate talk about Panama, which is regarded as a tax haven by the OECD. In the last 24 hours, we have heard lots of news nationally about this very same issue.

In 2008, Panama was one of 11 countries that did not have a tax information exchange agreement signed or in force. Panama is one of three states that would not share banking information for any tax information exchange purpose at all. Panama does, however, have a bilateral agreement with the U.S. called the mutual legal assistance

treaty to which Panama will share some information. Tax offences are not covered by the treaty. Tax information sharing could occur for a criminal offence, though, such as drug trafficking. Therefore, there is a possibility to move forward on this particular issue and this agreement could have done that, but it did not.

The OECD has blacklisted Panama since 2000. I did not want to say anything about this but Panama has not to date substantially implemented the internationally agreed tax standards to which it had committed itself. So nothing has been moved on that front. This free trade agreement would have been a wonderful opportunity for the Government of Canada to make that happen.

Today, in 2010, I find it interesting that the Colombian banking system retains a prominent role in the Panamanian banking system. We can draw our own conclusions from that. Again, it is on the NAFTA model and, as everybody knows, we have had trouble with NAFTA and softwood lumber.

I just want to say a little bit about that. Bilateral trade deals generally go against GATT and multilateralism. The International Monetary Fund has been complaining about the proliferation of bilateral trade agreements, which would spell a return to protectionism and trade wars between trading blocs, so it is concerned.

The Canada-Panama trade deal is a NAFTA-like agreement. It is the same template which overrides the democratic rule of Parliament and equalizes or gives precedence to corporate rights over human rights. All of the text of the accord is not yet available. The free trade agreement would very likely produce chapter 11-type issues, what has been proven to be an inadequate dispute resolution mechanism that can easily be abused by the dominant partner. I draw the attention of the House to softwood lumber, which is a good example.

The Canada-Panama agreement is another agreement, which, I guess we could say, is marginally improved on the Bush-style approach to trade. However, it would still put big business before people, it has no effective enforcement of human rights and it pays lip service to environmental protection without any real tough measures or any dispute resolution mechanisms.

● (1305)

We have an opportunity in free trade agreements to help the poorest of the poor. One of the big worries we hear bandied about is micro-financing. The trouble with micro-financing, as we talk about it now, is that it does not reach the poorest of the poor. When I say poorest of the poor I mean those who live on less than \$1.25 a day. Those are the poorest of the poor on our planet. There are models that have worked when we talk about micro-financing. We can make it work for those people. We can make it work for housing, education and a whole host of other things that are so important to the survival of families and the ability for families to move ahead.

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Free trade agreements are exactly the same. There is an opportunity to make all of those good things happen. However, this agreement does not do that. Panama, by the way, is not a major trading partner of Canada. It is less than 1%, which makes it an interesting choice for a free trade agreement. Because of the smallness of our trade, it has to send up some red flags and we have to wonder why. Are there not other countries that would be much better opportunities for Canada in terms of exporting and trade agreements?

Another concern I have is that we have yet another trade deal negotiated in record time and, because it was done in record time, I wonder if there has been full consultation with environmental groups, trade unions, civil society and citizens of the countries? A fair and sustainable trade deal would not just address the needs for business but also the needs of working families and the environment.

The trade deal does not provide investors and labour with a level playing field. While under chapter 11 investors have the right to seek binding arbitration that they can pursue independently, a trade union in Panama does not get to pursue a case to arbitration. It could file a complaint that would lead to an investigation and possibly a report, but it is up to the government to seek remedies and damages. Experience with our past NAFTA templates shows that it is unwilling to do this. Empirical evidence strongly suggests that the minister of the day will not pursue these matters.

The trade agreement includes enforceable protections of patents, trademarks and copyrights but no meaningful protection of workers and no meaningful protection of the environment.

What would a fair trade policy look like? When we stand in the House we reaffirm our vision for a fair trade policy that puts the pursuit of social justice, strong public sector social programs and the elimination of poverty at the heart of any affected trade policy. Canada's trade policy should be based on the principles of fair, sustainable and equitable trade, trade that builds partnerships, partnerships with other countries that support the principles of social justice and human rights, while also expanding business opportunities.

The federal government should stop exclusively pursuing the NAFTA model at the expense of all the other alternatives, because there are alternatives. It should invest in other avenues of growth, including, above all, a vigorous trade promotion strategy that builds the Canadian brand abroad along the lines of the Australian experience, for example.

• (1310)

It is shocking to hear that the European Union spends in excess of 500 times more than Canada in promoting its wine industries. There may be a greater volume of wine in European countries, but 500 times more towards promotion than Canada?

There is an alternative and there is a better form of trading relationship that can be established with Panama or any other country, one with an overall fair trade policy that includes the following:

First, it should provide a comprehensive common sense impact assessment on all international agreements that demonstrates that trade deals Canada negotiates are beneficial to Canadian families,

workers and industries. The government should never sign a trade deal that would lead to a net job loss.

Second, it should ensure that the trade agreements Canada negotiates support Canada's sovereignty and freedom to chart its own policy, support our ability to be a competitive force on the world stage, and support the principles of a multilateral fair trade system.

Third, by fundamental principle, all trade agreements must promote and protect human rights by prohibiting the import, export or sale in Canada of any product that is deemed to have been created under sweatshop conditions, forced labour or other conditions that are not in accordance with fundamental international labour standards and human rights.

Fourth, by fundamental principle, all trade agreements should respect sustainable development and the integrity of all ecosystems. That is straightforward. I do not think anybody in the House would disagree with these things.

Fifth, at any time the Government of Canada signs a free trade agreement, the decision to proceed with enabling legislation should be subject to a binding vote on whether to accept the terms of the agreement. The current system, which consists of tabling FTAs in the House for a period of 21 sitting days prior to ratification, is neither mandatory nor does it bind the government to a decision of the House.

The minister should be required to develop fair and sustainable trade-related performance indicators in concert with provinces and territories. Statistics Canada could collect the information and develop with the finance department new benchmarks for the evaluation of present and future trade agreements.

Performance indicators would measure the impact of bilateral trade agreements on the quality of life, to include, in addition to detailed bilateral trade figures, an assessment of their effects on things such as employment, including quality of employment; impact on wage levels and core labour standards; things such as prices and market concentration, including the effects of currency manipulation; the effects on public health, including an assessment of the impact of intellectual property rights on drug prices, for example; environmental standards; human rights standards; the levels and types of investment by industry; economic diversification; food self-sufficiency; food safety standards; consumer safety; the effect on farms and farmers and the number of farms; access to essential services; the fiscal system; and intellectual property and copyright.

I have just outlined the concerns I have about this free trade agreement and what a fair trade agreement would look like. I welcome questions from my colleagues.

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●(1315)

Mr. Alan Tonks (York South—Weston, Lib.): Madam Speaker, my colleague said there were no effective enforcement mechanisms with respect to labour issues: occupational health and safety, exploitation of children, collective bargaining, forced labour, and workplace discrimination. I wonder if he knows that, in the agreement, failure to respect International Labour Organization principles would result in an independent review panel assessing monetary penalties as a matter of a special fund to be used to support the implementation of a remediation for whatever the issue was, exploiting children or whatever.

Therefore, there is that mechanism. I wonder if he is aware of that.

Also, if we do not engage countries such as Panama, how can we ever bring that kind of sustainability in the environment and fairness in trade if we do not have them under either a bilateral umbrella or availing ourselves of the multilateral umbrella provided by international dispute mechanisms? How are we ever going to bring a humane, humanitarian and empathetic solution to the kinds of issues that the member has talked about?

Mr. John Rafferty: Madam Speaker, there are two questions there, one on labour and one on the environment. I will try to answer them both at the same time.

I will go back to what I said earlier. We have side deals on both of those things, environment and labour, which are not part of the main text. They are not part of the main text so they can stay on the side and not truly have any sort of mechanism that deals with things when they go wrong.

For example, in labour, let us say a labour leader is killed, for the right to strike or for whatever reason a labour leader is killed. They would get a fine. They pay themselves a fine. That is what this side agreement means on labour. If it were in the main body of the text, there could be other mechanisms built in, other triggers that have penalties that suit the problem.

Mr. John Weston (West Vancouver—Sunshine Coast—Sea to Sky Country, CPC): Madam Speaker, since there were two questions asked by the member for Richmond Hill, I am going to up him by asking three questions of my friend, the member from Thunder Bay.

First, what do these have in common: EFTA, Peru, Colombia, Jordan and Panama? Second, which party voted against the free trade agreements with each of those? Third, why does the New Democratic Party consistently oppose free trade when it is one of the reasons Canada is leading the G8 out of the recession?

Mr. John Rafferty: Madam Speaker, the answer to the member's first question is that those free trade agreements are ill-conceived. They are poorly put together. They could be put together better. I think that is the point I have been trying to make in the course of my last 20 minutes of speaking, that we could make them better if we just took the time to ensure that the elements I talked about in relation to the concerns I have about the free trade agreements were there.

If the things I talked about were in there, if we could protect labour with real teeth, protect the environment with real teeth, ensure that the poorest of the poor in any of these countries that we make

agreements with are going to be much better off because of these agreements, ensure that our jobs do not disappear and all these other things that I talked about, I could tell this member that I would be supporting these free trade agreements.

There are ways to make trade agreements work.

●(1320)

[*Translation*]

Mr. Robert Carrier (Alfred-Pellan, BQ): Madam Speaker, I listened carefully to my NDP colleague's presentation. One point that stood out was the fact that there is no information exchange agreement in the bill before us. Information exchange is critical to any trade agreement. If this agreement works at all, trade between Canadian and Panamanian companies will increase. That is why it is important to have full access to information about revenue if we do not want to be taken for a ride. In the end, we have to ask ourselves whether this bill is just another gift to Canadian companies to help them avoid paying taxes.

I would like to hear his opinion on this since he has studied the bill so thoroughly.

[*English*]

Mr. John Rafferty: Madam Speaker, several countries, including the United States, have listed Panama as a tax haven. That is the first part of my answer, that because it is listed as a tax haven and continues to be listed as such, we have to be concerned that businesses in Canada will have the opportunity to move jobs out of Canada to Panama. The other part is that they will have the ability not to pay taxes. That is a real problem.

What could have been in this trade agreement to prevent it from happening? There could have been a tax exchange section in this agreement or there could have been something constructed to ensure that does not happen, but it was not done. It was much easier to simply follow the same model for the other free trade agreements and get it done as quickly as possible. I do not know why a little more time was not taken.

Ms. Olivia Chow (Trinity—Spadina, NDP): Madam Speaker, as we speak today, there is a forum in Singapore with 200 delegates to fight tax fraud and bank secrecy. It met yesterday and is meeting today to look at the progress. It delisted countries such as the Philippines. It said the Philippines are doing good work and are no longer listed as a tax haven.

However, it went after Panama and said the reason was that it refused to give information to foreign tax authorities, there is a lack of transparency in the operation of the legislative, legal and administrative provisions, there is no requirement for a substantial local presence, and it promotes itself as an offshore financial centre. This is the country that we are talking about and about to do business with. Tax cheaters can sleep well tonight because there is no persecution or penalty.

My question is this: Why are the Conservatives and Liberals soft on crime when it comes to cross-border cheaters and tax fraudsters?

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Mr. John Rafferty: Madam Speaker, to answer that question, we will have to wait and see what happens with the Canadian government and the potentially thousands of cheaters that have been found in the last 24 hours. We will see how the government deals with them. That will be an important part of it.

We have a trade agreement that has been negotiated in record time, with no consideration for all the things I talked about, including the problems that Panama has and the lack of sharing of tax information. I do not understand the urgency when there could be a trade agreement that is much better than the one the Conservative government has come up with.

• (1325)

Mr. Claude Gravelle (Nickel Belt, NDP): Madam Speaker, there has been a wave of anti-union repression in Panama, resulting in several workers killed, over 100 injured and over 300 arrested, including the leader of the SUNTRACS and CONATO trade unions. This was the government of Panama's brutal reaction to protests against new legislation restricting the right to strike and the freedom of association, including provisions to jail up for up to two years any workers taking their protest to the streets. This simply proves that the labour protection agreement will not provide any real protection of labour rights in Panama as it lacks any effective mechanism for enforcement and the Panamanian government clearly intends to ignore it.

This is but one reason why we are against this trade agreement. I will give more reasons why we oppose this trade agreement.

We are engaging in a NAFTA-style trade agreement with a country that is also an offshore banking centre that acts as a platform for multinationals and a conduit for opaque banking activities and tax evasions.

We heard recently in the news media about Canadians who were avoiding taxes. Panama is just one of these countries where Canadian corporations can take the profits they have earned off the backs of Canadian workers, Canadian workers who have paid their share of the taxes to improve society as a whole so the poorest Canadians can live better. However, these companies are taking their profits, which may be millions or even billions of dollars, and investing them in Panamanian banks where they do not pay any income taxes.

We are building a so-called free trade platform that would provide front corporations with additional powers and incentives to challenge Canadian regulations and standards and shape trade to serve their needs and not the public interest, and I want to expand on this a bit.

We just finished a year-long strike in my community. A foreign company challenged Canadian regulations and standards by using scabs to perform the work of striking workers, by using intimidation, by firing people just for expressing the fact that the company did not want to negotiate, by ignoring bylaws in our community, bylaws that were set in place to protect the people of our region. The company was housing scab labourers in office buildings. They were sleeping in those buildings. This is completely against the bylaws of my community of Sudbury. The company had the gall to take our municipality to court over this. The company was breaking the bylaws, but it was the one that was taking our municipality to court.

That is why I want to repeat this: Canadian regulations and standards and shape trade to serve their needs and not the needs of the public.

• (1330)

We are making it easier for Canadian and foreign corporations to move to Panama, flaunt Canadian labour laws and pay their workers in Panama an average of about \$2 an hour, and not have to pay pensions, benefits and sick days. Pensions, benefits and sick days are the core values of Canadian workers and they should be the core values of any Panamanian worker.

Canadian laws state that workers enjoy certain minimum workplace safety and benefits. Corporations in Panama do not have to do any of this. Imagine if we did not have any safety laws in Canada. Imagine what would happen to the workers who worked in deep underground mines if there were no Canadian laws to protect them so they could go home to their families at night. We are encouraging companies to invest in Canada and flaunt our Canadian laws.

This agreement is without a labour co-operation agreement, without any vigorous enforcement mechanism. The same template was used in the Canada-Colombia agreement, "kill a trade unionist, pay a fine". The labour side agreement does not deliver an effective mechanism for the protection of labour rights. The side agreement on the environment has no effective mechanism to force Canada or Panama to respect environmental rights.

The agreement commits both countries to pursue environmental co-operation and to do work to improve their environment laws and policies, but it can only ask both parties to enforce their domestic laws. If they do not, there are no consequences. In other words, Panama can do anything it wants to the environment and there are no consequences.

Why is the Conservative government in such a rush to move more jobs overseas and enhance the capacity of multicultural corporations to evade taxes and leverage additional power over Canada's government and Parliament? With this agreement, we will move more jobs out of Canada, the same as the Brazilian company that bought Inco and moved jobs out of Canada. When jobs are moved out of Canada, there is no net benefit to the Canadians.

We are not against free trade agreements. We are not against foreign ownership. We are against losing our jobs in Canada. We want these agreements to be beneficial, not only to the Panamanian people but also to Canadian people.

The Canada-Panama agreement is another marginally improved copy of the George Bush-style approach to trade. It still puts big business before people, with no effective enforcement of human rights and pays lip service to the environmental protection without any real, tough measures or dispute resolution mechanisms.

Mr. Kevin Sorenson: George is back.

Mr. Dean Allison: I haven't heard that for at least one speech.

Mr. Claude Gravelle: I can hear the opposition members talking about George Bush, but they are sure anxious to follow his lead. That is why they want to sign the trade agreement with Panama.

Government Orders

According to the U.S. Department of Justice and many other entities, Panama is a major financial conduit for Mexican and Colombian drug traffickers and money laundering activities. Again, just like we did with Colombia, we want a free trade agreement with a drug-producing country. How will that benefit Canadian workers? I do not know.

●(1335)

It is yet another trade deal negotiated in record time, without any consultations with trade unions, environmental groups or civil society and citizens. A fair and sustainable trade deal would not just address the needs of business, but also the needs of working families and the environment.

I will give the House our vision of a realistic free trade policy. The NDP reaffirms its vision for a fair trade policy that puts the pursuit of social justice, strong public sector social programs and the elimination of poverty at the heart of an effective trade strategy. Would it not be nice if we could help eliminate poverty in Panama with an effective fair trade agreement?

Canada's trade policy should be based on the principle of fair, sustainable and equitable trade, which builds trading partnerships with other countries that support the principle of social justice and human rights, while expanding business opportunities. We want our Canadian businesses to expand their opportunities, but we want them to do it in a fair and equitable way for workers across the world.

Fair trade should be the overarching principle, not just an afterthought of trade negotiations. The NDP strongly believes in an alternative and a better form of trading relations that can be established with Panama and other countries, one that includes the following within an overall fair trade strategy.

The first is to provide a comprehensive common-sense impact assessment on all international agreements that demonstrates the trade deals Canada negotiates are beneficial to Canadian families, workers and industry and that the government does not sign any trade agreement that would lead to net job losses.

The second is to ensure that the trade agreements Canada negotiates support Canada's sovereignty and freedom to chart its own policy, support our ability to be a competitive force on the world stage and support the principles of a multilateral fair trade system.

The third is the fundamental principle that all trade agreements must promote and protect human rights by prohibiting the import, export or sale in Canada of any product that is deemed to have been created under sweatshop conditions, forced labour or other conditions that are not in accordance with fundamental international labour standards and human rights.

The fourth is the fundamental principle that all trade agreements should respect sustainable development and the integrity of the ecosystem.

The fifth is that any time the Government of Canada signs a free trade agreement, the decision to proceed with enabling legislation would be subject to a binding vote on whether or not to accept the terms of the agreement.

●(1340)

The current system which consists of tabling FTAs in the House for a period of two sitting days prior to ratification is neither mandatory nor binds the government to a decision of the House.

These are very simple suggestions that I have read. These principles could be easily implemented into any agreement that we sign with any country.

I do not know what the rush is with the Conservative government.

I would like to read into the record a letter from the Hon. Michael H. Michaud, member of Congress. Parts of this letter have already been quoted today, but I want to read the whole letter:

Just when we thought we'd heard almost everything there is to know about the American International Group (AIG), from its bailouts to its bonuses, many may not know AIG is suing U.S. taxpayers claiming it "overpaid" U.S. taxes on activities in Panama, a country which applies low to no regulations and taxes on firms registered there. AIG wants to get back those taxes it dodged with this Panamanian front....

We could substitute "U.S." or "American corporations" or "AIG" with any Canadian company.

Panama's industrial policy is premised on obtaining a comparative advantage by banning taxation of foreign corporations, hiding tax liabilities and transactions behind banking secrecy rules and the ease with which the U.S. and other firms can create unregulated subsidies. According to the State Department, Panama has over 350,000 foreign-registered companies.

AIG is very keen on tax havens with Panama.

Imagine, a small country like Panama has 350,000 foreign registered companies. I think the only reason it has so many foreign registered companies is that it is a tax haven. Companies do not have to pay taxes so they are investing in Panama.

The *New York Times* ran an exposé on how AIG is currently suing the U.S. government for \$306 million in back taxes it claims it does not owe thanks to its use of one of Panama's corporate entities, Starr International Company, SICO. SICO is AIG's largest shareholder. It is also the manager of a compensation fund for AIG employees who are paid by AIG in shares. SICO's chairman is former AIG chairman Maurice Greenberg. The same company that received government bailouts and used taxpayers dollars for outrageous bonuses is now demanding twice the amount of the bonuses it paid in back taxes.

If people are not already outraged by the greed of AIG executives, the fact that it is using Panama's tax haven statute as a way to sue the American taxpayers for back taxes is completely egregious. The Panama free trade agreement would make matters worse.

Government Orders

I will finish by asking, what is the rush? Let us stop and think about what we are doing here. Let us think about the Panamanian workers. Let us think about the Canadian jobs we could end up losing.

• (1345)

Most of all, let us think about the Canadian companies that are hiding money in Panama and not paying taxes. That is tax money that could be used to improve our health care system, improve our education system and provide long-term care facilities which we are lacking. We could use those taxes for a lot of other good Canadian values.

Mr. Kevin Sorenson (Crowfoot, CPC): Madam Speaker, today we are debating another free trade agreement. As always, the NDP stands to debate against it and will vote against it. I find it quite disappointing that every NDP member stands and says, “We are not against free trade, we are just against this free trade. It is just this agreement. It could have been much better”. Every member so far has said, “We would support it if it was fair trade”.

The truth is, this negotiated agreement is fair trade. It is much fairer than what Panama has seen on the environmental file and on the labour file.

A number of members from the NDP have stated that it has not done anything to address the sweatshops and child labour. That is not correct. This declaration covers a wide range of worker rights. It covers the abolition of child labour. Why are the NDP opposed to that? The right of freedom of association is in the side agreement. The right to collective bargaining, elimination of discrimination and the elimination of forced or compulsory labour are in the labour side agreement. I just want to get that on the record.

I have a question for the NDP members as they have been languishing, opposing every free trade agreement. There is one member of the NDP who has had a certain measure of success and that, of course, is former premier Gary Doer. He defended NAFTA. He supports these types of free trade agreements. Why is it that the New Democratic Party here does not take the lead from former NDP premier Gary Doer and start defending some of these trade agreements that we are negotiating?

Mr. Claude Gravelle: Madam Speaker, the member opposite is right: former premier Gary Doer was a great New Democrat and he still is.

I reiterate that we will support fair trade with any country. Fair trade means that we are not going to murder trade unionists. We are going to elevate the poorest of the poor. That is what we want to do. That is what fair trade does. Free trade does not do that.

Mr. Alan Tonks (York South—Weston, Lib.): Madam Speaker, the issue with respect to tax havens has been addressed, according to another colleague, through the OECD. It has created a grey list and is looking very seriously at, particularly within the context of globalization, capital mobility and so on, building tax accountability into the global banking system. The OECD is moving on that.

Would it not be better to address the kinds of issues the member has raised by having this bill go to committee to look at that? It could look at taking Canadian leadership on an issue that has been described as the next generation of globalization and the issue of

banking institutions which must be addressed. Would it not be better to take that approach than to say there is no opportunity here to achieve labour solidarity so let us not go there at all; let us just say that we cannot do that and not negotiate? Why not continue the negotiations and address those kinds of issues and bring back a better bill?

• (1350)

Mr. Claude Gravelle: Madam Speaker, it is a very good question and I am glad the member asked it. It is obvious that the bill will go to committee because, for the 106th time, the Liberals are going to vote with the Conservatives. What a coalition that is.

Hopefully, when the bill gets to committee the necessary change will be made that will make it possible for trade unionists to live a free life, that it will be possible to lift up the poorest of the poor and make their lives better. Hopefully, when this bill is at committee we can make some of those changes.

[*Translation*]

Mr. Guy André (Berthier—Maskinongé, BQ): Madam Speaker, I listened to the member talk about fairer, more sustainable trade that shows more respect for the environment and workers' rights. The Liberals and Conservatives in the House seem oblivious to this issue in an international context, but Bloc Québécois members would like to see fairer international trade.

I listened to some of the arguments made by Conservatives. One of them talked about the Panama Canal. He wondered how we could refuse to sign a free trade agreement with Panama given that it has the canal. That is odd because I never heard anyone say that this free trade agreement with Panama would lead to lower tariffs for our ships going through the Panama Canal. This shows—

The Acting Speaker (Ms. Denise Savoie): Order. I would like to give the member a chance to respond to the question.

The hon. member for Nickel Belt.

Mr. Claude Gravelle: Madam Speaker, I would like to thank my colleague for his question.

We do not want to do business with Panama because of the Panama Canal. It has nothing to do with that. We want the Canada-Panama agreement to be fair and balanced for workers. That is what we want. We want it to be good for the environment, for Canadians and for Canada's industries. I wonder why the government is so anxious to sign this agreement. Why is it not taking the time to think a little bit about it and make changes to it? We hope that when it goes to committee it will undergo some positive changes that all members of Parliament here today, from both sides of the House, will agree with.

*Statements by Members**[English]*

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Madam Speaker, the member for Crowfoot talked about this agreement earlier regarding child labour and the supplemental side agreement. If the Conservatives are sincere in their efforts to right human rights, to protect labour laws, why do they not put it into the full agreement instead of a side agreement that has no real value?

Mr. Claude Gravelle: Madam Speaker, that is an excellent question. Why do the Conservatives not put the contents of the side agreements into the main agreement? I do not know why they do not do that. It makes sense to me and probably makes sense to everyone on this side of the House. It is probably because they are side agreements and they do not have to live up to them if they are broken. That is why they are side agreements. If anything ever happens that is not correct, they do not have to live up to them because they are side agreements. It is as simple as that.

● (1355)

Mr. Bill Siksay (Burnaby—Douglas, NDP): Madam Speaker, I am pleased to have this opportunity to speak in the debate on Bill C-46, An Act to implement the Free Trade Agreement between Canada and the Republic of Panama, the Agreement on the Environment between Canada and the Republic of Panama and the Agreement on Labour Cooperation between Canada and the Republic of Panama.

We are debating a motion that was proposed and moved by the member for Hamilton Mountain, the NDP labour critic, to delay consideration of the bill for six months, given the serious problems with it that she outlined in her speech yesterday. We usually call it a hoist motion, and if there has ever been a piece of legislation before the House that deserves to be hoisted off the agenda, it is this bill to implement the trade agreement between Canada and Panama.

Once again, we have before us a bilateral trade agreement that was presented to the House and Canadians with all kinds of claims about how good this will be for Canada and the Canadian people. Sadly, the reality is that in the past these free trade agreements have not done much for either Canadians or for trade.

There is a debate going on about the efficacy of these agreements. Studies are showing that more often than not trade actually declines between countries after bilateral free trade agreements have been signed. This has been shown to be the situation in the United States, with the agreements that it has signed. As champions of this method of improving trade around the world, the Americans will really have to struggle with that research.

The NDP international trade critic explained earlier today that, when we look at the value of Canadian trade in real dollars, factoring in changes in the value of the dollar, this lessening of trade is in many cases true for Canada as well, perhaps with the exception of NAFTA. Canadian trade exports to countries with which we have signed bilateral trade agreements have actually gone down after the agreements have come into effect. Costa Rica is a good example. And generally, there is no clear correlation between increases in exports and these so-called free trade agreements.

In addition, some people are arguing that our trade exports with the United States would have gone up regardless of the NAFTA agreement. Even with NAFTA, the grandpappy of all these

agreements, there is some question about how well it did all the things that it promised to do. The benefits of these deals are highly overrated and oversold by the governments that have put them forward to the Canadian people and the House.

The reality is that the situation of Canadians has not improved with the signing of these free trade agreements, starting with NAFTA. Where is the prosperity that was promised every time we heard about one of these agreements? The incomes of the wealthiest 10% of Canadians have increased dramatically since the implementation of the NAFTA agreement, but every other income category in Canada has either stagnated or declined. These deals have not been good for middle-class Canadians. They have been a disaster for low-income and working Canadians.

There is a real problem with bilateral trade agreements, with seeking out specific trade agreements with specific partners around the world. There is also a serious problem with the effect these agreements have on Canadian sovereignty.

We have all heard about chapter 11 of the NAFTA agreement, which allows for the override of the democratic will of Parliament by corporate interests. We know that the same kind of provision is included in the deal we are discussing today. It has been included in other trade deals that have been brought forward since NAFTA, and we know that such a clause amounts to a serious diminution of the sovereignty of Canada. We have to protect our ability to make the laws that we need in order to ensure prosperity and success in our own country.

It would be great if the Conservative government spent as much time and effort promoting Canadian trade as it does in negotiating these questionable free trade agreements. It is remarkable to consider how little Canada spends on promoting Canadian exports around the world, compared with Australia or the European Union. There is probably more bang for our buck in trade promotion than in pursuing these kinds of deals.

● (1400)

The Acting Speaker (Ms. Denise Savoie): The hon. member will have 15 minutes when this debate resumes.

Statements by members, the hon. member for Brandon—Souris.

STATEMENTS BY MEMBERS

[English]

INTERNATIONAL PEACE GARDEN

Mr. Merv Tweed (Brandon—Souris, CPC): Madam Speaker, on September 11, I had the opportunity to visit the one of a kind International Peace Garden south of Boissevain, Manitoba. The occasion marked the official opening of the September 11 memorial, which displays 10 beams from the World Trade Center as a fitting reminder of that infamous day nine years ago.

A new interpretive centre and conservatory was also officially opened on September 11.

The International Peace Garden is a 9.46 square kilometre park located on the border between Canada and the United States. The park was established in 1932 and plants over 150,000 flowers each year. The main features include a 5.5 metre floral clock display, fountains, a chime, and twin 37 metre concrete towers straddling the border with a peace chapel at their base.

The gardens are also home to an international music camp, the carillon bell tower, historic lodge, sunken garden, and the North American Game Warden Museum.

I invite all Canadians to visit this one of a kind place and experience the true meaning of peace.

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CCSVI PROCEDURE

Hon. Lawrence MacAulay (Cardigan, Lib.): Madam Speaker, I rise in the House today in support of continuing clinical trials for the new liberation procedure for chronic cerebrospinal venous insufficiency or CCSVI.

Multiple sclerosis is a debilitating disease, one that has touched many in my community, for example, my colleague from Mississauga East—Cooksville.

The new liberation procedure that has been performed in other countries throughout the world shows that a high percentage of MS sufferers have venous abnormalities.

I ask the government to continue the clinical trials and collect the required evidence that will allow Canadians to receive the CCSVI procedure here in Canada instead of having to travel all over the world to have it done.

Having the procedure done here is very important to the patients and their families.

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[Translation]

BLUE MARCH

Mr. Pascal-Pierre Paillé (Louis-Hébert, BQ): Madam Speaker, on Saturday, October 2, a number of my colleagues and I will be proud to attend the Blue March demonstration being held in Quebec City.

Although it is impossible to predict how many people will attend, the fact that over 14,000 people are members of this event on Facebook suggests it will be a great success. A large crowd would send a strong message in favour of building a new arena, which is essential in submitting a bid for the Olympic Games and for the return of a National Hockey League team.

We have been told that a number of former Nordiques players are attending the march including the Stastny brothers, former head coach Michel Bergeron, and Alain Côté, who scored a famous contentious goal.

Statements by Members

I invite all hon. members from all parties to attend the march, to listen to the people and to do everything they can to make the dream a reality.

* * *

[English]

SENIORS

Mr. Don Davies (Vancouver Kingsway, NDP): Madam Speaker, October 1 marks Canada's first National Seniors Day.

I am pleased to rise today to pay tribute to the seniors in my community and across the country. I am proud to have been visited in Ottawa this week by two of my favourite seniors, Mr. Jack Torgerson and Mrs. Elaine Palm, who are models of grace, kindness, and accomplishment.

Canada's seniors have built the country we are privileged to live in, and they continue to build a better community in Vancouver Kingsway. But we must remember that we have more to do to achieve fairness for our seniors to whom we owe so much.

We must improve pensions for all Canadians and implement the NDP plan to end seniors' poverty. We need more affordable housing to ensure that every senior has a decent home and the means to live independently for as long as they wish. We need a national prescription plan and dental care so seniors can live healthy lives. We have to make sure that our seniors have accessible transportation so they can live active lives. We need smart investments in crime prevention and community safety so seniors can live their lives in security.

Most of all, seniors in Vancouver Kingsway and across Canada deserve our deepest thanks for all they have given us.

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PAKISTAN FLOOD RELIEF

Mr. Bob Dechert (Mississauga—Erindale, CPC): Madam Speaker, the images of flooded villages and destroyed homes in Pakistan may be vanishing from our TV screens and newspapers, but the need for aid for our sisters and brothers in Pakistan remains great.

Paramedics from GlobalMedic of Mississauga have just returned from Pakistan and have told me that the situation there will get worse before it gets better, because of the effects of water-borne diseases and related issues. Last Sunday, the Canadian Friends of Pakistan held a fundraising event in Mississauga to support the good work that GlobalMedic is doing in Pakistan to aid the flood victims. This coming Saturday, OMNI Television will be hosting a daylong telethon for Pakistan relief assistance.

Our government has provided the world's largest pro-rata contribution to relief efforts for the Pakistan disaster and is matching every contribution made by Canadians on a dollar-for-dollar basis. I am proud to report that the people of Mississauga are responding to this humanitarian need. I would encourage all Canadians to continue to give generously to the many worthy Canadian and international charitable organizations involved in Pakistan flood relief.

Statements by Members

● (1405)

PAKISTAN FLOOD RELIEF

Mrs. Bonnie Crombie (Mississauga—Streetsville, Lib.): Madam Speaker, I am proud to recognize the efforts of those in Mississauga who have been working tirelessly over the past few months to raise money and supplies for victims suffering as a result of the devastating floods in Pakistan.

Friend and constituent Haroon Khan and his team, along with the Zafar Sultan Memorial Trust, have sent over 200,000 pounds of supplies and medicines worth \$300,000 to Pakistan, which were donated by the residents of Mississauga and Brampton. They shipped these donations free of charge through Pakistan International Airlines, which confirmed that Zafar Sultan Memorial Trust has been the largest collector of supplies for Pakistan in the GTA during the month of September.

I would also like to congratulate the youth of Meadowvale Islamic Centre in Mississauga, with whom I worked to raise \$80,000 for flood victims in Pakistan. The funds were donated to the International Development Relief Foundation. I extend a special thanks to Zain and Bilal Haq and Sarah and Hiba Fasih for their inspiration and leadership. They have set a wonderful example of how our youth can make a difference.

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CANADA-CHINA RELATIONS

Mrs. Alice Wong (Richmond, CPC): Mr. Speaker, next month marks the 40th anniversary of the establishment of diplomatic relations between Canada and the People's Republic of China.

Our ties are strong in business and education and in cultural exchanges. Bilateral trade is a good example. Currently, China is our second largest source of imports and our third largest source of exports. Today over 1.3 million Canadian residents are of Chinese origin and form one of the largest groups within Canada's multicultural mosaic. Chinese is now Canada's third most spoken language after English and French.

Recently, the approved destination status for Canada marked another positive step in our relationship with China. It will strengthen our diplomatic and commercial ties and, more important, our people-to-people ties, resulting in a win-win situation.

Tomorrow will be the 61st national day of the People's Republic of China. On behalf of Richmond, happy birthday.

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[Translation]

INTERNATIONAL DAY OF OLDER PERSONS

Mrs. Carole Freeman (Châteauguay—Saint-Constant, BQ): Mr. Speaker, tomorrow will be the 20th time we have celebrated the International Day of Older Persons.

In Quebec, 15% of the population is aged 65 and older. In 20 years, that proportion will exceed 25%.

We must do everything we can to allow our seniors to thrive, stay healthy, feel safe and actively participate in the economic, social,

cultural and political spheres of life. We must also tackle the problem of poverty, which affects far too many seniors.

When FADOQ called on the government to increase the GIS by \$110 a month, the government replied that it had already done all it could for seniors and refused to even meet with that organization. Yet ensuring that all retired people have a decent standard of living is a matter of justice and dignity.

Let us take the time today to recognize the key role our seniors play in modern society, and promise to defend their rights and help them enjoy full and rewarding lives.

* * *

EMPLOYMENT INSURANCE

Mrs. Sylvie Boucher (Beauport—Limoilou, CPC): Mr. Speaker, the Leader of the Opposition continues to repeat that his main priority with regard to employment insurance reform is instituting a 45-day work year. He has even threatened to trigger an election over this issue.

Yesterday, when the 45-day work year included in Bill C-308 was put to a vote, his employment critic, the member for Dartmouth—Cole Harbour, voted for it, as did other Liberal members.

If the bill were implemented, it would cost Canadians at least \$7 billion and increase premiums by at least 35% permanently. Just like all the other Liberal tax hikes, it would kill employment and bring our fragile economic recovery to a halt.

Our Conservative government is doing everything it can to get Canadians back to work and to leave more money in their wallets. The Liberal leader's main concern is to spend irresponsibly, which —

● (1410)

The Speaker: The hon. member for Mississauga South

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[English]

RETIREMENT OF BLUE JAYS MANAGER

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, last night at the Toronto Rogers Centre tribute was quite rightly paid to Clarence Edwin Cito Gaston.

The outpouring of love and respect from baseball players and fans alike was overwhelming. Cito joined the Blue Jays in 1982 and over the ensuing years earned the reputation as a class act, a gentleman and a quiet leader. One player reminded the audience that Cito always preached family first, making sure that players understood that baseball careers are short, and that someday they would need a tight family to go back to. Cito had four rules: be on time, play hard, family first, and do not forget that the door to the manager's office is always open.

He managed the Blue Jays for 12 seasons. We will not forget the remarkable baseball seasons of 1992 and 1993 when they won back-to-back World Series. His calm, good-humoured, and confident management style has been the hallmark of his career and has left a legacy of decency, great teams, and wonderful achievements.

Today we recognize his outstanding career and wish him much success in his retirement.

* * *

EMPLOYMENT INSURANCE

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Speaker, this government is standing up for hard-working Canadians. Today, the Minister of Finance took action to limit future increases to EI premiums.

To help maintain the momentum of Canada's ongoing economic recovery, our government will reduce the recommended EI rate increase by two-thirds. When every dollar counts to individuals and families, nationally it will amount to \$1.2 billion back into the pockets of workers and job creators. The government will also consult with Canadians about ways to build upon the improvements we have already introduced to the EI system.

Unlike the opposition, our government is listening and acting upon the concerns of small business to protect Canadian jobs in this time of fragile recovery. The bottom line for our government is that, for recovery to continue, we need to support job creators and keep taxes low.

What would the Liberals do? They would bring forward tax hikes and kill 400,000 jobs.

* * *

SENIORS

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Speaker, over the summer, I listened to seniors in my riding and from across the country and here is what they told me: first, we must ensure that old age security payments never again go two years without a cost of living increase; second, we must stop the clawback of GIS when there is a cost of living increase to CPP; and third, we must do something to bring down the cost of medications.

To deal with those issues, New Democrats have tabled a number of proposals.

First, we propose to increase the GIS enough so that no senior lives in poverty.

Second, I tabled Bill C-564, my seniors' CPI act. This bill would create a CPI measure based upon the purchases that seniors actually make, rather than the one currently used, which is an average of the purchases of all Canadians.

Soon our health critic, the member for Halifax, will roll out her national affordable medications proposals.

Seniors have been telling me that they feel invisible in this country. I want to tell seniors today that they are not invisible to New Democrats.

Statements by Members

EMPLOYMENT INSURANCE

Mr. James Lunney (Nanaimo—Alberni, CPC): Mr. Speaker, just hours ago, our finance minister announced that the Government of Canada has taken further action to support Canada's economic recovery.

As part of our economic action plan and to support Canadian workers and businesses, EI rates were frozen at 2008 levels. Today, our government has acted by reducing the recommended EI rate increase by two-thirds. By doing so, this government is helping to maintain the momentum in Canada's ongoing economic recovery.

What we will not do is implement a reckless coalition motion for a job-killing, 45-day work year that would have cost us an estimated \$6.6 billion a year. That opposition motion was narrowly defeated just yesterday.

We can all be proud of Canada's economic performance through a challenging recession but the recovery is fragile.

Today's decision will be welcome for workers and businesses alike. It will put money back in the pockets of Canadian families and its employers, and help drive our economic recovery.

* * *

[Translation]

EMPLOYMENT INSURANCE

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, during yesterday's vote on the bill to increase accessibility to employment insurance and its benefits, the Conservatives and Liberals turned their backs on the unemployed.

The Liberals' decision was all the more shocking because, until yesterday, they had supported our initiative. The Liberals, with their about-face, demonstrated their indifference and lack of concern for workers who are losing their jobs while the economy is slowly recovering from the recession.

And to add insult to injury, the leader of the Liberal Party went so far as to say that Bill C-308 was going nowhere. Yet, not that long ago, he was openly supporting it.

Given that unions and groups of unemployed workers agree with our initiative, how can the leader of the Liberal Party justify his about-face and flagrant lack of consistency?

It is undoubtedly clear that the Bloc Québécois is still the only party in Quebec that is listening to workers.

Oral Questions

●(1415)

*[English]***FIREARMS REGISTRY**

Hon. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, I rise today to recognize the significant work of two great Canadians: Chief Bill Blair, president of the Canadian Association of Chiefs of Police; and Dr. Wendy Cukier, president of the Coalition for Gun Control.

Chief Blair and Dr. Cukier provided the House public safety committee with invaluable information and statistics about the use of the federal long gun registry, which helped to inform Parliament and Canadians on this important matter of public safety.

[Translation]

Our country is very lucky to have people like Wendy Cukier and Toronto's police chief, Bill Blair. It is because of their efforts that we were able to maintain the gun registry.

[English]

Thanks to their dedication, we were able to save the long gun registry.

[Translation]

On behalf of the Liberal caucus, I would like to thank Police Chief Bill Blair and Dr. Wendy Cukier for their work.

* * *

*[English]***EMPLOYMENT INSURANCE**

Mr. Randy Hoback (Prince Albert, CPC): Mr. Speaker, the Liberal leader proved yet again yesterday that he does not care about the wallets of Canadian families.

He admitted that the Liberal-NDP-Bloc coalition's EI plans were "fiscally irresponsible" and yet he did not vote against them, nor did the vast majority of his caucus. In fact, his EI spokesperson, the hon. member for Dartmouth—Cole Harbour, voted for the expensive program.

It is proof that the Liberal leader remains committed to implementing a costly and irresponsible 45-day work year.

The coalition's EI plan would cost \$7 billion, increase EI premiums permanently by a whopping 35% and would harm our fragile economic recovery.

The difference is clear. While our government is focused on getting Canadians working and putting more money in their wallets, the Liberal leader's main concern continues to be a wild spending spree that would cost Canadian families and small businesses at a time when they can least afford it.

* * *

JOSEPH SIMONATO

Hon. Helena Guergis (Simcoe—Grey, Ind. Cons.): Mr. Speaker, I rise today with a heavy heart to recognize Joseph Simonato, affectionately known as Chic, who passed away on Monday, September 20, at the age of 87.

He was born in Collingwood and served with the Toronto Scottish Regiment during World War II. On June 6, 1944, Chic was part of the second wave of troops that stormed the beaches of Normandy, and in 1945 he was wounded in battle.

Chic was one of the founding members of the Collingwood Lawn Bowling Club. He played a vital role in establishing the Veterans' Wall of Honour in Collingwood that lists the names and units of more than 520 veterans. He authored a book giving a brief history of each unit, and championed the restoration of the Collingwood cenotaph. He received the Order of Collingwood, the Companion Order of Collingwood and, in 2010, he received the Minister of Veterans Affairs Commendation.

Our prayers go out to Mary-Lou, Chic's loving wife, and his family and friends. We will all miss him dearly. I am honoured to have called this patriotic gentleman my friend.

ORAL QUESTIONS*[English]***THE ECONOMY**

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, the Canadian economy not only stalled this summer, it began to shrink. Manufacturing, retail, wholesale, construction, forestry, housing, consumer spending and exports were all down. The one thing going up: the Conservative deficit. Still, the government blows \$16 billion on stealth aircraft with no job guarantees, \$10 billion on prisons for unreported crime and \$6 billion for extra corporate tax cuts on borrowed money.

Why such bad choices? Why so out of touch with ordinary Canadian families?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, obviously, as we have said, the global recovery remains fragile. That said, Canada's economic performance remains far better than most. Employment is growing and the deficit is going down this year.

However, I am surprised, because I would have thought the hon. member would have stood to congratulate the government on the decision announced today on EI premiums that has been praised. The Canadian Federation of Independent Business said:

We are pleased to see the government take a major step on this critically important issue to help lessen the impact on small businesses and thereby the economy overall.

The Chamber of Commerce noted that we are saving \$1 billion for Canadian companies.

*Oral Questions***FIREARMS REGISTRY**

● (1420)

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, the Prime Minister talks about EI premiums. The Conservatives are the ones who threatened to drive them up and now we are supposed to be grateful that their increase is only part of what they threatened. I suppose they are also proud of the fact that they are the only ones to increase EI premiums since Brian Mulroney.

For months on end the government denied there was a recession and denied there was a deficit, a deficit that it created before the recession. It even tried to redefine the term “debt” to hide the fact that it is the biggest borrowing, biggest spending government in Canadian history, but nothing for families.

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, as I just said, the Canadian business community and, of course, Canadian workers have responded extremely positively to this government's plans for employment insurance.

What they did not respond to as positively was the position taken last night by members of the Liberal Party on this issue when they voted for a 35% increase in employment insurance premiums. However, what is more shocking is that the leader of the Liberal Party, earlier in the day, said that the proposal was financially irresponsible.

I have news for Liberal Party members. When something is financially irresponsible, they should vote against it.

Some hon. members: Oh, oh!

The Speaker: Order, please. I would remind hon. members that it is Thursday, not Wednesday. Could you calm down a little.

The hon. member for Wascana.

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, the fact remains that the present government is the first government to increase EI premiums since Brian Mulroney. We reduced them 13 consecutive times.

Across Canada today there are thousands of families whose kids have earned good grades but they do not have the money for college or university so they do not get to go to school. There are thousands of young parents who need to work, so they need child care, but they cannot find a decent space or afford one so they cannot go to work. There are thousands of families without adequate pensions so they cannot retire. Ordinary families are drowning in a flood of household debt. Why will the government not help?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I will tell you about the record of the Liberal Party on employment insurance.

While the Liberals were cutting benefits to workers, they took \$50 billion out of the fund to use to pay for their deficits, something this government has not done. That is why this government is strongly supported by workers and by businesses.

Last night those characters voted for a 35% increase for the sole purpose of keeping their little coalition arrangement with the NDP and the Bloc Québécois. That is not in the interests of this country.

Hon. Bob Rae (Toronto Centre, Lib.): Mr. Speaker, we have had two examples in the last week, when the House clearly made decisions on the long gun registry and on the census, clearly reflecting a sense of give and take, with all parties giving way somewhat to come to a conclusion and to come to a compromise.

I would like to ask the Prime Minister a very simple question. What is his problem with democracy? What is his problem with parliamentary sovereignty, and what is his problem with his party which makes decisions that are completely contrary to the will of Parliament?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I think the compromise on the gun control issue has been very apparent for some time. Law-abiding Canadian gun owners support licensing. They support the registration of handguns and restricted weapons. What they do not support is a wasteful and useless long gun registry.

What does the Liberal Party have against law-abiding citizens? What does it have against farmers? What does it have against duck hunters? What does it have against aboriginal Canadians? Why does it not stand up for people in the regions of this country?

● (1425)

[Translation]

Hon. Bob Rae (Toronto Centre, Lib.): Mr. Speaker, the Prime Minister is the man who said, “I make the rules.” That is the approach the government takes on Canadian democracy. Two examples of that are the census and the firearms registry. It is clear that the public is going in one direction, while the government is going in another.

My question is very simple: why are the Conservatives prejudiced against democracy in Canada?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, those are two perfect examples of how this government respects the people of Canada. We respect people who are reluctant to share their personal information. We do not threaten them with sanctions. We respect people who use firearms in accordance with the law, and who are responsible with their firearms.

I do not know why the Liberal Party does not respect the people of Canada, especially those who live in the regions.

* * *

TAX EVASION

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, nearly 2,000 Canadian citizens have accounts with the HSBC Bank in Switzerland, allowing them to evade taxes. Those bank accounts contain at least \$500,000 each. This means the government is losing out on millions of dollars in taxes. If 2,000 Canadians are using Switzerland to evade taxes, we can be sure that many others are doing the same thing in Barbados.

Will the Prime Minister make an official request to obtain the list of the 2,000 citizens that might be breaking the law?

Oral Questions

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, our position is very clear. If Canadians are using Swiss bank accounts to avoid paying taxes in Canada, those people will face the full force of Canadian law.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, what I am asking is if he will make an official request to France to obtain that list.

Then, once the evidence is obtained, will the Prime Minister commit to not reaching an out of court settlement with the individuals in question, and instead recover the money and bring criminal charges against the guilty parties? The government should punish these white-collar criminals, who are costing it millions of dollars.

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, once again, this government will not tolerate Canadians using use Swiss bank accounts to avoid paying taxes.

Mr. Daniel Paillé (Hochelaga, BQ): Mr. Speaker, it was with the help of the Liberals that the Conservative government facilitated the use of tax havens in its last two budgets. The Bloc Québécois has long been proposing solutions for doing away with access to tax havens like Barbados and eliminating double interest deductions.

Instead of delivering monotonous speeches full of empty words, why does the Minister of Finance not draw some inspiration from France, which is requiring its banks to close their branches in OECD-identified non-cooperative tax havens? As a favour to the banks maybe?

[English]

Hon. Keith Ashfield (Minister of National Revenue, Minister of the Atlantic Canada Opportunities Agency and Minister for the Atlantic Gateway, CPC): Mr. Speaker, the majority of Canadians pay their taxes. It is the law, and they abide by it. There are some who have chosen to place money in offshore accounts in foreign countries. Our government has taken aggressive action, both domestically and internationally, to recover money owed to Canadians.

Our government knows that Canadians recognize that paying taxes is the law and that tax cheating is a crime. We will use any necessary measures to ensure that this law is abided by.

[Translation]

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Mr. Speaker, the proof that the Conservatives are encouraging tax evasion is that they signed the free trade agreement with Panama. That country is one of the tax havens on the OECD's list of states that do not respect their commitment to exchange tax information.

Will the government agree that, before ratifying the agreement, it should first require Panama to sign a tax information exchange agreement with Canada based on the OECD model?

•(1430)

[English]

Hon. Peter Van Loan (Minister of International Trade, CPC): Mr. Speaker, I have written to my counterpart in Panama asking that it undertake its obligations. Indeed, the Government of Panama has made a commitment to undertake its obligations for tax information sharing with the OECD.

However, I note that that party is one that is inclined to look for any excuse to avoid creating trade opportunities for Canadian workers and Canadian businesses.

We are interested in seeing Canadian workers and businesses prosper, especially at this critical economic time.

[Translation]

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, Revenue Canada loses millions of dollars every year because of tax evasion. According to a UQAM study, the top five Canadian banks used tax havens to avoid paying \$16 billion in income tax. Most taxpayers do their part to keep the country going, but the government is doing nothing to eliminate the scourge of tax evasion.

Where is the government's law and order agenda for major banks and those who are avoiding taxes?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, as I just said, the government's policy is to reduce taxes. When the government is owed taxes, we expect Canadians to respect the law, and the majority do. If some citizens use Swiss bank accounts to avoid paying lawful taxes, the government will prosecute them to the full extent of the law.

[English]

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, the fact is that this government is letting some of the big money players play in les paradis fiscaux. They are just having a good time, tax free. That is their strategy.

Statistics Canada estimates that the amount of money Canadians have socked away in these places amounts to \$88 billion. Think of what the fair taxation of that revenue could do to provide affordable medications to families, decent pensions, or maybe some EI help for people who are out of work. Instead, what we see is no action. In the U.S., 1,500 experts are on the trail of these tax evaders.

Could the Prime Minister tell us how many Canadian gumshoes are going after the evaders here?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, in 2009 alone the Canada Revenue Agency uncovered \$1 billion of what we would categorize as aggressive tax planning and obviously dealt with those cases.

I listen to the NDP. Of course, nobody anywhere in the House would support tax evasion. I have to tell the NDP that hiking EI premiums by 35% or raising taxes on business or raising them on consumers is not dealing with tax evasion. It is just high taxes against Canadians, and we do not support that.

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, some members are pointing to the HST imposed by this government.

Oral Questions

The fact is, the amount of money Canadians are squirreling away in the Cayman Islands is eight times greater than that country's own GDP. In Barbados it is six times. In Bermuda it is four times. This is outrageous.

The government, with the help of its Liberal predecessor, is turning a blind eye to these tax evaders. Law-abiding Canadians are being fleeced while some of our biggest corporations and richest individuals are playing away with their money under beach towels in the Cayman Islands.

When will the government have its action match its words?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, let us be really clear on the issue of the federal sales tax. It was this government that cut the federal sales tax for Canadian consumers twice. The federal NDP voted against it twice, and it was the NDP in Nova Scotia that raised it by two percentage points.

We know where the NDP stands on taxes. This government will continue to go aggressively after tax evaders, but we will not allow the NDP to use this as an excuse to try to raise taxes on ordinary Canadians.

* * *

• (1435)

[Translation]

THE ECONOMY

Mrs. Alexandra Mendes (Brossard—La Prairie, Lib.): Mr. Speaker, the cost of living continues to rise. Canadians can no longer make ends meet. GDP is dropping, debt is skyrocketing, and the Conservative deficit is the largest in the country's history. This looks like déjà vu for the minister of Finance, who ransacked Ontario's public treasury just a few years ago. Why has the Conservative deficit had to be revised upward for the third time?

[English]

Hon. Jim Flaherty (Minister of Finance, CPC): There is a clear difference between the Liberal opposition and the government, Mr. Speaker. We are taking action to protect the fragile economic recovery. We are taking action with respect to EI, supported by the CFIB, supported by the Canadian Chamber of Commerce. What is the Liberal Party doing? It is voting in favour of a motion to increase EI premiums by 35%, or by almost \$7 billion per annum. This is irresponsible action by the Liberal opposition.

[Translation]

Mrs. Alexandra Mendes (Brossard—La Prairie, Lib.): Mr. Speaker, the deficit got this big because the Conservatives built a \$2 million fake lake, spent \$130 million on useless advertising, and wasted \$1.3 billion in public funds on a 72-hour summit that will cost French taxpayers only a tenth that amount.

They grew the biggest deficit in Canadian history with fake lakes and glow sticks. How can they explain that kind of incompetence?

[English]

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, we are proud of our accomplishments at the G8 and G20 summits. Canada is leading the global economic recovery as well as international efforts to aid developing countries.

As we have said from the beginning, these were legitimate expenses, the majority of which were for security. There were approximately 20,000 security personnel on the ground during the summits. The violence and the destruction that occurred there proved the need to ensure that those who attended the summits were protected, and that responsibility was carried out.

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, yesterday the finance minister casually announced that yet again he is going to miss a deficit target. He blamed it on an "accounting issue". Will the minister admit that the real reason for his record-high deficit is billions of dollars wasted on U.S.-style prisons, untendered stealth jets, and the G20 photo op?

When will this borrow-and-spend finance minister take responsibility for the waste and mismanagement under his watch?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, now comes the member for Kings—Hants saying that he is against tax reductions, that he is for increased taxes in Canada, but at the same time, he says he wants jobs.

Here is what he said another time. He stated:

[W]e cannot increase corporate taxes without losing corporate investment. If we lose corporate investment, we have a less productive economy....That means fewer jobs. That means more poverty.

He said that as a Liberal.

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, the Liberal government did cut corporate taxes, but not on borrowed money.

The minister inherited a \$13 billion surplus from the Liberals. He increased spending by three times the rate of inflation. He put Canada into deficit, even before the downturn. He then said that there would be a small surplus. He then said that there would be a small deficit, then a larger deficit, and he has missed his latest target as the deficit balloons to over \$54 billion.

When will the biggest spending, biggest deficit finance minister ever in Canada's history get his borrowing and his spending under control?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, the member for Kings—Hants is right about one thing: the Liberals did not borrow money from the EI fund; they stole it.

Oral Questions

• (1440)

[*Translation*]

INFRASTRUCTURE

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, even though the economy is soft and Canada's GDP dropped in July, the government refuses to acknowledge that infrastructure projects are still needed to stimulate the economy. Extending the deadline is a simple solution that would not cost the government one penny because the money has already been committed.

How can the government take away \$200 million in infrastructure projects from Quebec during an economic downturn?

Hon. Christian Paradis (Minister of Natural Resources, CPC): Mr. Speaker, as the Minister of Transport, Infrastructure and Communities has repeatedly stated, 23,000 projects are under way, of which 97% have been completed or are close to completion. We will clearly take a reasonable approach in this regard. There is nothing new. The Minister of Transport is talking to his Quebec counterparts and a reasonable approach will be taken in this regard.

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, 48 hours before thousands of people converge on the Plains of Abraham for the “blue march”, will the Prime Minister confirm that his government will provide up to 45% of the funding, as the Government of Quebec is currently stating, for the construction of a new multi-purpose arena that is essential for Quebec's capital city, according to Mayor Régis Labeaume?

Hon. Josée Verner (Minister of Intergovernmental Affairs, President of the Queen's Privy Council for Canada and Minister for La Francophonie, CPC): Mr. Speaker, although we are clear on this matter and we are fans of professional sport, financing of such facilities is primarily up to the private sector.

If the federal government were to invest in these types of infrastructure, it would do so in a fair and affordable manner throughout the country.

* * *

PORT INFRASTRUCTURE

Mr. Claude Guimond (Rimouski-Neigette—Témiscouata—Les Basques, BQ): Mr. Speaker, the Rimouski wharf is a vital part of the Lower St. Lawrence economy. Its users are calling for the construction of a breakwater attached to the existing one to protect facilities, ships and boaters against bad weather. Fisheries and Oceans Canada has the plans and specifications to move forward.

Does the minister plan on making this issue a priority, so that the Rimouski wharf can live up to its full potential?

[*English*]

Hon. Gail Shea (Minister of Fisheries and Oceans, CPC): Mr. Speaker, in 2006 we inherited a massive backlog of much needed work at our small craft harbours. Wharves were rotting and fishers were not getting the facilities they needed to work safely. That is why under our economic action plan we invested \$200 million to address this backlog. Work is now under way or completed at over 270 harbours. We are getting the job done.

[*Translation*]

Mr. Claude Guimond (Rimouski-Neigette—Témiscouata—Les Basques, BQ): Mr. Speaker, it is the same problem in Matane and Sainte-Anne-des-Monts, where the federal government has neglected the port infrastructure for years. Local stakeholders are calling for the government to properly maintain its facilities and to upgrade them, so that they can become real tools for economic development.

When will this government fulfill its responsibilities to the communities of eastern Quebec?

[*English*]

Hon. Gail Shea (Minister of Fisheries and Oceans, CPC): Mr. Speaker, the safety of our mariners and fishers is very important to us. That is why we have invested an additional \$200 million in small craft harbours. We have actually increased our base budget by \$20 million on an annual basis. However, the Bloc voted against every one of these initiatives.

* * *

[*Translation*]

CENSUS

Mr. Pablo Rodriguez (Honoré-Mercier, Lib.): Mr. Speaker, just like the movie *Groundhog Day*, this is déjà vu all over again. The Prime Minister has ignored the will of Parliament regarding the registry. He has basically shut down Parliament whenever he wanted to. Now, he is ignoring the will of Parliament regarding the census.

Will the Conservatives ever respect Parliament? Will they reverse their decision, which, by the way, is completely stupid?

Will the Prime Minister keep on acting like a tin-pot dictator who ignores democracy?

Hon. Tony Clement (Minister of Industry, CPC): Mr. Speaker, as I have said before, it is important to strike a balance between the interests of Canadians who neither want to be subject to sanctions nor want to answer personal questions.

• (1445)

[*English*]

We do not need a census to know that the vote of the opposition members to hike EI premiums by 35% will cost Canada jobs, will cost Canadian businesses and will cost Canadian families. That we do not need a census to find out.

[*Translation*]

Mr. Pablo Rodriguez (Honoré-Mercier, Lib.): Mr. Speaker, Maurice Duplessis could have given the Prime Minister a few lessons on democracy. Even those would be useful.

We know that Canada is under the rule of law, not a dictatorship. We also know that there is no reason to scrap the long form census, unless the Prime Minister's goal is to hide information. Perhaps he is thinking that if there is no information on poverty and social injustice he will not have to deal with them.

Is that his logic?

*Oral Questions***EMPLOYMENT INSURANCE***[English]*

Hon. Tony Clement (Minister of Industry, CPC): Mr. Speaker, no one can hide the fact that the Liberal plan, which the Liberals voted for last night to hike EI premiums by 35%, will hurt our country, will hurt our jobs and will hurt Canadian families. That cannot be hidden.

Perhaps the hon. member would listen to someone else who demanded, and I learned this from the media yesterday, that we review the invasion of privacy and personal information from the 2006 census because the MP was getting a number of complaints from his constituency. Which MP? The Liberal MP for Richmond Hill.

Hon. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, 350 community leaders and groups have condemned the Conservatives' ideological census cut. They say that it is bad for the economy and puts the health and safety of Canadians at risk. One more group has joined the list, the Parliament of Canada.

Will the government accept the will of Parliament and stop rejecting evidence-based policymaking and restore the long form census now?

Hon. Tony Clement (Minister of Industry, CPC): Mr. Speaker, if this side of the House had agreed with the coalition, we would have joined the coalition.

We disagree with the coalition because we are seeking to balance the rights of Canadians to be free from sanctions when they choose not to fill out an invasive and intrusive form, in their opinion. We expect Canadians would like a government that treats them as adults, treats them with respect. That is why we made the decision to balance the need for data with the rights of Canadians.

We are proud of that decision. We voted that way in the House. That is how we conduct our government in the interests of the people of Canada.

Hon. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, there is no evidence for that either.

The Conservatives are ignoring hundreds of groups that need reliable information with which to give good advice and to make good decisions for Canadian families. Now Parliament has spoken on this.

Leaders who think they make the rules are called dictators. This is a test. Will the Prime Minister accept that Canadians and their Parliament make the rules and restore the long form census now?

Hon. Tony Clement (Minister of Industry, CPC): Mr. Speaker, I will reply to that wild accusation from my hon. friend over there.

We are seeking to make Parliament work. We are seeking to raise decorum in this place. If other members of the opposition do not have the same agenda, they will have to answer to their constituents in that regard.

Our agenda is quite clear and fair. We are trying to treat Canadians fairly and reasonably by having a balance between the need for data in our society and the need for some Canadians to conscientiously object to certain intrusive and personal questions that are found on the long form. That is the balance of a responsible government.

Mr. LaVar Payne (Medicine Hat, CPC): Mr. Speaker, yesterday our Conservative government voted against Bill C-308, which includes costly and irresponsible proposals, such as a 45-day work year. The Liberal leader yesterday called the bill fiscally irresponsible, yet he did not vote against it. In fact, the Liberal EI spokesperson voted in favour of it.

Could the Minister of Human Resources and Skills Development please inform the House of the devastating impact the coalition's irresponsible EI plans would have on Canadian workers and businesses?

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, the Liberal-NDP-Bloc coalition has shown yet again that it remains committed to the costly and irresponsible EI 45-day work year. Through last night's vote, we know that its plan would cost Canadians at least \$7 billion each and every year and would result in a permanent increase in EI premiums of 35%. That is a whopping big difference.

The difference between us and the coalition is quite clear. We are focused on getting Canadians back to work. The coalition is focused on raising premiums to prevent that.

• (1450)

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, the Conservatives can say what they want, but a job-killing tax hike is still a hike, even if it is a little smaller.

The Conservatives, with their friends from the big red tent, have taken more than \$57 billion in EI funds from hard-working Canadians. Their priorities are all out of whack. They chose to give billions of dollars away to big corporations, while raising the payroll tax on businesses.

With the recovery stalled, how many more job losses are acceptable to the government: 10,000, 20,000, 60,000?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, it is just the contrary. We are interested in supporting job creation by the private sector in Canada. We have seen the creation of about 430,000 net new jobs since the end of the recession in July 2009. That is greater than the number of jobs that were lost during the recession. In fact, it is the best record in the G7.

[Translation]

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, the Liberals stole \$57 billion from the employment insurance fund with the support of the Conservatives, who made it legal. In his announcement this morning, the Minister of Finance said:

[English]

This will support job creation by leaving more money in the hands of businesses and their employees...

*Oral Questions**[Translation]*

He deserves some applause; that is quite a calculation. The premiums paid by workers and employers are increasing, and that will leave more money in their pockets. This is unbelievable.

Do they realize that what they are saying is nonsense? That is what they are doing. This is a Conservative-Liberal coalition.

[English]

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, the announcement this morning actually means that there will be about \$1.2 billion back in the pockets of workers and job creators in the next year, in 2011.

The economic recovery is fragile. This will help create more jobs in the country and help Canada continue to exit from the recession in good form.

* * *

*[Translation]***CENSUS**

Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ): Mr. Speaker, the Minister of Industry is deluded when it comes to the census. His latest brainwave: census takers recruited from respondents' neighbourhoods could gain access to confidential information. According to Statistics Canada, the majority of people fill out the census online or by mail.

Do these shocking explanations not prove that the minister is unable to justify doing away with the long form census?

Hon. Tony Clement (Minister of Industry, CPC): Mr. Speaker, as I have already pointed out, the Bloc has another solution to all this. The leader of the Bloc said, and I quote, "Well, if you refuse [to fill out the form], certain government services won't be provided to you for as long as you refuse. A passport, for instance, employment insurance, for instance."

Those are the words of the leader of the Bloc, that is not the position of the Government of Canada.

Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ): Mr. Speaker, instead of sticking to his absurd spy theory, why does the minister not listen to the National Assembly of Quebec, Acfas, an interuniversity coalition, the Fédération des chambres de commerce du Québec, and the Fédération québécoise des professeurs et professeurs d'université, who are saying that the Conservatives' decision will prevent society as a whole from getting information needed for making informed decisions?

Hon. Tony Clement (Minister of Industry, CPC): Mr. Speaker, I have been listening to Canadians and they want a fair and reasonable approach. We want to find the best approach and strike the right balance between getting the necessary data and protecting Canadians' privacy. That is a reasonable and clear position for Canadians.

*[English]***G8 AND G20 SUMMITS**

Mr. Mark Holland (Ajax—Pickering, Lib.): Mr. Speaker, while Canadians struggle to make ends meet under the weight of a recession, the Conservatives struggle to hide receipts on \$1 billion of G8 waste. We now learn that the RCMP command centre cost \$27 million for 72 hours. That includes \$1.5 million in weekend rent and \$2 million to tear it all down and toss it in the dump. They could have bought it for \$3 million, but they did not get to the biggest deficit in Canadian history by protecting taxpayer dollars.

Will the minister stop the spin, put the receipts on the table and let the facts speak for themselves?

● (1455)

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, perhaps I could advise the hon. member that the lease was for \$2.2 million. It was for a 24-month lease. It was in fact a competitive bid.

We are proud of the accomplishments of the G8 and G20 summits. Canada is leading the global economic recovery, as well as international efforts to aid developing countries.

There were approximately 20,000 security personnel present. They did a great job.

Mr. Mark Holland (Ajax—Pickering, Lib.): Mr. Speaker, it is very simple: put the receipts on the table and let us see the truth.

While we know about the gazebos, fiddlers, dancers, hotel snacks, and steamship, it does not stop there. To get to the most expensive 72 hours of meetings in history, one has to waste even harder.

We now learn that while they were building a fake lake, they were draining another. They spent \$4 million to rent land dominated by a water-filled quarry they had to drain.

I ask the minister, why did 72 hours of meetings on fiscal restraint require him to build and drain lakes?

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, let us look at the record.

Our government has been upfront on the real need and cost of summit security from the beginning. In fact, as the head of the integrated security unit, Ward Elcock, stated:

I think Canada is one of the rare countries that has actually been transparent about the security costs.

We have invited the Auditor General to examine those costs, and indeed she will do that. I look forward to hearing from her as opposed to the rantings of the member opposite.

Oral Questions

[Translation]

JUSTICE

Mr. Paul Dewar (Ottawa Centre, NDP): Mr. Speaker, Richard Colvin told us the truth. The Conservatives attacked him. The government said that he had no proof. But their own figures support Mr. Colvin's testimony. In 2006, Canada transferred 129 detainees, and Great Britain transferred only 17. Mr. Colvin was right. The Conservatives were wrong. What is the government going to do after deceiving Canadians so badly?

[English]

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, it is good to see the NDP back on message here.

That said, we have heard these allegations before. We put in place a process this summer that was transparent, with judicial review. I understand now the NDP is in a bit of a snit about that since they did not participate. They have no one to blame but themselves.

* * *

AFGHANISTAN

Mr. Jack Harris (St. John's East, NDP): Mr. Speaker, the Conservative-Liberal-Bloc committee set up to review the Afghan detainee documents has provided neither the information nor the accountability called for by your historic ruling last spring.

With the help of their partners in the big red tent, the Conservatives have put the cone of silence over investigations of their handling of Afghan detainees.

This is about accountability. They are not getting the job done. It is time to face the music. Canadians have a right to know.

Will the government stop hiding the truth with this faulty process, get rid of the cone of silence, and finally call for a public inquiry?

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, the last time the NDP asked for a process, we put it in place and then they refused to participate.

There has been an ongoing process all summer. The members have worked very hard. Thousands of documents have been examined.

I have to ask the NDP members: this whole process was good enough for their coalition partners; why was it not good enough for the them? Could they answer that?

* * *

EMPLOYMENT INSURANCE

Mrs. Nina Grewal (Fleetwood—Port Kells, CPC): Mr. Speaker, last night, Liberal MPs, with their coalition partners, voted to endorse the fiscally irresponsible BillC-308 and its 45-day work year plan. If implemented, it would cost Canadians \$7 billion and increase EI premiums permanently by 35%.

Our Conservative government was the only party to unanimously oppose this irresponsible coalition plan. These irresponsible coalition schemes will harm jobs and job creators.

Could the Minister of Finance please inform the House what—

● (1500)

The Speaker: The Hon. Minister of Finance.

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, today we announced three things: first, we are limiting a maximum rate increase to 5¢ for 2011 for EI; second, 10¢ for subsequent years; and third, we will consult on how we can further improve the EI rate-setting mechanism.

This is supported broadly by the small-business community in Canada. As the CFIB said, it:

applauds the news that government will limit the 2011 EI premiums increases... saving employers and employees more than \$1 billion in 2011... [W]e are pleased to see the government take a major step on this critically important issue

* * *

THE ENVIRONMENT

Mr. Gerard Kennedy (Parkdale—High Park, Lib.): Mr. Speaker, today we learned there is a new minister of the environment for Canada: Hollywood director James Cameron. It is only after his intervention in visiting the oil sands in Alberta this week that the Conservative government finally made an announcement to study the problem of monitoring water and air pollutants in the Athabasca River. We now have the avatar sands to go with the titanic wreck of the environment minister under these guys.

Would the Prime Minister tell us, will his government start protecting the environment, or do we have to bring back Mr. Cameron to change the Conservatives' do-nothing agenda when it comes to protecting Canadians on the environment?

Mr. Mark Warawa (Parliamentary Secretary to the Minister of the Environment, CPC): Mr. Speaker, I look forward to working with that member on the environment committee so he actually can learn the facts of what is happening on the environment.

It was his own leader who said that party made a mess on the environment. It is this government that takes the environment seriously and is getting things done.

We have established an independent review panel of some of Canada's most revered scientists. It is a critical step in ensuring we find out what is happening on the oil sands.

When it comes to cleaning up the environment, it is this government that gets it done.

Business of the House

[Translation]

EMPLOYMENT INSURANCE

Mrs. Josée Beaudin (Saint-Lambert, BQ): Mr. Speaker, the member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup misled the House when he said that the Bloc Québécois' proposed employment insurance reform would allow people who worked for 45 days to receive benefits for a year. That is not true. For example, a tourism industry worker in Rivière-du-Loup who worked 360 hours would be entitled to 26 weeks, not 50.

Is the Prime Minister aware that his MP, who abandoned Bombardier workers, just betrayed unemployed workers in the Lower St. Lawrence region?

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, it is clear that for the past two years, all the opposition members have been trying to make 360 hours the threshold for employment insurance benefit eligibility.

Yesterday evening, they voted for other proposals that would cost Canadians \$7 billion per year. Today, they are saying that a five-cent increase in premiums is too high, but they are the ones who suggested 60 cents.

* * *

[English]

PRODUCT SAFETY

Ms. Megan Leslie (Halifax, NDP): Mr. Speaker, today's recall of 11 million toys by Mattel is another reminder of the Conservatives' failure on product safety. Twice they killed their own legislation and now it is nowhere on the legislative radar.

Parents have to rely on companies' cost-benefit analyses to see dangerous products taken off the shelves. It is totally unacceptable.

Would the health minister tell us when her government will move forward product safety legislation?

Hon. Leona Aglukkaq (Minister of Health, CPC): Mr. Speaker, Canadians should have confidence in the consumer products they buy. That is why we reintroduced the Canada consumer products safety legislation, Bill C-36. This bill would not only provide the tools needed to act quickly and effectively to protect Canadians, but it would be good for our economy and it would put industry on an even playing field.

* * *

EMPLOYMENT INSURANCE

Mrs. Tilly O'Neill-Gordon (Miramichi, CPC): Mr. Speaker, when it comes to taxes for the Liberal-NDP-Bloc coalition, they only go higher and higher. Under the coalition, businesses would be the enemy and taxpayer wallets the target. They reach for more of Canadians' hard-earned money to fund their fiscally irresponsible schemes, such as a 45-day work year.

Our Conservative government will not let that happen. We were the only party to vote unanimously against the coalition-backed Bill C-308.

Would the finance minister inform the House of a major step announced today?

● (1505)

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, I thank the member for Miramichi for the question. The beautiful Miramichi, as informed people know, is the home of Canada's largest Irish festival. The evidence is that it says so on the water tower right there in Miramichi, so it must be true.

Yes, it was a good announcement this morning for jobs and for the creation of jobs in Canada. As the Canadian Chamber of Commerce said:

As a result of this decision...employers will have a greater incentive to keep workers and add to payrolls. Workers will have more take-home pay and will be more inclined to spend.

* * *

PRESENCE IN GALLERY

The Speaker: Order, please.

I would like to draw to the attention of hon. members the presence in the gallery of a parliamentary delegation from Ghana, led by ministers: the Hon. Kwaku Agyeman-Manu; the Hon. Likpalimor Kwajo Tawiah; and the Hon. Amadu Seidu.

Some hon. members: Hear, hear!

* * *

BUSINESS OF THE HOUSE

Mr. David McGuinty (Ottawa South, Lib.): Mr. Speaker, we know throughout the House that tomorrow is a special day and the last day of the week. It involves the swearing in of the new Governor General. Many members of Parliament will be participating in that event tomorrow.

I would like to ask the Leader of the Government in the House of Commons what the business is that he envisages for the following week, starting next Monday.

Hon. John Baird (Leader of the Government in the House of Commons, CPC): Mr. Speaker, I want to tell you that when the leader of the Liberal Party named the member for Ottawa South as the House leader of the Liberal Party I was asked many times, "How do you feel about this? Are you looking forward to working with him?" I said to each and every one of them that I was every bit as looking forward to working with the member for Ottawa South as I am sure he was looking forward to working with me.

In all seriousness I can report that the Liberal House leader and I are working well together. I am even working well with the Bloc House leader and with the House leader of the New Democratic Party.

We are all working hard to make Parliament work.

Today I can tell the House that we will be continuing debate on Bill C-46, the Canada-Panama free trade agreement, another key economic initiative as part of Canada's economic action plan, a plan to create jobs, build growth and opportunity for all Canadians across the country.

It is, though, with deep regret that yesterday I learned the NDP moved a six-month hoist motion on the Canada-Panama free trade agreement. As the House knows, the only purpose of moving such an amendment is to obstruct and delay the progress of important legislation.

On Friday, my good friends in the NDP moved a concurrence motion obstructing and delaying the passage of Bill C-22, protecting children from online sexual exploitation, another key part of our government's tough on crime agenda.

I say to my NDP friends, let us work together and make Parliament work. I hope we will not see any more of this.

Tomorrow, as the member opposite has said, we will be having question period and leaving early for the installation of the new Governor General in the Senate chamber.

On Monday, Tuesday and Wednesday of next week, the government will call the following bills for debate: Bill C-22, protecting children from online sexual exploitation; Bill C-21, standing up for victims of white-collar crime; Bill C-30, the response to the Supreme Court of Canada decision in *R. v. Shoker*; Bill C-39, ending early release for criminals and increasing offender accountability; Bill S-6, serious time for the most serious crime; and Bill S-9, tackling auto theft and property crime.

On Thursday, it is the government's intention to begin debate on the second budget bill, sustaining Canada's economic recovery act, just one more key economic action plan legislative initiative.

Canadians have told us they want us to focus on creating jobs, building growth and opportunity. They have told us that they want their government to have a robust legislative agenda, to get tough on crime, and that is exactly what we are delivering.

ROUTINE PROCEEDINGS

[English]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Joe Preston (Elgin—Middlesex—London, CPC): Mr. Speaker, there have been discussions among all parties and I believe you will find unanimous consent for the following motion.

I move that the 14th report of the Standing Committee on Procedure and House Affairs concerning the membership of the special committee on the Canadian mission in Afghanistan be deemed tabled and concurred in.

• (1510)

The Speaker: Does the hon. member for Elgin—Middlesex—London have the unanimous consent of the House to propose this motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

Privilege

The Speaker: I declare the motion carried.

(Motion agreed to)

* * *

PRIVILEGE

PREMATURE DISCLOSURE OF A PRIVATE MEMBER'S BILL

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC): Mr. Speaker, I rise on a question of privilege with respect to the premature disclosure of a private member's bill.

On September 22, 2010, the hon. member for St. Paul's gave notice of a bill entitled, An Act to amend the Statistics Act (mandatory long-form census).

On September 23, 2010, the hon. member for St. Paul's posted a copy of her draft bill on her blog, the website of which I cannot name in this House because it contains the member's name.

The hon. member for St. Paul's only introduced the bill this morning in the House of Commons. I will provide the Speaker with a copy of the draft bill, which is available on the member's blog.

Rulings clearly state that the premature disclosure of a bill on notice is a clear breach of privileges of this House. On March 19, 2001, the Speaker ruled:

The convention of the confidentiality of bills on notice is necessary, not only so that members themselves may be well informed, but also because of the pre-eminent role which the House plays and must play in the legislative affairs of the nation.

On November 5, 2009, the Speaker ruled:

Prior to giving notice of a bill, a minister or a private member developing a legislative initiative is of course free to discuss the proposal with anyone, but the House has the right to have first access to the text of the bill once it has been placed on notice. The specifics of a bill, once it has been placed on notice, should remain confidential until the bill is introduced.

A premature disclosure of a confidential bill on notice by the hon. member for St. Paul's is an abuse of the privileges of the House. Members will know that the colleagues of the hon. member for St. Paul's have repeatedly emphasized the importance of this matter.

On October 22, 2009, the hon. member for Beauséjour stated that the premature release of a bill is a “fundamentally unfair contempt of Parliament” and “a very serious matter”.

The hon. member for Scarborough—Rouge River stated:

The issue raised here, with respect, is not about embargoed copies....It is about... pre-empting the role of Parliament...about a bill before it is introduced in the House.... We in Parliament cannot let that happen.... [H]opefully, an appropriate committee can deal with this if, Mr. Speaker, you feel you cannot.

On October 27, 2009, the hon. member for Wascana expressed concern about the premature release of bills encroaching on the privileges of members.

The matter I have brought before the House, in my view, constitutes a clear question of privilege.

Mr. Speaker, if you find that there is a prima facie case of privilege, I would be prepared to move the appropriate motion.

Privilege

Hon. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, I thank the hon. member for the advice.

I think in 2010 it ought to be possible for members of Parliament to put a draft of what they are thinking about on their website for feedback from their constituents and from experts.

I will take it under advisement, but I think it is time that we moved into an era of consultation with our constituents. This was merely a draft that we placed on my website in order to get feedback at that time.

I will take it under advisement with the House leader. If the Speaker would like me to remove it from the website so that it does not predate the different bill that had my name on it this morning, then I will take the Speaker's advice.

Mr. Tom Lukiwski: Mr. Speaker, there is nothing to take under advisement. The rules are clear. It seems that the hon. member for St. Paul's is arguing that there should be two sets of rules: one for the rest of Parliament, and a separate one for the Liberals.

It seems that the hon. member for St. Paul's is arguing that they are in effect above the law of this place. It seems that the hon. member for St. Paul's is arguing that the Liberal Party should be entitled to its entitlements.

Practices and procedures of this House apply to all of us equally, not just to the Liberal Party and certainly not just to the hon. member for St. Paul's.

There is nothing to be taken under advisement. The facts are clear. The precedents are clear. I ask for your ruling expeditiously on this matter.

• (1515)

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, one of the issues, factually, is probably whether or not this bill was on notice or not in the House.

I am sure all agree that the purpose of the House is to call the government to account, so the procedural rules involving government bills should be subscribed to religiously. I am quite sure it is not the role of the House to call individual private members to account.

There may be in the interpretation of the rules some need to distinguish and some appropriateness in distinguishing between private members' business and government business.

Mr. David McGuinty (Ottawa South, Lib.): Mr. Speaker, building on my colleague's comments just moments ago, I think there is a distinction to be drawn between government bills and private members' bills as he has rightly pointed out.

There is the outstanding question of notice and when that took place in fact. There is also the question that stands in terms of the accuracy of the text in two places that the member has cited.

With respect to your ruling and your examination in this matter, Mr. Speaker, I would also put to you, it has been the practice of the government to, for example, release financial updates on a regular basis outside of the House of Commons. Since their arrival in government, the Conservatives have been releasing documents as a matter of course in town halls, in public places outside of the House.

It builds on a tradition which that party began in the province of Ontario when it released budgets in car parts factories, for example.

We have to take a look at this in the fulsome and the wholeness of the pattern of conduct in the House. Mr. Speaker, I put it to you that you might want to consider some of these points in your deliberations.

Mr. Tom Lukiwski: Mr. Speaker, I thank the hon. opposition House leader for his comments, but I will have to correct him in two places.

Mr. Speaker, you yourself ruled on November 5, 2009 that not only a government bill but a private member's bill must be tabled in the House before it is released to the public.

Also, the opposition House leader seems to indicate that there is a difference in the text of what appeared on the website of the member for St. Paul's and the text of her private member's bill that was tabled in this House just today. I have copies of both, which I will bring to your attention. They are identical. What was contained on the member's website was the bill that she introduced today. That cannot be allowed to occur.

Again I ask you, Mr. Speaker, to please carefully examine this and to make your ruling as expeditiously as possible.

Hon. John Baird (Leader of the Government in the House of Commons, CPC): Mr. Speaker, I appreciate the comments from my friend from Ottawa South. He mentioned releasing economic updates, the action plan and the like, outside of this place.

Of course, the motion adopted by this House, moved by the member for Etobicoke—Lakeshore, and coincidentally seconded by the member for St. Paul's, said that on the condition that the government table reports in Parliament no later than five sitting days before the last allotted day in each of the supply periods ending March 26, 2009, June 23, 2009 and December 10, 2009, and obviously we are past that. That is why it was not tabled in the House.

Hon. Carolyn Bennett: Mr. Speaker, I would just like to inform you that when the bill was placed on my website, it was for feedback and input. It was not in its final form. My name was not on the bill. It was a draft, as we had hoped. Today we tabled a bill very similar but in its final form today. It was not last week. It was out for consultation.

The Speaker: I will be glad to see the papers that the parliamentary secretary is bandying about on this subject and examine them. If I can find the website in question, I will see if I can look at that. I am not good at this sort of thing, but my staff can assist in that. I will try to get back to the House as expeditiously as possible to cheer everybody up on this subject.

*Government Orders***GOVERNMENT ORDERS***[English]***CANADA-PANAMA FREE TRADE ACT**

The House resumed consideration of the motion that Bill C-46, An Act to implement the Free Trade Agreement between Canada and the Republic of Panama, the Agreement on the Environment between Canada and the Republic of Panama and the Agreement on Labour Cooperation between Canada and the Republic of Panama, be read the second time and referred to a committee, and of the amendment.

The Speaker: The hon. member for Burnaby—Douglas had the floor before question period and he has 15 minutes in the time remaining for his remarks. I therefore call upon the hon. member for Burnaby—Douglas.

Mr. Bill Siksay (Burnaby—Douglas, NDP): Mr. Speaker, I am pleased to resume my remarks on Bill C-46.

I was going to provide a description of the current situation of trade between Canada and Panama. As of 2007, the two-way merchandise trade between Canada and Panama totalled a modest \$149 million, including \$128 million in exports from Canada to Panama, and \$21 million in imports to Canada from Panama. Panama at the time was Canada's seventh largest export destination in Central America and the Caribbean and Canada's 12th largest source of imports from that region.

As for the export category, what Canada sends to Panama, the key piece in the last years has been flight simulators and parts. Next would be medications and other pharmaceutical products, then machinery and equipment and electrical/electronic products, followed by agricultural goods and food products, malt, pulses, potatoes and meat, and finally paper products and aircraft.

The imports that Canada received from Panama in 2008 were heavily concentrated in a couple of areas. The key one was crude oil and refined petroleum products. In 2008 more than one-half, 55% or \$11.7 million, of Canada's imports from Panama consisted of refined heavy oil. In recent years crude oil has made up as much as 86% of Canada's imports from Panama. After crude oil and refined products imports, Canada has imported small amounts of tropical agricultural products such as bananas, melons and coffee and some silver ore. Those were the key imports from Panama to Canada.

Panama is not a major destination for Canadian direct investment abroad. Canadian direct investment in Panama totalled \$111 million in 2006, falling from \$143 million in 2005. Panama's modest source of direct investment in Canada with foreign direct investment stocks was \$50 million in 2008. With regard to services, trade in services between Canada and Panama is negligible.

That gives us some sense of the trade situation currently between Canada and Panama. It is not a big player in terms of our export business, or imports to Canada.

There are some particular problems with the deal between Canada and Panama that we are being asked to ratify in Parliament. One of them is labour standards. We have heard a lot about that in the debate so far.

Panama's record on labour standards is not great, to put it mildly. The International Labour Organization, the ILO, has raised concerns about whether workers in Panama's export processing zones actually have the right to strike, even though unions and collective bargaining are permitted. The laws establishing and regulating these export processing zones in Panama do not include arbitration or specified procedures to resolve labour disputes. There are some problems with the existing labour laws in Panama and they need some attention.

Furthermore, there has been a record of violence against union organizers, union members and labour leaders in Panama. Labour leaders have been assassinated while demonstrating and working for workers' rights. Notably, in 2007 two members of the construction union were killed. Just this past summer anti-union repression escalated in Panama with the result that several workers were killed, over 100 were injured and 300 were arrested. There is a serious problem with anti-union and anti-worker violence in Panama.

This free trade agreement with Panama would provide a maximum government fine of \$15 million for labour violations to the side agreement on labour. However, these fines are likely to be very difficult to collect and even if they are collected, they are paid to a joint commission to improve labour rights enforcement in Panama, which could also allow them to be funnelled back to the government of Panama.

A fine for the violation of labour rights in this scenario is then to be used to help the government do what it should have been doing in the first place. It does not seem like much of a punishment for the failure to respect labour laws and workers' rights to be forced to pay oneself a fine, essentially, and do what one should have been doing in the first place. This is an ineffective mechanism to enforce this side agreement on labour that is part of this agreement.

● (1520)

In this House in the past, when we were debating the Canada-Colombia deal, we talked about the side agreement on labour but that deal amounted to nothing more than a "kill a trade unionist and pay a fine" kind of agreement. It seems that this deal is no different as it follows the same pattern as the Canada-Colombia deal.

There are very serious problems with recognizing labour rights, respecting the rights of workers in Panama and providing any effective mechanism to uphold what has been negotiated as a side agreement. As we have pointed out many times, if labour rights and the recognition of workers' rights in Canada and Panama are important to these deals, then they should be part of the main agreement and not hived off to a separate side agreement with ineffective enforcement procedures in place.

Government Orders

There is also a concern about child labour in Panama. Poverty is a huge issue in Panama. Many people have very low income; a dollar a day in many cases. The United Nations radio reported that 55,000 children have dropped out of education to go to work because of extreme poverty. That report came out earlier this spring. Many children in Panama are not in school and the prime cause of that is the need for them to go to work. They leave their education and go to work at a very early age.

The Panamanian government reports that 114,168 children between the ages of 5 and 17 are working in Panama, most often in agriculture. In a country of just over 3 million people, over 114,000 children between the ages 5 and 17 working because of the poverty in which their families live is a huge number. This has increased from 2008 when 89,767 children in this age group were working.

Clearly, the efforts that the Panamanian government have agreed to undertake to make universal education available to children and to ensure that child labour is no longer an issue in Panama is not working. The efforts to get children out of the workforce and into school are not working.

We need ask whether that is the kind of country with which we want to enter into a trade deal. Is that the kind of country that we want to reward with special trade arrangements when it is not making progress on this kind of very serious child labour issue?

We have also heard a lot of serious concerns raised in the debate about entering into a free trade agreement with a country that is a notorious tax haven and a centre for money laundering. Panama is regarded as a tax haven by the Organization for Economic Co-operation and Development, the OECD, as well as several other countries, including the United States. In 2008, Panama was one of 11 countries that did not have a tax information exchange agreement signed or enforced. Panama is one of only three states, with Guatemala and Nauru, that would not share bank information for any tax information exchange purpose.

This situation led the OECD, back in 2000, to blacklist Panama as an unco-operative tax haven. In response to being blacklisted, the Republic of Panama wrote to the Secretary General of the OECD in 2002 with a commitment to meet the OECD's standards for transparency and information sharing so that it would no longer be considered a tax haven. The OECD has responded to that commitment and, I think, has bumped Panama off the blacklist and onto the so-called grey list. However, Panama has not followed through on that commitment.

Panama has not, to date, substantially implemented the internationally agreed tax standard to which it committed in 2002. That standard would have obliged Panama to share information upon the request of other countries such that those other countries could effectively implement their domestic tax laws.

• (1525)

Panama has gone from the blacklist to the grey list with a commitment to improve things but has done nothing about making those improvements. I have to wonder whether or it is not destined to be back on the blacklist before too long.

This has been an issue for the American Congress, which is looking at a trade agreement with Panama as well, and where that deal has also been delayed because of problems with the deal. U.S. Congressman, Michael Michaud, put it this way. He said:

Panama's industrial policy is premised on obtaining a comparative advantage by banning taxation of foreign corporations, hiding tax liabilities and transactions behind banking secrecy rules and the ease with which U.S. and other firms can create unregulated subsidiaries. According to the State Department, Panama has over 350,000 foreign-registered companies.

The congressman points out a very serious problem with the legislation in Panama that allows it to be this kind of tax haven.

We need to ask whether we really want to be signing a trade agreement with a notorious tax haven and centre for money-laundering.

Again, the U.S. Department of Justice notes that Panama is a major centre for money-laundering related to the drug trade and in fact there have been very serious concerns raised about the Colon Free Zone in Panama being linked to trafficking of drugs and other illicit substances.

The International Monetary Fund notes that the Colon Free Zone is a centrally located transit area for drugs. It is a very serious accusation coming from a respected international agency and one that we should be taking into consideration as we look to negotiating a deal with this country, in a sense rewarding the country with this kind of deal. There is no doubt that the government of Panama will trumpet its success in obtaining a deal with Canada and, given the very serious problems, do we really want to make that something easy for it to do?

I think all Canadians believe that the wealthy and big corporations should not be able to avoid contributing their fair share to the development of this country. They should be paying their taxes. Should we be dealing with a country that makes it possible for them to avoid paying taxes by operating as a tax haven? I am sure that most Canadians would answer very clearly that it is wrong and that we should not be entering into an agreement with a country that has not cleaned up its act on that score.

There is not a word in this agreement about the tax haven situation and not a word about correcting this failure to exchange tax information with other countries. Today in question period we heard the Prime Minister say, very clearly, that the government had no tolerance for tax havens. I have to say that we would not know it by the fact that we have this agreement before us. The government is proposing that we enter into an agreement with a well-known and notorious tax haven in the Republic of Panama and it has put this agreement forward without any mention in the agreement of dealing with that issue. It is a very serious problem.

Government Orders

New Democrats are not opposed to trade. We are not opposed to fair trade deals. We want to ensure that Panama meets its international commitments and that it continues to develop, but this trade deal is not the mechanism to ensure that. We are not talking about ending our relationship with Panama. We are not talking about ending the trade that exists there or looking for other opportunities to expand that trade. We are not talking about ending diplomatic relations with Panama. However, what we are saying very clearly is that this deal does not meet the kinds of standards that Canadians would want us to uphold. Canadians would want to ensure that it was a fair agreement for Canadians and for Panamanians. Unfortunately, this agreement does not meet the test and, therefore, we cannot support it.

• (1530)

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, I listened with great interest to my hon. colleague outline the problems with this existing trade deal.

The issue here is that Canada has such a role to play internationally and with trade in terms of setting benchmarks, that we can actually begin to see development happen in many countries with troubled pasts, such as Panama and Colombia. We can do that by entering into trade agreements where we actually set some basic principles that have to be met, because it would certainly be in a country like Panama's interest to get the legitimization of a trade deal with Canada.

I am very concerned about the attitude of the Conservative government, which is a complete laissez-faire, roll over for whatever capital wants. In previous trade agreements it has turned a blind eye to the environmental devastation and to the horrific murders, for example, in Colombia of trade activists. In Panama, we have the issues of tax havens and the very dodgy banking practices that the government claims Canada does not support but has made no effort under this trade agreement to push back.

What does my hon. colleague think the implications are of Canada legitimizing an agreement with a country with excessive banking secrecy and the known money laundering that goes on, and how that plays out in terms of actually being able to develop a progressive agenda for a country like Panama?

• (1535)

Mr. Bill Siksay: Mr. Speaker, clearly, if the corporate sector and the wealthy are not paying their fair share of taxation in any country, in Canada or in Panama, then there is a huge gap in what is available to the government and to the people of that country to improve their situation and deal with the developmental issues that they face.

We face that here in Canada. We make difficult choices about how we use our resources, where those resources go and the kind of revenue the government has available to do that important work, but when wealthy individuals and big corporations are allowed to avoid paying taxes and to ship their money offshore into a tax haven, it gets even worse and it exacerbates all of those problems.

It is not an appropriate way for us to behave and it is not an appropriate way for Panama to behave. Panama has not responded to the international pressure that it has received to clean up its act on this part. There is no way that we should be entering into an agreement with a country that has been reticent to do that and has

outright refused to do that. It has made absolutely no progress toward those goals.

It would not serve our people and it would not serve the people of Panama to enter into that kind of agreement and reward a government that has refused to work on those important issues.

Mr. Kevin Sorenson (Crowfoot, CPC): Mr. Speaker, again today we have listened to members of the New Democratic Party stand in this House and debate against more open trade, more free trade and, indeed, more trade. I have been here 10 years now and I have never once heard the New Democrats stand and endorse any trade agreements that we have made. Their talking points remain the same. They always stand and say that they are not opposed to trade, just not this agreement, that they are not opposed to trade, that they just want fair trade.

This agreement has moved Panama into a position where now it has to look at environmental practices. It has to better the environmental practices that it has at the present time. It has taken the labour agreements that we have and put in place such things as the abolition of child labour and bans against those sweat shops.

Those are some of the issues that, in the past, that party has stood and debated against. That is what these side agreements deal with. They deal with the right of the freedoms of association.

Another speaker, not the last one, wanted to know why we would even bother moving toward a free trade agreement with such a small country. It is obvious. We are committed to enhancing trade agreements. We are committed to more free and fair trade agreements. We are committed to the Americas, to South America and Central America. We have trade agreements with Colombia, with Chile and with many other countries, and Panama is there.

Why are they opposed to Canada being able to—

The Acting Speaker (Mr. Barry Devolin): The hon. member for Burnaby—Douglas.

Mr. Bill Siksay: Mr. Speaker, Panama has shown itself to be very resistant to influence from anybody with respect to cleaning up its act in some of these areas. It has resisted the International Labour Organization. It has resisted the OECD. It has resisted the United States in terms of cleaning up its act on tax havens.

Why does the member think that this agreement with Canada and the side agreement on labour, weak as it is, will somehow have any influence over the Panamanian government whatsoever, when it has resisted big international agencies and has resisted the United States, with which it probably has a far more significant trading relationship than it has with Canada? It is just not in the cards.

It is patently silly to suggest that what we have before us would in any way influence the government of Panama to clean up its act. The government of Panama has committed to reducing child labour and to ensuring that children have education. However, in the last year alone, 20,000 more children between the ages of five and 17 have joined the labour force in Panama. Panama is not meeting its obligations.

Government Orders

What does the member think is in this agreement that will magically force Panama to meet those arrangements, when all of these other agencies and countries have failed to do that? There is nothing here that is going to move Panama forward on that.

This agreement is weak from the beginning. It is not going to lead to any improvement in those serious areas.

● (1540)

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, I listened to the Conservative position. The government's position is that it will sign a trade agreement, that it will be able to extract resources from Panama, and that somehow, the world will be better, but it will not ask for any firm commitments.

I want to go back to the issue of the tax havens and Panama's very dodgy and secretive banking record, especially given how much narco-money is moving around and being laundered in that part of the world.

The Public Citizen, out of the United States, in its trade campaign said that it is critical that any free trade agreement with Panama “must be conditional on the country's government eliminating excessive banking secrecy, re-regulating its financial sector, forcing banks and multinational subsidiaries to pay taxes, and signing international tax transparency treaties,” such as exist in the United States, “which Panama has thus far refused to do”.

We hear the Conservatives talking out of both sides of their mouth.

The government was in the process of deregulating our banking sector and was caught by a massive recession. Fortunately, because of New Democrats' efforts through the years to stop them from deregulating the banking sector, we still actually have banking rules. Now we hear the laissez-faire minister of the economy go on and on about how we have a regulated banking sector.

Why does the member think the government is saying that it is perfectly okay to sign onto deals with a country that has absolutely dodgy banking practices?

Mr. Bill Siksay: Mr. Speaker, I do not think I am any expert on understanding the mind of a Conservative or a Conservative government or someone who is negotiating these deals on behalf of the Conservative government. There is a real problem with the whole approach.

New Democrats have been very clear. We have put forward a five-point plan on how we believe fair trade deals can be negotiated. It is a very detailed and clear plan.

We have also put forward a plan on how we can test and understand the effectiveness of trade deals and how those trade deals are working out. Our plan includes performance indicators that would tell us how those deals are working out. There is a long list of them.

The government should be examining standards that are already in place that deal with the quality of employment; the impact on wage levels; prices and market concentration, including the effect of currency manipulation; public health; environmental standards; human rights standards; the level and types of investment by industry; economic diversification; food self-sufficiency; consumer

safety; the effect on farms and the number of farms; access to essential services; the fiscal system; and intellectual property and copyright.

We should be examining all of those things in light of the deals we have already signed to make sure that we are doing the right thing and that these deals are fair, both to the people of the countries we signed the deals with and to Canadians.

The Conservatives are not doing any of that kind of work. They stand up and say, “It is a free trade deal, it is great, hurray.” They say that all the time. We do not have proof. We do not have the proof that they are increasing trade, and we do not have proof that they are meeting any of these indicators. We need that. The government needs to do its homework. Otherwise, it is just a lot of hot air.

* * *

PRIVILEGE

PREMATURE DISCLOSURE OF PRIVATE MEMBER'S BILL

Hon. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, I rise on a point of order. In relation to the issue raised by the Parliamentary Secretary to the Leader of the Government in the House of Commons, I have looked at the document, and I believe that inadvertently, I placed it on my website in advance of it being received in the House.

I would never do anything purposely to go against the rules of this place, and I apologize to the House for this inadvertent action on my part.

● (1545)

The Acting Speaker (Mr. Barry Devolin): Thank you. Resuming debate, the hon. member for Davenport.

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CANADA-PANAMA FREE TRADE ACT

The House resumed consideration of the motion that Bill C-46, An Act to implement the Free Trade Agreement between Canada and the Republic of Panama, the Agreement on the Environment between Canada and the Republic of Panama and the Agreement on Labour Cooperation between Canada and the Republic of Panama, be read the second time and referred to a committee, and of the amendment.

Government Orders

Mr. Mario Silva (Davenport, Lib.): Mr. Speaker, as a member of the international trade committee, I am pleased to speak on behalf of Bill C-46, the Canada-Panama free trade agreement. As we will be studying the bill in committee, I think it is very important to listen to the debate and the concerns of members in the House. However, it is also important to get the bill to the committee so that we can hear from our constituents, from the communities that are concerned, and from different stakeholders. I think the appropriate way to deal with issues of concern in the House is to have the committee study, consult, meet with our stakeholders, and have a full discussion. That is why I am supportive of the bill, but there are also many things I believe very strongly we should be pursuing as we move forward with this particular agreement, which Canada entered on May 14, 2010.

As we are all aware, Canada is a trade dependent nation. Although 70% of our trade is with the U.S., there is a growing need for us to diversify our trade with our partners throughout the world. The Americas are a growing market. They are our neighbours, and it is an area we have to focus on. We have, over the last few years, been focusing on the Americas.

Mr. Speaker, 80% of our economy depends on access to foreign markets for Canada's exports. I support this initiative, because I think it will improve Canadian businesses' access to these different markets.

In 2009, we exported about \$90 million in goods to Panama, and we imported about \$40.7 million. Bilateral trade in total was about \$132 million. It is small. Panama is a country of a little over 3.3 million people, and it has a relatively small GDP of about \$38 billion. However, it is an important country in that region, and not just because of the strategic importance of the Panama Canal and the investment that has been made in the Panama Canal. It is also a hub for business in commerce. It is a stable country and is a partner with Canada.

We have to recognize the fact that Panama, given its long, turbulent history, has become, over the years, a very stable and progressive economy, and it is looking for partners throughout the world. Certainly other countries have made inroads into Panama. It is only fitting that Canada, as well, would want to be a partner in that economic growth.

I would say that the growth in Panama has been nothing but phenomenal. The GDP grew by about 10.7% in 2008. That was one of the highest in the Americas. The projected rate of increase for the GDP this year is about 5.6%. These are impressive numbers given what has happened globally during the incredible economic crisis facing the world. We see a country that has really withstood the recession and the economic crisis and has moved beyond and exceeded most developed countries. We are very pleased to see that a country like Panama, in which we have taken an interest, is doing extremely well. It bodes well for the future of Panama and for our trade agreement, which can grow and provide our businesses in Canada with access to Panama.

I just want to focus on some of the issues that will be of concern and that need to be raised, particularly in terms of the issues that will be affected by this particular trade. The primary Canadian merchandise exports to Panama include machinery, vehicles,

electronic equipment, pharmaceutical equipment, pulses, and frozen potato products. Canadian service exports include financial services, engineering, and information and communication technology services. Merchandise imports from Panama include precious stones and metals, mainly gold; fruits and nuts; and fish and seafood products.

• (1550)

There are a variety of different products we would engage with. As I said, it is a relatively small economy, but it is one that is growing. We need to ensure that we are part of that growth and that Canadian businesses share in the profit from that growth.

The Panama Canal is at the moment going through a major investment. It is a passageway for thousands of vehicles each year and plays a tremendous role in international commerce and the world economy. It is a vital, strategic canal that is expanding. It is slated to be completed in 2014. That project alone is an \$5.3 billion expansion.

It is expected to generate opportunities for Canadian companies in construction, environmental engineering, and consulting services for capital projects. We have a great opportunity to play a major role in the expansion of the canal. Canadian companies can have a stake and would profit from this particular expansion.

Some of the issues that will be covered by this free trade agreement with the Republic of Panama include market access to goods and cross-border trade in services, telecommunications, investment, financial services, and government procurement. These are some of the basic issues we will be dealing with.

The deal will have the added benefit of eliminating about 99% of tariffs on current imports from Panama. It will also address non-tariff barriers by adopting measures to ensure non-discriminatory treatment of imported goods and the promotion of good regulatory practices, transparency, and international standards.

As several members in the House have stated, there are also side agreements on both labour and the environment. These agreements would be signed with the Republic of Panama. They will cover issues such as the right to freedom of association, the right to collective bargaining, the abolition of child labour, the elimination of forced or compulsory labour, and the elimination of discrimination. These provisions in the side agreements that would be signed by the two countries would in many ways ensure that both Canada and Panama have a stake in the development of human rights and labour rights in that country. We would be a partner to make sure that they were in compliance with those international obligations. Canada would not just be signing a free trade agreement with Panama. As a country, we would also have a duty and an obligation to make sure that the particular provisions that specifically deal with labour and environmental issues are, in fact, enforced. This is not just a moral obligation; it is a legal obligation on the part of Canada to ensure that if this agreement is enacted, those provisions will be looked at.

Government Orders

Although I support where this is going, I think we need to move forward with more robust and comprehensive free trade agreements with some of our larger partners, and not just the European Union, with which we are presently negotiating. The European Union is a very important market, and there is probably very broad support in the House to move forward with that agreement.

There are also countries that play a major role internationally. Two I would like to speak about are Brazil and India. They are important partners for Canada, and we need to move forward with some type of free trade agreements. Brazil, as we know, is a dynamic and growing economy in our hemisphere. It has a very young population and a large and growing middle class. It will also be hosting both the Olympics and the World Cup.

• (1555)

There is an incredible boom of investment in that country. Over the next 10 years, it will be over \$100 billion. We would like to be there to ensure our construction contractors, engineering companies and different sectors of the Canadian economy play a major role with the growth in that economy. Not only stadiums and new facilities are being built, but a fast-rail link and a new metro system is as well. There is incredible opportunity for us to show Canadian know-how in a very dynamic country like Brazil.

India is the largest democracy and Canada has a very large Indian diaspora. India is growing, not just in south Asia, but across the world. It has a major influence in buying companies, certainly in the area of high technology and engineering. It is playing a major role internationally and we are very proud to see the success of that country.

India is a partner of which Canada is very proud. Yesterday the minister mentioned that he had an opportunity to meet with his Indian counterpart last Friday in Parliament. I believe he had an opportunity to discuss the possibility of some type of free trade agreement in the future. I would encourage Canada to move in that direction.

I mention those two countries because they are very large and substantial countries. We need to move forward beyond agreements with important countries but small ones. We are talking small in comparison to Brazil and India. We have signed other deals with Chile and we are now looking at Jordan. These are important countries, but nothing to the size and scale of those two superpowers of both Brazil and India.

This is where we as parliamentarians have to make a decision. I do not see what good would come out of a delay of six months to be honest. The appropriate thing to do is to move this forward to committee so that I, as a member, and other members of the committee have an opportunity to hear from stakeholders. That is the reason why I would like to support the bill and move it forward. I encourage other members to do so.

The time is now. I do not think by delaying it six months, I do not think much can be achieved. The appropriate place to raise these issues is at the committee level. There is a lot here that I have already raised and enunciated from this agreement, which merits it going forward to committee.

Mr. Gerald Keddy (Parliamentary Secretary to the Minister of International Trade, CPC): Mr. Speaker, I think everyone in this place would recognize that the member's intervention was in stark contrast to much of what we have heard from the NDP and from the Bloc Québécois. I applaud him for the fact that he is willing to discuss this in a reasonable and intelligent manner. He contributes in a positive way at committee as well.

First, we have to get this to committee. We have to take a much more thorough and in-depth look at it. I think we are all satisfied to do that.

However, what I do not understand is why the NDP members would put a hoist motion onto this trade agreement. They do not support any trade agreement, so it is no surprise they do not support this one. However, a hoist motion effectively kills the bill. It does not just set it aside for a period of time. As anti-trade as that group is, I do not understand why those members would want to kill the bill.

Mr. Mario Silva: Mr. Speaker, I agree and concur with my colleague. Delaying this for six months does not make any sense. Nor is it of any benefit to Canadians and Canadian businesses. As I mentioned, there is a major expansion taking place in the Panama Canal. We want to be good partners and ensure we are part of that development.

On the six month delay, I am not sure what would be accomplished. If at the end of the day I believed that the NDP would be supportive of this after six months, then maybe I could see it as a rationale, but in reality we all know that is not the case.

I ask my colleagues to move this to where it needs to be, and that is at the committee stage, so we can hear from stakeholders. Right now we are depriving Canadians, Canadian businesses and stakeholders from all communities to come before committee. As parliamentarians, we should give them the opportunity to speak on their issues and concerns.

• (1600)

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, I listened carefully to the member's comments, giving us reason after reason why he thought there was a good economic case to be made for this trade agreement. I do not happen to agree with him, but I want to take my question in a bit of a different direction.

I am aware of the member's constituency. I have spent some time there and know for a fact that when the Canada-Colombia free trade agreement was before the House, there was a public meeting in his riding. It was co-hosted by the member for Burnaby—New Westminster and the NDP candidate in that riding, Andrew Cash. It was a packed hall of his constituents who were opposed to the Canada-Colombia free trade agreement.

One of the reasons they were opposed to it was the free trade agreements were not fair trade agreements. They do not respect environmental protection. They do not respect human rights. They do not respect social justice. In fact, even on economic grounds, as many of the speakers on this side of the House have made clear, they are not economically viable.

Government Orders

When the member says he wants to have consultations in committee, is he willing to have a public meeting in his constituency so he can consult his constituents who seem to share our concern that we should engage in fair trade rather than free trade?

Mr. Mario Silva: Mr. Speaker, I want to assure my hon. colleague that I consult my constituents on a regular basis. In fact, I did that over the summer and spent a great deal of time with my constituents on a whole host of different issues. I also attended different meetings and events with them.

I am proud of my record over the years. I like to take a bit of credit. I have been elected there six times over. I believe I probably know best what is in the best interests of the community of Davenport.

Mr. Dennis Bevington (Western Arctic, NDP): Mr. Speaker, I was very interested in my colleague's point about the need for opening up trade negotiations with larger countries, such as Brazil.

I am interested in that as well because Brazil and many of the countries in South America are forming a common market through Mercosur and are working toward the goals of regional self-sufficiency, national ownership of resources and those types of things.

How would the hon. member see the Conservative government negotiating, with its principles of open markets in every respect, with countries that actually want to follow an industrial strategy, which will leave them in a better and stronger position, as those countries such as Brazil are doing today?

Mr. Mario Silva: Mr. Speaker, I have raised in our committee the importance of that very large giant in the Americas, Brazil. We have done a report on Brazil, but we also want to ensure the government pursues that relationship with Brazil to see if we can get a free trade agreement.

As the member had mentioned, it is complicated regarding the issue of Mercosur. Brazil was one of the founding and largest contributors to that common market. It is moving forward, along with Argentina, Panama and Uruguay. Now I believe Venezuela is also going to join Mercosur.

There is already a partnership and it is probably more complicated to enter, just like there are complications in Canada entering with the European Union, because we are entering it with a larger market. However, it is one that is in Canada's best interests. I would encourage the government to do everything possible with an agreement with Brazil, to see what obstacles are in front of us and if we can all work together to achieve that end goal. Brazil is an emerging market. I very much appreciate the fact that the member had also raised this issue in the House.

• (1605)

Mr. Don Davies (Vancouver Kingsway, NDP): Mr. Speaker, this issue really is not about trade because Canada already trades with Panama. We know that because there is about \$140 million of trade going on between the countries. This issue is about the concept of free trade, which is about the removal of tariffs so goods can pass back and forth between the countries without any tariffs.

My question is about comparing the labour standards between the two countries. It is my understanding that the average wage in

Panama is \$2 an hour. What the bill proposes to do is to let goods that are manufactured in Panama, with a labour input rate of \$2 an hour, to come into the Canadian market and compete against our businesses and our labour force that have to pay a labour rate many times more than that.

Could the hon. member tell us what he says to Canadian businesses that, if the bill passes, have to contend with goods coming into their markets and competing with those with a labour input cost of \$2 an hour, when they have to pay \$15, \$20, \$25 and \$30 an hour? How is that fair to Canadian businesses?

Mr. Mario Silva: Mr. Speaker, I understand the member's question, but I have some trouble understanding in what direction he is going. Is he proposing that Canada should only sign free trade agreements with countries that have the same salaries as in Canada or higher? I am not sure what that does for countries like Brazil. His colleague said that we should probably look at Brazil. We know that the average wage in Brazil is not the same as in Canada.

The reality is we have an opportunity to move forward with a free trade agreement with a country that is stable, that has very impressive growth rates, that can offer opportunities for many Canadian companies to export their goods and trade with that country. Why not support Canadian companies and industries that want to do more business with Panama?

If the member has concerns, he is more than welcome to attend our committee meetings and raise those concerns as well.

Mr. Malcolm Allen (Welland, NDP): Mr. Speaker, I am pleased to join in this debate. I see my friend the parliamentary secretary is here today and participating in the debate. I appreciate that. The member from Crowfoot has been here all day.

Let me acknowledge to both my colleagues, who have said that we in the NDP oppose only the trade deals that the government brings forward, that they are right.

Let me tell the House why. First, we are not debating trade policy. Bill C-46 is "An Act to implement the Free Trade Agreement between Canada and the Republic of Panama". It goes on to talk about environmental and labour side-agreements. We are not talking about debating trade policy from the perspective of what we want to see in that policy. We are talking about how to implement trade policy, how to nip around the edges and tinker with this piece or that piece, adding a word here and deleting a sentence there. Fundamentally, what we are looking at is free trade, full stop.

I would say to my colleagues that if they truly want to debate trade policy with New Democrats, or with me, a member who attends the trade committee 80% of the time, then I would suggest that we debate trade policy. Let us not debate implementation of free trade, which is a fait accompli. The government is not interested in talking about trade. It is interested only in talking about free trade. Free trade is one of the many aspects of trade policy: whether it is called fair trade, which I would suggest is significantly different from free trade; whether it means trade agreements like those we see in the Mercosur that Brazil has with its neighbours; or whether it is EU trade through the EU trade division. There are a great number of agreements across this globe that we have neglected to look at because are fixated on free trade.

Government Orders

Why we are fixated on only one aspect is beyond the comprehension of this member. Ultimately, when we look at the stats for those who are trying to work in this country, we see the poor staying as poor as they were, getting no further ahead.

Brian Mulroney said that this country would never be recognized again if we implemented free trade. So he did. He was right. We do not recognize this country.

Members can come down to Welland and take a look at where this policy, with its promise of the return of manufacturing and replacement jobs, has now taken my town. In 13 years, in terms of earnings per worker in Ontario, it has gone from third highest to almost the lowest, courtesy of free trade.

Of course, the government and the Liberals would have us believe that we were winners under the free trade model. What do we see for middle-income workers? Their income has come down 5% over the last 15 years.

I am not sure how mathematicians make minus five a plus. I know in the old days minus five and minus five gave plus 10. All I know is that when a person has a job that used to pay \$22 an hour and now that person is working for \$14 and the person's mortgage is still the same, that person is not better off, but worse off. If that is the minus 5%, then workers in my riding did not benefit from free trade. Yet we insist on talking about it.

The Liberals insist that we are in the way and will always vote against it. Of course we will, because it does not help workers. It does not help average Canadians. It does not help the middle class. It only helps 1% of the richest folks in this country, who are getting richer and richer by the day.

The government and the Liberals seem to have a red-blue alliance. We might call it a coalition, but they have not formalized it yet. I would encourage both parties to bring forward an open trade debate, so that we can talk about different trade policies. Let's see if we cannot find a way to make Parliament work. Let's see if we can compromise and find a trade policy that works for everyone across this country.

• (1610)

Ultimately, it is not about building trade policies for Panama, Colombia, Jordan, or anywhere else in this world. It is supposed to be about Canadians. We are supposed to develop trade policy that benefits Canadians. That is who we represent. We do not represent Panamanians, or Jordanians, or Colombians. Our role is to protect our citizens, and part of that protection is the viability of the economy. Canadians need work. When folks are not working, they are either unemployed, on social assistance, or out on the street somewhere. Our responsibility is to ensure that this does not happen to them.

I would encourage the blue-red alliance to come forward with a debate about trade policy. Then we can move away from this fixation of one-size-fits-all. We are told that we are all doing well. But we are not doing well at all.

The rebuttal will be that this is not true. I invite members to look at the StatsCan reports and read the quintiles, as it calls them. They show where folks are in the economic scheme of things. It is ironic

that when the Minister of International Trade spoke at an event organized by the Fraser Institute, the Vancouver Sun said that the trade minister "appeared amused at the diplomatic necessity of avoiding the term "free trade" when negotiating with the Europeans". This from a government that comes in the House and waves the flag of free trade and says all is wonderful. Yet when the minister goes to Europe, we have to call it a "comprehensive economic trade agreement". Why is that?

If the government is certain that free trade is the be-all and end-all, then why can't the minister go to Europe and say that, although it might not translate well into French, German, or Belgian, the bottom line is that free trade is wonderful and we should simply call it what it is. Maybe it is because the Europeans do not agree that free trade is the be-all and end-all, and they want to talk about something else instead. This raises an interesting question. If this is the case for the bigger group, why not for those elsewhere?

As we look at the free trade policy, we see, starting in 1995, the gutting of manufacturing in the heartland of this country. Anyone who does not believe it should come to the auto sector today. St. Catharines had 11,000 workers in 1993; now it has 1,800. Where did those jobs go? The vast majority went to Mexico. In 1990, General Motors employed about 2,500 workers in Mexico. By the late nineties, there were some 40,000. There were less than 20,000 in Canada. It used to be the reverse.

When we opened up free trade in the North American Free Trade Agreement, we saw an outpouring of manufacturing jobs by multinationals in Ontario and Quebec. Those of us who live there, who represented workers, and who represent workers today have continued to see it. Whether it is the manufacturing of automobiles, steel, or chemicals, that is the way free trade has been for workers. If they have kept their jobs, they have seen their wages decline. They are told they must compete with Colombians, Panamanians, Mexicans, and everywhere else that fell under free trade. Companies told workers that if they could not compete with them, their jobs would be moved.

In 2008, just prior to the last federal election, a John Deere subsidiary went to workers during bargaining and said they had to deal with free trade. I know this to be true, because it is my union that represents those workers.

• (1615)

The company told those workers that they needed to understand that it could be moved to the States or Mexico. The subsidiary told the workers that they had to bargain a collective agreement that showed an understanding of free trade.

The Canadian Auto Workers is a responsible union. My brother from Quebec knows this; he is a Quebec director. He knows how responsible that union is.

Government Orders

In 2007, we bargained a responsible agreement with John Deere that said we would protect those workers. We would make sure they were not affected by free trade and that they had offsets for the company.

What did the company do in 2008? The company closed the plant, moved to the United States and Mexico, and destroyed 800 families. What did the company get in that one year period? It managed to pay lower wages, lower pensions, lower benefits. They got a cut rate for a year and then they deserted the community and the workers.

We saw the same thing at Atlas. We saw the same thing when it came to UCAR. We saw it right across the manufacturing heartland of this country.

Free trade does not work for workers, period. It does work for some folks who bleed workers dry and then discard them.

The most recent example of how free trade works is J.M. Smucker's, a big multinational company out of the United States. It just closed.

Those who like Bick's Pickles should know that as of next year a Canadian-made Bick's pickle will not be available. The plant will be closed in 2011. What will that mean for 150 workers at Bick's? It means they will have no job. What will this mean to the hundreds of farmers in southern Ontario who supply the ingredients for these pickles: the cucumbers, the tomatoes, the onions, the cauliflower? It means they will have no market for their goods. What will they do? I guess my friends on the other side will tell them that it was free trade and it was good for them.

As we move products to free trade regimes that do not have the same food inspection standards, will we know what we are buying? The CFIA's audit says we will not know what we are getting, because there is no common standard of inspection from country to country. We have equivalency inspections with a few countries in four significant areas, but pickles is not one of them.

For those who enjoy the Bick's Pickle brand, after November 2011, I would suggest they check the label. The ingredients will not be Canadian. I would suggest checking where they come from, because they might not have gone through the same inspection equivalency. That is shameful, but that is what free trade gives us.

Is that really what Canadians are asking for? In my constituency, the answer is a resounding no.

Workers get the message on free trade. They are either working for less than they did before or they do not have a job at all.

The Conservatives keep foisting this red-blue alliance on the workers of this country. The whole thrust is that free trade is good for them, when the evidence clearly demonstrates that it is not. They are worse off than they were in 1995. It is an abomination. I do not understand how anyone can stand up and try to tell us that things are better, when those of us who represent workers know that it is not true.

Why do we do this? I am not sure. I have sat on the international trade committee for the best part of a year, and I have yet to hear a compelling argument, unless we are talking about protecting the wealthiest folks in this country and allowing big corporations to do

whatever they want. If that is the argument, fine. I understand that, because it works for them.

Free trade clearly works for large multinational corporations. It works for those who service them, like trade lawyers and accountants. Large corporations need a support system to keep them alive. Ultimately, those businesses are doing okay. But the workers inside those businesses are not doing well.

• (1620)

So in this whole sense of keeping on doing the same old, same old, one would have thought that after we got beat up on chapter 11 from a number of places we would want to strike that out. But, no, we keep leaving it in there, the old chapter 11 under NAFTA, not chapter 11 necessarily in this agreement, not the same chapter but basically the same deal. So we can have a company such as AbitibiBowater that sues us for 130 million bucks and we give it to them. Ultimately, that is what we end up with.

Let me just give folks some background about how I used to bargain agreements and what it means when we have a side deal. When the employer and the bargaining unit sit down, the reason they do a side deal is that they actually do not want folks to find it well. That is really what it is about. That is why we do a side deal, because if we were really serious about making sure it was important to us, it would be in the main body of the agreement. That is where the important stuff is, between the first page and the last page, not stuck on the back or stuck off to the side.

Yet, again, even though we had this debate with the free trade agreement between Colombia and Canada on the importance of these international agreements for the environment and with the international labour organizations about labour, as much as our entreaty to the government was that these were hugely important and they should be back in the centre of the agreement, what happened this time? They were off to the side again, with no sense that maybe it was really important and it could be put inside the agreement, built inside. Clearly they do not believe that they are important enough to include in the agreement.

I know some folks will say that it does not really matter because they are there. It does matter. That is why we do the things we do, that is why we include things in a certain order, that is why we have definitions, that is why we have collective bargaining, that is why we do collective agreements, or that is why we do contracts. Lawyers who do them will tell us that it is important where we place them.

What do we see inside the labour agreement? We actually see the ability of the corporation to get arbitration through the Patent Act. However, through the labour agreement, which is a side deal, if workers in Panama want to go to arbitration, they cannot. Think about that. As a worker in Panama, if one cannot get to arbitration, why not? It is a fundamental right, it seems. That is something that we ought to do. Yet we are still not encouraging them to follow through so workers can actually get to a place where they can perhaps seek some form of redress, some form of justice.

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If that is the case, why would we not make sure that those side agreements on the environment and on labour are struck right in the middle? Fundamentally, why do we not just simply have a debate about trade? Maybe if we did that we might find some sort of an agreement, not just with the red-blue alliance but perhaps all the way through with a multicoloured approach.

• (1625)

The Acting Speaker (Mr. Barry Devolin): 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 Notre-Dame-de-Grâce—Lachine, Government Policies; the hon. member for Vancouver Quadra, Offshore Drilling.

Mr. Kevin Sorenson (Crowfoot, CPC): Mr. Speaker, I have been up a couple of times and have gone on about the New Democrats always saying the same things. I do not want to always say the same things, but I will perhaps just make a comment.

One of the things in my riding of Crowfoot that has been always impressed upon me, especially in the agricultural sector, is that we do not want to rely just on a few countries. We especially understand this with beef. We understand it with many of our grains and oilseeds, and pulse crops as well. We cannot just rely on one big neighbour, one big country that is a trading partner with us. We have to continue to look beyond the United States, even beyond China, and attract business of some of these smaller countries.

Earlier, one of the NDP members asked why we were spending our time with small countries. The answer is that we want to build trade with every country. We want to build trade with these countries and have side agreements where we move them forward in environment and in labour.

In this bill we are going to see many advantages for Canadian farmers. Our free trade agreements are going to be put in place and will benefit Canadians, first and foremost. In terms of the pulse industry, for Saskatchewan, which used to be a hotbed of New Democratic Party members, this would open the market, big time, for pulse crops into Panama, as it would Colombia and others.

Again, I simply want to say that agriculture is critical to our economy. It gives us another opportunity to get some of our good products into Panama.

Mr. Malcolm Allen: Mr. Speaker, I understand what the member for Crowfoot says when it comes to agriculture. I live in the middle of the Niagara Peninsula and residents know all about agriculture, albeit a different kind. It is one of the greatest tender fruit growing places, I would say, in the world and what has happened? Free trade closed CanGro. Will there be canned peaches in this country anymore? No. Will there be canned pears? No.

• (1630)

Mr. Kevin Sorenson: What about the wine industry?

Mr. Malcolm Allen: Mr. Speaker, the wine industry is doing remarkably well, but can people have peaches on their ice cream when all they grow is wine grapes? I guess that is the question I would ask the hon. member.

The bottom line is free trade took the cannery away. It is not that we could not grow the best peaches, pears or cherries in the world.

We can do that. Free trade basically took that cannery away, the last one east of the Rocky Mountains. It is gone.

My friend from Crowfoot will understand, as he lives among farmers. I am not sure if he is a farmer himself, but he will know that when there is no market, it gets pulled out. That is what happened. The week after CanGro left, the peach trees were out of the ground, because they produce a canning peach, not a fresh peach.

Ultimately, at the end of the day, what does a farmer do? I agree that farmers need markets. The farmers in Niagara need markets and we need to find a way to do it, but it does not always mean that we can do it just through free trade. There are others way to do it and I would encourage the member to support that.

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Mr. Speaker, looking at farmers and the effect that free trade has had on some of our farming sectors as was just pointed out, in British Columbia apple and cherry growers often cannot make ends meet because, as a result of free trade, there are subsidized apples and cherries coming in from Washington state. I am wondering whether there are going to be any ramifications for the farmers of Panama, for example.

I have some points before me with regard to the Canada-European free trade agreement. We see that this agreement will basically colonize Canada for the global corporations. Farmers' ability to save, reuse, exchange and sell seed will be destroyed. Dairy, poultry and egg supply management and the Canadian Wheat Board will be at risk. We see that using farm-saved seed could cost the farmer his or her farm, that this agreement with Europe will enable corporations to obtain the precautionary judicial seizure of infringing property, land, equipment and bank accounts for alleged violation of intellectual property rights. The agreement will prohibit subnational governments from giving local contracts.

Does my hon. colleague see this kind of negative spinoff effect on countries that we deal with, when we try to impose our free trade on them?

Mr. Malcolm Allen: Mr. Speaker, my colleague who sits on the agriculture committee as the NDP agriculture critic does a wonderful job on behalf of farmers across this country.

Farm trade policies are probably one of the most difficult pieces of trade policy we can enter into because it is food. There is intrinsic value to that, obviously, because it is something we all need. Some of us may not need a car, but we certainly need to eat. So the policy becomes extremely difficult. What happens is that we do not have the ability to work back and forth. It is not just us in this country who make impediments; we see them across the world. When we develop those types of policies, there always seem to be winners and losers.

Ultimately, for some small countries, in the fact that we are larger than them, especially small countries such as Panama, et cetera, there is the potential for them to be a loser, just as we have been a loser in some of the free trade deals that have come at us from the bigger countries.

Government Orders

Hon. Jason Kenney (Minister of Citizenship, Immigration and Multiculturalism, CPC): Mr. Speaker, what we see here is yet again the unmasking of the NDP's real agenda on the economy and trade. We sat here for dozens of hours listening to the NDP invent bogus facts about the supposed systematic human rights violations in Colombia.

I went down for the inauguration of the new president of Colombia last month in Bogota. The NDP has continually talked about assassinations of union leaders. I learned from the United Nations human rights representative in Colombia that most of the labour union assassinations were people such as local teacher union leaders assassinated by the FARC, the communist far-left guerrillas.

What this demonstrates is that the NDP was not really concerned about human rights in Colombia, because it is not raising human rights in one of the more relatively stable democracies of Central America, Panama. It is opposed to trade. The real question is this: why is it that the NDP refuses to raise the living standards of people in these developing countries who know that the best way forward to higher living standards is access to external markets?

Why is it that the NDP criticizes our dependence on the United States' export market but opposes every single effort to expand and diversify our export markets through additional trade agreements? Why?

Mr. Malcolm Allen: Mr. Speaker, I thank the minister for his question. I did hear it and I appreciate his comments.

I said at the beginning that we were not opposed to free trade, if he wanted to talk about trade policy. We said, basically, that we do not believe in the model the government presents to us, which is a free trade model. There are other models of trade out there that we would be happy to sit down, investigate and discuss.

Clearly we understand we are a trading nation. We understand that we need to continue to trade. We are saying there are other ways to do it besides the free trade model, and we would like to explore them on this side of the House.

The government, in its wisdom, if we can call it that, has decided with its friends in the Liberal Party that the only model it wants to look at, the only model it would use for a template, is the free trade model constructed in 1988 by Brian Mulroney. That is the decision the government has made.

We are asking government members to bring forth some others that we have suggested and let us explore them. Why not do that? It seems to me that if this is a House that wants to make Parliament work and wants to cooperate, let them bring those forward and let us sit down as part of the trade committee and actually have a discussion about trade models. Why is it always assumed that the one model fits all situations and somehow it is good for all of us, all of the time? No one lives their life that way. There is not one of us in the House who does the same thing every day, all the time, always. We do not do that, but we seem to be struck in this rut when it comes to free trade.

I suggest that the government bring forward another model that we have suggested we might want to look at, and perhaps it will find an agreement from this side.

• (1635)

Mr. Don Davies (Vancouver Kingsway, NDP): Mr. Speaker, it gives me a great deal of pleasure to speak to Bill C-46, the Canada-Panama bilateral free trade agreement.

We all know that in August 2009, the present government concluded negotiations with the Republic of Panama for a comprehensive free trade agreement designed to augment a previous agreement, the foreign investment promotion and protection agreement, called FIPA, that was signed between the previous Chrétien Liberal government and the Panamanian government in 1998.

The agreement before the House for debate includes service trade liberalization, principles and government procurement provisions, as well as one of the government's favourite processes, which is to sign side agreements on labour co-operation and the environment. I will say that we New Democrats are proud to say that those two things ought to be in the main text of any agreement, not in a side part of any agreement.

On September 23 of this year, the minister tabled the implementing legislation, Bill C-46. It behooves us to review the four main components of this, which include: free market access in goods and services, and that includes government procurement; investment protection provisions; labour agreement sections; and then an agreement on the environment.

I hasten to point out that we in the New Democratic Party are all eager to support trade agreements that benefit a majority of Canadian workers, farmers, small businesses and consumers. We all want trade agreements that work to achieve the larger societal goals of economic justice, poverty alleviation, healthier communities, pollution reduction, human rights and a healthy environment.

Unfortunately, my review of this documentation and the facts that surround it lead me to conclude that the Panama free trade agreement does not meet these goals.

I will review a couple of general thoughts before I go into some of the details.

First, it is important to point out that this deal is not about trade. I hear many members on the other side of the House comment that if one opposes this deal, one must therefore be opposed to trade. That is simply a red herring and it is a strawman argument. That is not the case at all and anybody who has any intellectual honesty will recognize that at once.

Canada trades with many countries of the world. We trade all the time. We trade with Panama and have been for a long time. The statistics that we have covered many times in this House show that we have an annual trade allotment of about \$140 million a year with Panama. That is a small amount, of course, but it shows that trade is going on between the two countries.

Trade goes on between Canada and many countries.

Government Orders

The issue before this House is one of to whom we should advance the preferential concept of free trade. Let us pause and just reflect for a moment about what free trade really means. Free trade means the mutual elimination of tariffs on goods and services between the two countries. It allows goods and services to flow across the border into each other's country with no duties whatsoever attached to them.

In my view and in the view of the New Democratic Party, we have to take a very considered and judicious approach when we consider to whom we should advance such a powerful and preferential concept as free trade. We should decide very carefully with whom we will have this relationship because, of course, these agreements do not operate in a vacuum. They do not operate in theory. They have tangible, practical effects that would actually affect the lives of Canadian businesses and consumers.

I want to talk a bit about why I personally oppose this agreement.

First, there is the concept of understanding Panama's current labour situation. This past July there were reports of a new wave of anti-union repression in Panama. This resulted in several workers killed, over 100 injured and over 300 trade unionists arrested, including leaders of the SUNTRACS and CONATO trade unions.

This followed the government of Panama's reaction to protests against new legislation that restricted the right to strike and freedom of association, and that sought to enact provisions that would lead to jail for up to two years for any workers who took their protests to the streets. I am going to pause here. That is a country which, this past summer, enacted legislation that said it would jail its own citizens if they protested a governmental action peacefully in its streets.

• (1640)

I have heard some talk about how Panama is an emerging democracy. I have not heard any member of the opposite side explain how a government that is pursuing legislation that jails its citizens for expressing their views in their communities is a country with which we should hasten to do business.

The fact that that happened while this negotiation was going on, I would argue, does not bode well toward thinking that any labour protection that is in this agreement would provide any real protection of labour rights in Panama, as it lacks any effective mechanism for enforcement and the Panamanian government, quite clearly, intends to ignore it. Despite what it may have said or paid lip service to, its actions this past summer certainly cause one to think that its actions may not be consistent with its words.

According to the OECD, Panama is an offshore banking centre and is considered one of the most notorious tax havens in the world. Nothing in this agreement deals with the tax haven or the lack of transparency issue. A NAFTA-style free trade agreement would broaden the effects of FIPA and increase the corporate incentive for tax evasion. It would also provide multinationals with additional tools and incentives to challenge Canadian regulations.

I am going to talk for a minute about why that might be important to us on a societal level as opposed to on a financial level.

I am the New Democrat critic for public safety. I am engaged in many discussions with all members of this House, but particularly with my hon. colleagues on the government's side, about the need to

have safe communities. I have done a bit of research on this issue. I would like to share that with my colleagues in the House and I hope they will pay attention to what I am about to say.

I did some research through the Library of Parliament and found out that a study was done and it was published this year by Cornell University, not by a trade union group or a left-wing think tank. This is an academic study that was published by Cornell University. It quotes research which says that some 75% of all sophisticated drug trafficking operations use offshore secrecy havens. The studies also show that drug money, and not the Euro market, was the principal cause for the phenomenal growth of the Caribbean havens in the 1970s and 1980s.

The study says that it is evident to all who have studied the offshore banking business that the growth has been fueled by the phenomenal increase in cash from the U.S. drug trade. Of the criminal cases identified by IRS investigations, that is the Internal Revenue Service in the United States, from 1978 to 1983 that occurred in the Caribbean, where, I would point out, Panama is located, 45% involved illegal transactions derived from legal income, that is tax evasion and otherwise legitimate trade. In the other 55%, illegal income was involved and 161 cases dealt with drug traffic. Of those, 29% involved the Cayman Islands and 28% involved Panama.

The government, stands in this House every day and lectures everybody sanctimoniously about caring for communities and cracking down on drug trafficking, just proposed in this House a free trade agreement with a country that is the number two launderer of drug money in the Caribbean. I have not heard any member say anything about that. The government wants free trade with drug traffickers. Of course, anybody who reads the paper would have known that, because Manuel Noriega, the ex-president of that country, is still serving time in jail after being convicted of massive narco-crimes.

That is the country with which the government wants to hasten to sign a free trade agreement and says that we are just opposed to trade. No, we are not. I am opposed to trade with drug havens and tax evaders, where drug money from drugs sold on the streets of the United States and Canada ends up in Panama, gets laundered and sent back here, and the government wants to make it easier.

I read something else that I want to share with my hon. colleagues. I read what this agreement does. Under the investment transfer provisions of this free trade agreement, it specifically says that nothing should impede the transfer of funds, either into or out of each country, from investments covered by this agreement.

Government Orders

•(1645)

Therefore, money between Panama and Canada under this agreement would actually flow without any controls whatsoever. Has anybody considered that if we sign this agreement, we will be making it easier for drug money to flow between these two countries? Are there any facts I have stated that any member in the House would dispute? Do they dispute that Panama is a known tax haven? No. Do they dispute that drug and narco-traffic occurs in Panama and it is one of the major sources for that in the Caribbean? No, I do not hear that. Do they dispute Cornell University academic research? I would be interested to hear their arguments about that.

I also want to talk a little bit about agriculture because I heard some members opposite talk about how this agreement would be good for farmers. When I read this agreement, it states that Canada would not eliminate over-quota tariffs on supply managed goods such as dairy, poultry and eggs. Additionally, Canada would not eliminate its tariffs on certain sugar products. Therefore, when it comes to dairy, poultry and eggs, this agreement does not even deal with that issue.

Nothing in this agreement will affect tariffs between the two countries on those issues at all. It is a complete red herring to mention that this agreement has anything to do with increasing or improving the lives of farmers because the agreement does not cover it. It retains the tariffs. If members want to sign an agreement that removes tariffs, they can do that, but this one does not.

An hon. member: Not on supply management.

Mr. Don Davies: Not on dairy, poultry and eggs. Dairy, poultry and eggs, I might point out, are three of the major sources of income of many of the farmers across this country.

I also want to talk a little bit about free trade, the concept in general, and this is about the relative labour market. When we allow products to come from one economy into another, it behooves us as parliamentarians to ensure that our businesses and workers are competing on something like a level playing field.

The average wage in Panama is \$2 an hour. If people are making goods and setting up businesses in Panama and they want to export products, the archetypical widget, into different countries, where would they set up that business? Would they set it up in Winnipeg, in Saskatoon, in Vancouver, in Toronto or in Kitchener where they might pay \$15, \$16 or \$20 an hour, wages that Canadians need to raise a family, or will they set up that business in Panama where they pay \$2 an hour?

I was in the private sector for 16 years working for a union and we dealt with hundreds and hundreds of private sector employers. I listened at bargaining tables many times as those business people explained their businesses. I will tell the House exactly where they will set up their business. They will set up their business in Panama. Something else those businesses would say to me, because they have said it to me many times, is that they cannot compete with businesses that are setting up and paying their workers \$2 an hour.

I want to hear someone from the government explain how Canadian businesses, which are expected to pay living wages, workers compensation premiums, employment insurance premiums,

private pension contributions and training costs, leaving their wage costs to be probably up around the \$20, \$30 or \$40 an hour mark, sometimes more, will compete with Panamanian businesses if we allow products from Panama to come into our country tariff-free?

That is why New Democrats oppose this deal. It is not because we are opposed to trade. By all means, let us continue trading with Panama, but let us not give up the important social policy tool, the economic lever of putting tariffs at the border on certain goods that are coming in so that we can ensure that our Canadian businesses and our Canadian workers are competing on a level playing field, because that is all they want.

Canadian businesses and workers are some of the best in the world. We do not need preference. We do not need hand-outs. All they ask for and all we ask for is a level playing field or something similar to that.

My colleague in the Liberal Party said that if that were the case, we would never sign a trade deal with anybody because nobody pays those kinds of wages. Actually, many countries in the world do. All of the EU countries do. We should be looking to the many countries in South America that are bringing their standards up. We could also be looking at a phased in reduction of tariffs. As those countries start bringing up their labour standards, their wages and their environmental protection, we can start phasing down our tariffs.

•(1650)

There are many other mechanisms and policy levers that I refer to as “managed trade”. Some of my colleagues have called it “fair trade”. I believe those concepts are prudent, conservative, moderate and they give our economy time to absorb goods and services that come from very different economies. It also acts as an incentive to those other countries to raise those standards.

I want to talk briefly about what this agreement says about the environment. It says that both Canada and Panama would be required by this agreement to not weaken their environmental regulations. I have done a bit of research and the environmental legislation and regulations in Panama are, and I will charitably say, not world-setting. Its environmental standards are weak and all this agreement does is obligate it not to weaken them further. Does it require that country to improve its environmental regulation? No, but it could.

Under a New Democrat proposal, sitting at a trade table, that is exactly what we would do. We would sit down and say that we would talk about giving the country preferential access to our market on a number of conditions, and one of the conditions would be that it work with Canada and we would both commit to improve our environmental standards.

What kind of agreement asserts progress when it just says that we are not going to get any worse? That is not progress. That is the status quo. That is stagnancy.

One of the excuses the Canadian environment minister and the government uses for not implementing the Kyoto accord, or any of these numbers, is that they cannot do it unilaterally if the rest of the world does not do it. The government will not do it if China and India do not do it.

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Why then does the government sign a trade agreement with a country that does not obligate that country to raise its environmental standards? One would think that would be the logical trade policy the government would take if in fact its rhetoric about not improving our environmental standards were true.

Coming from a prime minister who said that Kyoto was a socialist plot, I am not sure I believe the government has any real commitment to climate change amelioration, or any real attempt to improve the environment of this world.

I want to conclude by talking a little about Canadian businesses and what trade policy should consist of.

I come from Vancouver where we have a vibrant, healthy business sector with many small businesses that are actively engaged in trading goods and services around the world, primarily in Asia. I talk to these businesses on a weekly basis. They explain to me what their challenges, ideas and dreams are. What they want is managed trade. I do not have any business person coming to my office saying that he or she wants a complete tariff-free agreement with a country.

Tariffs have been around in this world for a long time. The reason they have is because they serve a purpose. Tariffs allow us to use policy levers to encourage good behaviour and punish bad behaviour. To sign an agreement in an organic world, a dynamic world, one would want to maintain those levers.

I encourage the government to utilize those levers for the kinds of issues and policies with which I think all Canadians agree. We want to improve the standard of living for Canadian workers and their families. We want to improve the business opportunities for Canadians, particularly the small and medium business sector so they can compete on the world stage. However, I want them to compete on a fair basis, not on one that is based on untrammelled access to our markets where we have to rely on the good graces of a country that has a poor record on just about every measure we can think of, and that is Panama.

I encourage all members of the House to think seriously about this agreement and to vote in a manner that encourages our workers and businesses to prosper on the world stage.

● (1655)

NOTICE OF TIME ALLOCATION MOTION

Hon. John Baird (Leader of the Government in the House of Commons, CPC): Mr. Speaker, an agreement could not be reached under the provisions of Standing Order 78(1) or 78(2) with respect to the second reading stage of Bill C-46, An Act to implement the Free Trade Agreement between Canada and the Republic of Panama, the Agreement on the Environment between Canada and the Republic of Panama and the Agreement on Labour Cooperation between Canada and the Republic of Panama.

Under provisions of Standing Order 78(3), I give notice that a minister of the Crown will propose at the next sitting a motion to allot a specific number of days or hours for consideration and disposal of proceedings at the said stage.

SECOND READING

Hon. Steven Fletcher (Minister of State (Democratic Reform), CPC): Mr. Speaker, I will address some of the disappointing

comments that the member from the NDP has raised not only about free trade with Panama, but also free trade in general. The NDP seems to always approach these issues as a zero sum game, that somehow by helping other countries it is to the detriment of Canadians. In fact, when countries work together, it benefits everyone. It is a non-zero sum, when the rising tide raises all boats.

The best economic choices that Canada can make is through free trade. This was demonstrated spectacularly with the free trade agreement with the United States, which the NDP opposes still to this day, in spite of everyone recognizing that it was good. The NDP also fails to recognize that not only do Canadians benefit by trading with countries like Panama, but the Panamanians benefit. The best social policy, the best foreign aid is to invest in countries like Panama to help those people improve their quality of life. The best environmental program, the best foundation for democracy is economic development. This is simply what the free trade agreements do around the world.

Will the NDP members recognize this is an ideological issue for them, that they do not support free trade with the United States, Panama or anyone else and it is harmful to the entire world? We would end up all poor if we follow the NDP philosophy.

Mr. Don Davies: Mr. Speaker, I would like to express my great disappointment that a minister who is responsible for democratic reform would not be concerned about or address his comments to the fact that this summer the Panamanian government proposed legislation that would jail citizens for protesting policies in the streets. That does not sound very democratic to me and it certainly is not consistent with what I think is the minister's mandate, which is to try to pay attention to improving the democratic conditions in our country and around the world. That is the point.

The minister talks about ideology. I have not heard a more ideological commentary than I just heard from him. The Conservative government has been pursuing what can only be described as an ideological approach to trade. It is not really interested in improving the lives of people in different countries. What it is interested in doing is signing free trade agreements with countries whose ideologies it supports.

I will quote the Prime Minister. This is from the prepared text of his speech when he was in Panama. He said, "You talked about the need, especially during these difficult times, to open doors to neighbours and allies". The Prime Minister is the one who is seeking out trade agreement with allies. What does that have to do with establishing human rights? What does have to do with establishing trade agreements with countries if the real goal is to raise the living standards of people in those countries?

This is really about, and Canadians are not fooled, the Conservatives are picking countries to sign trade agreements with to bolster their ideological relations. That is why they picked Panama with a right-wing government. It is why they picked Colombia with a right-wing government. I do not see the government proposing a free trade agreement with Venezuela or Bolivia. Maybe it should look at that.

Government Orders

• (1700)

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, the very first lesson we learn in economics is normative and positive and that the rule of economics is not to describe what should be, but only to describe what is. Yet whenever we stand in the House and describe what is, the Conservatives say that the New Democrats are spoilsports because we talk about the murders of union leaders, environmental devastation and the fact that Panama is one of the dodgiest drug havens on the planet. They tell us to believe in free trade and everything will be all right.

It is the Conservatives' blind faith, as G.K. Chesterton said, in the horrible mysticism of money. As long as money can travel around the planet, as long as capital gets what it wants, we are all supposed to believe that things will be better. However, we have said consistently, time and time again, that for a trade deal to work, we have to look at the effects of that trade deal and we have to look at whether it actually works on the ground. Economies should be about that. We should be looking at what really is, not what Conservatives think should be in their neo-con Milton Friedman flat earth society in which they live.

Having seen this group week after week, month after month, year after year with its failed ideology, how can it have the nerve to lecture anyone else about the economy? Could he comment on that?

Mr. Don Davies: That was very astutely put, Mr. Speaker. Let us talk about accountability because this is a word that the government tends to use a lot, but I am not sure it knows the meaning of it.

The neo-liberal policies of the government, which were put in place by the Liberals in the early 1980s, has really been in place in North America for the last 25 years, for a generation. Therefore, let us take stock. Let us hold them accountable for those policies.

What has happened in 25 years. The gap in wealth distribution in Canada is wider, and that is a fact. The government does not like to talk about facts. It is more about ideology and argument, but check the facts. If any member on that side can tell me that I am wrong, show me the numbers. Statistics Canada and every reputable economic group will tell us that more people are poorer today than they were 25 years ago and the rich are richer.

Also, there is no question that the average industrial wage in 2008 was lower in per capita terms and lower in real terms than it was in 1980.

I worked for a trade union until 2008. I know what people made in 1992 and I know what they made in 2008. In some cases they made less money. In most cases, even with their minor increases in real terms, Canadian workers are worse off today. To boot, and this is the third factor, most Canadians in 2008 worked more.

We work longer, for less pay and the distribution of wealth in the country is worse. That is the record of 25 years of neo-liberal economics. What I have heard today from the government was said 25 years ago. It did not work then and it does not work now. Let us hold the government accountable.

• (1705)

Mr. Gerald Keddy (Parliamentary Secretary to the Minister of International Trade, CPC): Mr. Speaker, I have listened to the NDP talk about free trade, and I appreciate the intervention by my

hon. colleague. This the reality, and it is quite simple. That party has never supported a trade agreement. Free trade, fair trade, it all means no trade to the NDP members. They are not interested in jobs and opportunities for Canadians. They are not interested in raising the standard of living for their fellow Canadians. They are interested in keeping everyone in poverty and in the dark. That way those members get a host of people who actually believe that misinformed and ill-informed rhetoric. The only thing worse than the misinformation and the rhetoric is the condescension and the patronizing tone that delivers it.

Mr. Don Davies: Mr. Speaker, the lowest form of argument is an ad hominem attack, where all the member does is use rhetoric and attack the other member and characterize the argument, instead of using facts and figures to show where the debate does not make sense.

I did not hear one fact in the hon. member's comments to dispute a single thing I said.

I would like Canadians to hear that intervention and hear the intervention of my speech and determine which party really sounds like it is trying to take a back faced logical approach to this trade agreement. I hope the members take a more thorough, sober and realistic view of the facts than he just did.

Mr. Dennis Bevington (Western Arctic, NDP): Mr. Speaker, I thank my colleagues, who have held a very important debate in the House of Commons and have spoken very eloquently on many of the trade issues we have with these very difficult countries the Conservative Party has chosen, in its wisdom, to work with.

Once again we have another free trade agreement on the discredited NAFTA model of trade and investment that enshrines investors' rights over democratic processes. The country, of course, is Panama, a real model of progressive and enlightened government.

In a February 2009 letter to U.S. President Obama, 55 members of the House of Representatives warned of the danger of getting into a free trade agreement with Panama. The representatives said:

We also believe that Panama is not an appropriate U.S. FTA partner. A Government Accountability Office study identified Panama as one of only eight countries—and the only current or prospective FTA partner—that was listed on all of the major tax-haven watchdog lists. Panama has long been the key target of both the Organisation for Economic Co-operation and Development and other tax transparency entities for its resistance to international norms in combating tax evasion and money laundering. Indeed, Panama is one of few countries that has refused to sign any tax information exchange treaties.

The representatives go on to say that they support designating Panama an offshore secrecy jurisdiction under U.S. law, which would place restrictions on the use of this country by American corporations as a way of avoiding taxes. The representatives end their comments by pointing out that Panama is one of the top locations in the world used by multinational corporations to avoid taxes.

Government Orders

This agreement would make it easier for a Canadian company to avoid taxes by simply setting up a shell company in Panama. I am sure that the Prime Minister's business friends give two thumbs up to this type of arrangement so that they can quickly move into these types of tax havens. Let us allow the rich to avoid paying their fair share of the taxes in this country. Why not?

What else is Panama well known for? It is the second most important country for flags of convenience. Panama does not pay attention to the importance of maintaining secure and proper ships around the world. Instead, it allows companies to register their ships, which may or may not be rust-bucket, single-hulled oil tankers that are a danger. Panama has a habit of doing things that are not in the interests of the civilized world but are in the interests of the corrupt side of the corporate world.

What is the government thinking by getting into bed with this type of government at this point in time? We should be reaching out for fair trade agreements with South American countries that want to build better lives for their people. We should be supporting that kind of effort.

Most South American countries would not get along with the kind of agreement being proposed here. Most countries in South America want control of their own resources. They want to build their own states. They are a little tired and turned off by 30 years of imperialism on the economic front throughout South America, which quite clearly has led, in many countries, to democratically elected governments that are now saying that they want their right to control their resources and economies. They want to make the right moves so that their people can move ahead. That is the nature of the South American movement.

It is quite clear, when we talk about getting into arrangements with larger countries in South America, that they are not interested in these types of free trade arrangements. They want to protect their people and build their countries, as we should be doing.

• (1710)

Today in the *Calgary Herald*, Premier Brad Wall talks about the Potash Corporation takeover. He is starting to realize what we told him months ago, which is that this deal is not what it is made out to be, that when we give up control of a resource to a huge multinational corporation, it has the ability to transfer taxes out of this country. Mr. Wall said:

We don't have the final estimates yet, but there's a real risk in terms of a substantial, potential decrease in corporate income taxes. We will balance the desire that we have for a positive investment climate with also the need to think long term.

What good words from the premier of Saskatchewan. How does that fit together with what is going on in this investment deal with a major tax haven in the world?

Perhaps we are on the right track looking for a hoist motion on this particular free trade agreement. Perhaps the world is changing. Perhaps there is a consciousness developing among other parts of our political society. Perhaps people are beginning to realize that the free trade arrangements they have counted on as a panacea for our development are not as good as what they thought they were going to be.

When we postponed moving this free trade agreement forward, just as we worked so hard to forestall the free trade agreement with Colombia, we are trying our best for Canada. We are trying our best to move past the type of thinking that characterized the eighties and nineties and to move toward the type of thinking that most resource rich countries are now taking toward their resources.

Canada is the only energy-exporting country in the world without a national presence in its own energy field, in its own oil and gas industry. This is just another example of where we are as a country in terms of where the rest of the world thinks it has to go. Bright, intelligent people around the world know, in this day and age of declining resources, the importance of holding onto those resources. That does not speak well for free trade agreements that have been the dominant ideology for so long in this country.

In 1991, Argentina, Paraguay, Brazil, and Uruguay negotiated a regional trade agreement. They wanted a common market in South America. They wanted to work together in that region. Why are we not supporting that effort? Why are we not reaching out to those countries under the conditions they want to put forward and that they see as important? These are bigger markets.

The Mercosur pact represents 270 million people. It is a massive market, but we have to go to that market on its terms. Those countries have made that part of their development. Cleverly and carefully, those countries have created their own ideas about trade. If we want to participate with them, we have to do so through their own ideology.

The NDP works hard in the House to stand up for Canada, to stand up for things that we see as important for our economy. I respect what the Conservatives have tried to say. I wish they would respect our point of view as well and recognize that the world is changing and that we must adapt to that change.

• (1715)

Mr. Brad Trost (Saskatoon—Humboldt, CPC): Mr. Speaker, I am always interested in listening to my NDP colleagues talk about trade, but I am never quite sure what they are arguing about the economics of it.

Is my colleague arguing that the Panama trade deal will be bad for Canada's economy, or is he arguing that the trade deal will be bad for Panama's economy?

If he is arguing that the agreement would be bad for the economy of Canada but Panama would gain from it, then it would be good for Panama's development as a third world country. If he is arguing that Canada would gain from it, why does he think I should vote against the economic interests of my constituents, since agriculture will be the predominant beneficiary of the reduced Panamanian tariffs, thereby permitting better access and more competitiveness for Canadian agricultural products?

Mr. Dennis Bevington: Mr. Speaker, I would say that this agreement would play in the direction Panama has already established for its economy, which is that of a state that promotes quasi-legal and illegal activities under the guise of its tax laws and shelters and the way it treats many of the issues in front of it.

What Canada is doing with this agreement, really, is playing into an illegal operation in Panama. That is unfortunate.

Government Orders

If the hon. member thinks that the role of the Canadian government is to continue to foster the development of these illegal and improper activities in world markets, he should be fine with this agreement.

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, as members will recall from my participation in the debate yesterday, one of the big concerns I have about this free trade agreement is that labour rights, in fact, are part of a side agreement only.

Earlier today I heard members of the government side say that this is all right; a side agreement is still part of this free trade deal, so all is well.

In fact, all is not well. First of all, the side agreement is completely inadequate, because it simply asks governments to acknowledge the labour laws in their own countries. Under those labour laws, we know that just this last summer there was more anti-labour repression in Panama during which workers were killed, 100 were injured, and 300 more were arrested. Clearly, Panama's labour laws are not up to either Canadian standards or international standards.

The big problem with side agreements has been demonstrated in a different kind of labour context. In my own hometown of Hamilton, Local 1005 of the Steelworkers had a side agreement with a company, which they thought the company would honour, in much the same way the government has faith that its side agreements will be honoured. In that side agreement, cost of living increases were guaranteed to pensioners, steelworkers, who had worked hard all of their lives, had bargained pensions, and were counting on those cost of living increases to make ends meet.

However, the company decided unilaterally that since it was only a side agreement, it would ignore those obligations. Pensioners now are not getting the cost of living increases.

I want to ask the hon. member for Western Arctic whether he agrees with the government that side agreements are good enough to protect workers' interests or whether those side agreements are not worth the paper they are written on.

• (1720)

Mr. Dennis Bevington: Mr. Speaker, coming from a region of the country that relies on the federal government to set the deals for resource extraction in my region, I know perfectly well how difficult it is to achieve results, whether they come from side deals or are straightforward.

In many cases, it is simply that money talks. The deal works out in this fashion: people who do not have the advantage lose out. To me it is clear that what one has to look at is the good intent of the government one is dealing with, whether one is talking about one deal or another.

It really comes down to the track record of the government one is dealing with. What is the best indicator of future performance? It is past performance.

What we see in Panama is a past performance that is pretty straightforward. What will future performance be? It will be somewhat similar.

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, I rise as well to speak in favour of the hoist motion,

specifically because of the extremely inadequate side agreement on the environment.

We went through this whole dialogue on the free trade agreement with Colombia and yet again we are having the same inadequate documents tabled before this House. Since the serious issues raised about both the side agreements on labour and environment that were held in this House, there has been not one second of public dialogue or debate on what direction we want to go in our trade agreements with other countries.

Quite some time back, when Canada entered into the NAFTA, the three countries decided that they would not, at that time, incorporate labour and environmental considerations into the text of the binding trade agreement. Since that time, a number of governments, including the U.S. in the last U.S. election, and some Canadians have raised the bar and said that maybe it is time to revisit that, that if countries are going to claim that environment is as significant as development, maybe they better step up to the plate and actually put them on par in the balance.

I have taken the time to look at the side environmental agreement and I have to say that it is beyond shameful.

This place actually brought forward a trade agreement with the United States and Mexico but it has a lot of problems. The environmental provisions should have been incorporated into the NAFTA or at least within the side agreement, which is called the North American Agreement on Environmental Cooperation. This was an effort to create a genuine independent body with a budget and with some senior leadership that would further the dialogue with the trade partners to try to incorporate environment into trade.

We have seen in the trade agreements that the government has brought forward that it absolutely does not believe the words when it stands in the House and says, "We must balance environment and development". Nothing is clearer to this House than this free trade agreement that the government has tabled before this House. It has told us clearly how significant it thinks environmental factors are in trade and development.

As I have mentioned, there is significant downgrading from the North American Agreement on Environmental Cooperation, simply in the structure. Under the North American agreement, there is a council of the environment ministers of the three countries. In the Panama agreement, it is a committee of representatives. Who are they? Are they lower echelon bureaucrats? We do not know yet. We can guess who they will be because we have seen what has happened in Colombia. There is no full-time commission, no budget and no independent secretariat. Who is going to lead this so-called dialogue with the public? If the public requests that there be a dialogue on some of the environmental implications of this trade agreement, who will lead this topic?

We know that in our country it is a time of restraint. Are we to believe that Panama has surplus dollars, that its government can come up with the millions of dollars necessary to further these open dialogues on the environmental implications of trade and development?

Private Members' Business

There is no joint public advisory council. In the North American side agreement, it created a public advisory council and appointed people from industry, public interest groups and trade unions to the council of ministers. So much for participation and so much for the Conservative Party grassroots governance. There is no joint public advisory committee and no national advisory committee to our government on our relations with Panama under this agreement. Unlike the deal with the United States and Mexico, there is no duty to hold public meetings with the committee. Everything is behind closed doors.

The main argument for bringing forward the side agreement on environment in the NAFTA was that we needed to ensure that none of the partners in these trade agreements watered down their environmental laws to have an economic advantage. That is the whole purpose of incorporating environment and trade.

• (1725)

In this agreement, the word “enforcement” does not even exist. The government has taken out entire parts of the side agreement. Missing from this agreement is the obligation on the parties to ensure effective enforcement of their environmental laws. It is not in this side agreement.

In the North American Agreement on Environmental Cooperation, there is an entire framework of how we deliver effective environmental enforcement. That framework has been endorsed by the World Bank, the United States Environmental Protection Agency, the Circumpolar Institute on Environmental Law and the International Network on Environmental Compliance and Enforcement which our government belongs to.

In the Panama agreement, it has been replaced with two pathetic provisions. The government has pulled out of this framework at least 15 factors that are necessary for a country to have effective environmental enforcement and, instead, we have that the parties will encourage voluntary best practices of corporate social responsibility. It would be up to the corporations to decide if we are going to care about environment in Canada and Panama from now on.

Second, we have that the countries will promote voluntary-based measures. That is absolutely reprehensible. There are no investigative powers. One of the most important aspects of the North American agreement is the power of the secretariat to look into allegations of failed enforcement. There is no investigative power and no right of the citizens of either country to raise concerns and ask for an investigation.

There is also no article, which is in the North American side agreement, where the countries hold each of the signatories accountable for an ongoing pattern of failure to enforce environmental law. That is absolutely critical to the credibility of any fair trade agreement.

Perhaps it is understandable that the government would be fearful of committing to a process where it could be held accountable for effective environmental enforcement when, almost daily, it is being taken to court for the failure to enforce its laws. Just a few weeks ago, we had two first nations and two national organizations, for the fifth time, suing the Minister of the Environment for failure to

comply with his own legislation on endangered species. I cannot even begin to count the number of cases brought by citizens against the federal government for failure to comply with the federal Environmental Assessment Act.

It is the same with public participation. All the strong measures in the North American side agreement are missing. We have the nice preamble but nothing is binding. The government has essentially eviscerated any kind of commitment to environmental protection in trade through this agreement. What is worse is that it has not taken a progressive forward-looking measure but has taken these measures and incorporated them into the body of the trade agreement.

I need say no more. The government has clearly stated its position. It does not believe that environment is part of trade and development.

• (1730)

The Acting Speaker (Ms. Denise Savoie): It being 5:30, the House will now proceed to consideration of private members' business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

[English]

CANADA POST CORPORATION ACT

The House resumed from May 28 consideration of the motion that Bill C-509, An Act to amend the Canada Post Corporation Act (library materials), be read the second time and referred to a committee.

Mr. Kevin Sorenson (Crowfoot, CPC): Madam Speaker, it gives me a great deal of pleasure to rise in this House and to represent my constituents, the 228 good people of Crowfoot, who have contacted me with regard to the library postal rate, the 228 concerned Albertans and concerned people from my riding, who have asked the government to ensure that the rights that the libraries have appreciated and enjoyed over the years would continue.

It is a pleasure to thank the member for Brandon—Souris for bringing forward this very good private member's bill.

Before the summer break, I had the opportunity to speak to this bill for 8 or 10 minutes, so I only have 2 minutes left. In the meantime, I would like to thank our government for moving. This past summer was a time when members from all parties were able to approach and lobby the government to keep the postal rate for libraries, recognizing how important it is for every rural library and northern library to be able to access resources that people appreciate in the cities.

What is that loud shout going out across the country? It is the shout of people saying that our government listened. Perhaps the shush after the loud shout is the librarians telling everyone to quiet down. However, there is not too much of that because people are very happy.

I congratulate the member for Brandon—Souris. All parties have come toward this bill and have now accepted it and our government is accepting it.

Since 1939, libraries in Canada have been able to exchange books at a reduced rate, historically known as the library book rate. This Conservative government has said that it will continue. I want to thank the member for Brandon—Souris for making it possible.

Mrs. Bonnie Crombie (Mississauga—Streetsville, Lib.): Madam Speaker, I rise with pleasure to participate in the discussion on this private member's bill, Bill C-509.

I, too, thank my hon. colleague, the member for Brandon—Souris, for his numerous introductions of the bill and his commitment to this cause. I realize that he has introduced this bill several times since 2007, and his tenacity needs to be commended.

I have worked with the member in his capacity as the chair of transport, infrastructure and communities committee. He has always shown fairness in his rulings and has a strong understanding of procedure.

As my party's critic for crown corporations, I will be supporting the bill at second reading and have suggested that my caucus do the same. My party does support greater service for and more affordable access to library materials for Canadians, Canadians in rural areas, in remote areas and seniors, and Canadians with disabilities. We support a reduced postal rate for all library materials and we support the new definition of library materials to include modern media.

I do, however, have a few concerns that I will address later.

The substance of the bill is two-fold. First, that Canada Post receive approval from the Government of Canada prior to any increase in the library book rate; and second, that the library book rate include the shipping of new media materials, such as CDs, CD-ROMs, DVDs and other audio-visual materials. I will be addressing both issues in that order.

First, I will deal with maintaining the library book rate. I have a letter from the Canadian Library Association, CLA, dated May 14 of this year. In the letter the association shows its full support for the bill, and rightly so. It goes on to explain its reasoning, and I could not agree more.

Over 2,000 libraries across Canada rely on the library book rate for transferring materials back and forth. Canadians from coast to coast, especially students, the disabled, seniors and those living in rural areas, should be able to take full advantage of this system. Quite simply, the fact that libraries can share hard copy materials with one another at an affordable rate allows people to obtain information on a more regular basis.

As we know, information is king, knowledge is eternal and we in the Liberal Party stand for lifelong learning. As the CLA pointed out, it is imperative that we retain the library book rate for many reasons. Without a sustainable library book rate, the CLA has the following concerns: First, that it would create a two-tiered service for Canadians; simply those who can afford to borrow material and those who cannot.

Second, that material would be difficult to obtain if it were not regularly transferred between libraries. This would make things very difficult for the elderly, students, the disabled and rural residents.

Private Members' Business

Third, that it would put added pressure on libraries to reckon costs and remain viable due to lower supply and, ultimately, fewer visitors.

Finally, that it would strain smaller libraries. Their ability to loan would be in jeopardy due to lower supply and lead to diminished lending.

Those reasons alone are good enough for me to support the bill. However, another concerning issue in the CLA's letter is the fear that the current library book rate is scheduled to end unless it is renewed by the end of the year. If this is true, we as parliamentarians must do what is right and extend the library rate without hesitation. The timing of the bill is impeccable and it is the perfect vehicle for doing so.

As the member pointed out in his opening statement in his speech back in May of this year, the library book rate has been in existence since 1939. Libraries have become dependent on the rate and it has allowed them to transfer materials affordably around the country. Although Canada Post has kept the rates at reasonable levels through the years, it has periodically increased them in order to keep up with inflation or for other economic factors.

The bill addresses the concern that Canada Post could, ad hoc, increase the library rate by requiring it to obtain a mandate from Parliament prior to doing so. I am in agreement with this notion but once again I have some concerns with costs.

On the matter of sustaining the library rate and costs, I would like to get some friendly clarification from the member for Brandon—Souris, which I will seek at the conclusion of my time. The second half of his bill deals with the addition of modern media, such as CDs, CD-ROMs, DVDs and other audio-visual materials to the library book rate.

●(1735)

I am in full agreement that as technology advances, Canadians will have a desire to keep up with current trends. The need for advanced information grows.

It is imperative that our libraries are well stocked with modern media. Without such measures, the growing concern is that this material might be hoarded at larger metropolitan libraries and not shared with smaller rural libraries, because they simply cannot afford to transfer them. Smaller libraries would definitely suffer as a result.

In this modern day of Internet, speedy file transfer, email, social media, and large broadband, it is refreshing to know that I can still walk into a library and borrow or lend a tangible item like a book, a newspaper, a music CD, a movie DVD, or even an ebook.

I know that my constituents feel the same way. For this reason, we have a responsibility to maintain this fundamental right for all Canadians.

I have spoken in favour of this bill and will continue to support it. However, I have some concerns regarding the sustainability of the library book rate, its effectiveness, and compensation measures and subsidies.

Private Members' Business

For the benefit of speedy passage of this bill to committee, I will not be putting forward any amendments today. However, I would like to express my thoughts as this bill continues to move forward through committee.

First, I ask the hon. member if he has considered ensuring that Canada Post maintains a library book rate in perpetuity.

Second, how often can Canada Post seek an increase in the library book rate? What is the time frame? When will this bill confirm that Parliament's approval is necessary before the rate can be increased?

Third, I want to address compensation to Canada Post for the loss in revenue. In speaking to representatives of Canada Post, I have learned that it currently loses \$5 million to \$6 million per year as a result of the reduced library rate. While I agree that this is a cost of doing business, a small cost to pay for maintaining such an important aspect of our society, I would like to know if the hon. member has considered compensating Canada Post for the losses through an order in council.

Finally, we need to look at the matter of subsidy. Has the hon. member determined the value of the subsidy that Canada Post provides to libraries? This important question was raised in the first hour of debate last spring.

Once again, I will be voting in support of Bill C-509. I have urged and will continue to urge my caucus colleagues to do the same. In fact, I urge every member to follow suit.

Before I end, I need to voice one final concern. This concern has to do with party principles and policies.

To my knowledge, the question of the library book rate came to light in 2006. While I commend my friend, the hon. member for Brandon—Souris, for taking the lead on this issue, I do not understand why the government would not simply have addressed the issue of the library rate in a more responsive and timely manner.

Why has it taken four years? Many options were available to them: adopting it as a government bill, making a regulatory change, or seeking an order in council.

Unfortunately, this speaks volumes about the government's lack of connection with average Canadians, as well as their lack of direction and execution.

The hon. member for Brandon—Souris has my full support for this bill at second reading and for sending it to committee. I look forward to seeing the bill in committee and raising the concerns I have mentioned.

• (1740)

Ms. Chris Charlton (Hamilton Mountain, NDP): Madam Speaker, I am pleased to rise in the House today to speak in support of the library book rate, specifically Bill C-509, which amends the Canada Post Corporation Act to protect the reduced postage rate for library materials.

I commend the member for Brandon—Souris for bringing this important bill forward and for his tenacity in pursuing it ever since he was first elected in 2004. I wholeheartedly agree with him that maintaining the book rate is crucially important for a whole host of reasons, some of which I will enumerate shortly. I hope the member

will understand that I also have to put this bill into the larger context of this government's record on issues related to Canada Post, learning, and literacy. While that context does not in any way detract from his personal efforts to do the right thing with this bill, it calls into question whether this bill, even if passed, will meet its desired objective.

By way of background, for those who may have just tuned into the debate, I should explain what the book rate is. Since 1939, libraries in Canada have been able to exchange books at a reduced postage rate. That is what is known as the library book rate. It allows all libraries in Canada to access one another's reading materials at relatively low costs, so that smaller libraries, for example, have access to the larger collections that exist primarily in urban centres. That is critically important.

First, the book rate ensures that we do not end up with a two-tiered library service, one for those who can afford to pay for access to information and one for those who cannot. This would jeopardize the access of Canadians to the resources necessary to learn, innovate, and prosper in the information economy of the 21st century. Access to library materials should not depend on the size of one's wallet but, rather, on one's thirst for knowledge.

Second, Canadian students, persons with disabilities, and residents of rural communities would be particularly disadvantaged, since they rely heavily on their local library's ability to share resources with larger centres.

Third, it would severely reduce access to books for people living in rural and remote parts of Canada.

Fourth, it would reduce the level of service libraries provide, possibly forcing the program to operate on a cost-recovery basis, with patrons and learners having to bear the costs. Such user fees would discourage many patrons from making mail-based borrowing requests.

Fifth, smaller libraries would stop providing lending services and, in turn, would only borrow materials.

Sixth, it would deprive the rest of the country of the ability to access the unique information resources often preserved in our local libraries.

Seventh and last, it could easily result in denying access to library materials for people who are homebound.

For all of these reasons, it is imperative that there be some control on increases to the book rate. I applaud the member for Brandon—Souris for using this opportunity to ensure that from now on the library book rate would also apply to the shipping of CDs, CD-ROMs, DVDs, and other audiovisual materials. This is important for keeping pace with the changes in technology that have allowed us to access information in new formats, and in fact these new formats may over time actually reduce the cost to Canada Post since CDs weigh far less than books.

Private Members' Business

In the end, however, Bill C-509 does not prohibit an increase in the book rate per se. Instead, it simply says that any such increase must receive approval of the Government of Canada. The bill suggests that it is the Governor in Council who must okay an application for a rate increase by Canada Post, and the Governor in Council is the cabinet.

I am sure the member for Brandon—Souris made this proposal in good faith. Indeed, when he spoke to the bill he said that it would ensure that Canadians' voices will be heard on this sensitive issue before any rate changes occur. However, if that is truly his intent, why would his bill not stipulate that requests for increases to the library rate must be approved by Parliament instead of the Governor in Council? It is in the House of Commons that the voices of all Canadians are heard through their elected representatives.

The same is not true of the cabinet. Yet the viability and vitality of Canada's public libraries is, or at least should be, of keen interest to every single MP in the House. It is unfortunate that Bill C-509 excludes a review by all of the elected members who have libraries in their communities, and, as a result, it needlessly circumscribes the scope of the arguments that ought to be brought to bear on any request by Canada Post to raise the library rate.

I know that some members of the House will suggest that I am being alarmist and that the distinction of whether it is the cabinet or the House of Commons that must give its sign-off is one of mere semantics, but I suspect most of those members would be from the Conservative benches. Only in their caucus must members act as they are told by the Prime Minister, without any ability to bring independent thinking to the decision-making process. Indeed, that has been the hallmark of the Prime Minister's administration.

Let us recall what the government's track record is with respect to both literacy and Canada Post.

• (1745)

Let us begin with the latter. Just before the end of the last session of Parliament, the House was dealing with Bill C-9, the government's budget implementation bill. What do we find in that bill? We find an attack on Canada Post's exclusive privilege to handle international letters.

I have twice before had the privilege of speaking on this issue in the House, so I will be brief today.

At the heart of the issue was that international mailers, or remailers as they are commonly known, collect and ship letters to other countries where the mail is processed and remailed at a lower cost. In doing so, they are siphoning off \$60 million to \$80 million per year in business from Canada Post.

Yet Canada Post needs that revenue to provide affordable postal service to everyone, no matter where they live in our huge country. In fact, one ruling by the Court of Appeal for Ontario stressed the importance of exclusive privilege in serving rural and remote communities and noted that international mailers are not required to bear the high cost of providing services to the more remote regions of Canada.

Canada Post won this legal challenge against the remailers in the Supreme Court. What did our law-and-order government do in

response? It stood up for the international mailers, who are currently carrying international letters in violation of the law.

The Conservatives are allowing them to siphon off business from Canada Post, and they sneaked the enabling legislation into the budget bill.

What does that have to do with the library book rate? There is an integral connection. Canada Post would raise the book rate as a way of increasing its revenue stream so that it can continue to meet its mandate. This revenue crunch is now becoming a reality, because the cancellation of Canada Post's exclusive privilege to deliver international letters is taking a \$60 million to \$80 million bite out of the corporation's coffers.

Why would we trust a government that is hell bent on leading Canada Post down the road to privatization to safeguard affordable rates for access to library materials? It does not make sense.

We know that private corporations are driven solely by profit motives, and subsidies for things like the library book rate detract from that bottom line.

Similarly, the notion of trusting the government to protect access to library materials as an important tool for improving literacy in our country flies in the face of the government's record on the issue.

When the Conservatives came to power in 2006, one of the first things they did was cut \$1 billion from critical programs, including literacy and skills training. Yet there was and is a preponderance of evidence to prove that education is critical to achieving a just and prosperous future.

Even the C.D. Howe Institute, which is hardly an NDP think tank, has repeatedly noted that Canada continues to under-invest in education, especially since research shows that the impact of functional literacy on productivity and GDP is three times that of capital investments.

In spite of that evidence, the Conservatives cut their support for literacy training and left to fend for themselves the 42% of Canadian adults who have, by international standards, an inadequate functional literacy level.

In light of that record, it is far too much of a stretch to suggest that the government would act decisively to protect the library book rate on behalf of Canadian families. In fact, the opposite is much more likely to be true.

Therefore, while I have no quarrel with what I believe is a sincere desire on the part of the member for Brandon—Souris to safeguard the library book rate from arbitrary increases imposed by Canada Post, I would ask him to go just one step further. Do not give cabinet the responsibility for final approval. Make the issue come to the floor of the House of Commons and allow the views of all Canadians to be brought to bear on this crucial issue. Only in this way can we be assured that the collections of all libraries are recognized as national assets that must be accessible to all Canadians, so that they can support education and lifelong learning and help to enhance Canada's global competitiveness and productivity.

I know that all members of the House would support that laudable goal.

Private Members' Business

● (1750)

Mr. James Bezan (Selkirk—Interlake, CPC): Mr. Speaker, I thank my friend, the member of Parliament for Brandon—Souris, for working so diligently for so many years on the library book rate. I congratulate him for finally being able to get up in the draw and have his bill brought before the House, which has been so wildly endorsed by our government and by all members in the House.

I also thank the Minister of Transport, Infrastructure and Communities for his support and understanding in working with the member for Brandon—Souris in developing the bill and ensuring we are addressing the needs and the concerns that have been expressed by our libraries across Canada.

Bill C-509 seeks to enshrine the library book rate in the Canada Post Corporation Act by including the definition of what library materials should be in the act and by giving Canada Post the ability to regulate the rate charged to libraries for shipping these materials, subject to Governor-in-Council approval.

The bill is very straightforward and to the point. First, it would expand the list of library materials. Second, it would give Canada Post the power to regulate the rate. Third, it would provide for the Department of Canadian Heritage to enter into an agreement with Canada Post to continue the library book rate. I will speak to these three points.

First is the expansion of the list of library materials. As currently offered, the library book rate is only available for books. There is a historical reason for this. Back in 1939, and for most of the last century, books made up the lion's share of the collections in all our libraries. New material, such as CDs, DVDs, books on tape and other media, are relatively new developments in the course of history. When the rate was first established, these materials were not even envisioned. For the past couple of decades, the library community, including in my riding, have been calling for this rate to be expanded beyond books to include all this new technology media, which are increasingly important as part of their collections.

While library material other than books are being shared and sent between libraries right now as part of the parliamentary inter-library loan system, they do not qualify for the library book rate. The rate is significantly discounted by up to 95% of the regular parcel rates available to all Canadians at a Canada Post counter. Not surprisingly, libraries would like to take advantage of these great rates for all the materials that they provide to their clients and libraries.

The libraries in Selkirk—Interlake are telling me that if they did not have access to the library book rate, what right now only costs them a few thousand dollars a year to access the great collections across the country and bring those collections into their libraries would cost them tens of thousands of dollars a year. That is not acceptable. Our libraries need to keep those dollars to invest in their programs and their facilities to accommodate the increased usage that we see in our libraries.

As public institutions, libraries are always seeking ways to minimize their costs at every opportunity, while maintaining their important services to all Canadians. As we all know, cost savings in one area mean more money for another. This would enable our

libraries to increase their investments in educational services or in their collections through increased acquisitions.

Rural libraries are totally dependent upon being able to access the greater collections in larger centres such as Winnipeg, Toronto and Ottawa and bringing those books into the rural communities for our clients.

Our constituents are seeing the value in having access to these materials, whether they are books, CDs or books on tape, which is really expanding and growing in our area. My rural libraries are telling me that they are seeing a real increase in usage. In some cases, they have seen, over the last five years, usage within their libraries go up almost fourfold and that has put an increased burden on them to bring in more products, more books and new media to satisfy the ever-growing appetite of constituents for new material. This is something that has impacted upon their budgets and they have told me that we have to ensure that the library book rate is available indefinitely.

What we are seeing is a real mix of users. We have youths coming in who are making use of the computer programs. They love this new media that they cannot necessarily go out and get at the store. We are seeing students doing their continued research through their library systems, as well as accessing huge collections to feed their ferocious appetites. My own kids have great reading appetites and like to have access to a number of different series of books, which they do not have to go out and purchase themselves if the library provides them with their membership.

● (1755)

Seniors are not only there to access books, but they love this new media as well. Books on tape are becoming an ever-increasing need and desire for my constituents.

Second, the bill seeks to give Canada Post the power to make regulations to prescribe a discounted rate of postage for library materials. This is in line with a number of regulation-making powers that Parliament has given to the corporation, including the ability to make regulations prescribing what is a letter, what is mailable and the rates that it charges for these different items.

Canada Post has been continuously offering a highly discounted postage rate for library books for over 70 years. Even after Canada Post was made a crown corporation in 1981, the rate has remained significantly lower than commercial rates, and this is as an unregulated rate and unrecognized in its enabling legislation. Clearly, Canada Post understands the importance of this rate to libraries and all Canadians and the role that Canada Post plays in contributing to Canada's public policy goals. Bill CC-509 would help ensure that this would be instituted in the Canada Post Corporation Act.

Third, the bill would allow Canada Post to enter into an agreement with the Department of Canadian Heritage to continue the library book rate subject to Governor-in-Council approval.

Adjournment Proceedings

Given the importance of this rate to libraries across the country and to the development of literacy and other essential skills in our population, an agreement between the federal government and Canada Post to continue to offer this rate certainly makes great sense and good policy. After all, this rate has been continuously offered for the last seven decades and the government has had a longstanding interest in its provision. Therefore, an agreement would be useful in ensuring that the delivery of the rate is in line with the government's overall policy objectives for literacy and other related areas. In its ongoing maintenance of the library book rate, since the previous agreement with the Department of Canadian Heritage has expired, Canada Post has assumed this responsibility itself and have ensured in this way that these objectives have continued to be pursued.

The library book rate has played and continues to play an important role in the development of the Canadian library system, facilitating the sharing of books between communities, regions and nationally for decades. The availability of this rate has been a constant for libraries for generations and has therefore shaped both their financial and acquisition planning. Knowing that this rate is available to them, libraries have been able to pursue collection and funding strategies that are in some ways founded on the library book rate. It is great that we are able to enshrine this now in legislation.

The key to adult literacy proficiency and the development of literacy in their children seems to be reading at home. It increases an individual's proficiency through engagement in literacy activities, such as reading books, magazines, manuals or newspapers.

Libraries play a fundamental role in providing access to all Canadians to a wide range of reading materials and literacy activities. With the help of Canada Post's library book rate, libraries are able to dramatically increase rural and remote library users' access to a consolidated Canadian collection of around 465 million items.

Efforts to create future readers and learners, to engage current readers and to help all Canadians build and maintain their skills are vital to our economic development and growth as a nation. Libraries and literacy programs are fundamental to our future for this very reason. The library book rate has played an important role in the sharing of books across the country, especially in rural and remote locations. The support that it has provided to libraries and their communities cannot be overstated.

Given the importance of Canada Post's library book rate in support of literacy, our government supports promoting literacy and competitiveness across the country.

I again thank the member of Parliament for Brandon—Souris for bringing forward this great bill, for supporting our libraries across Canada, supporting our readers and users of libraries. They are all going to continue to benefit from the library book rate. The book rate itself will be expanded to include so many different items that we can all enjoy.

• (1800)

The Acting Speaker (Ms. Denise Savoie): As no other member has risen, I recognize the hon. member for Brandon—Souris for his right of reply.

Mr. Merv Tweed (Brandon—Souris, CPC): Madam Speaker, I thank all members on all sides of the House who have shown interest in the bill and also support. I listened at the first reading of this when we had concerns brought to us. Again, today, I acknowledged concerns and issues of members. Over the summer, I heard from many people about their concerns with the bill, so when we get to committee, we can iron some of those things out and hopefully even improve the bill, such as putting in a sunset clause where we have to come back and review it to ensure it actually serves the purpose it was intended to.

I have always believed that communities of all sizes should be treated equally and fairly. The library book rate does that for people who want to increase their literacy, their reading, their knowledge and their access. The reason we expanded it to include audiovisual materials was simply because that was the trend. As the hon. member said earlier, I suspect that a few years from now books will not be the major items that are shipped to and from libraries.

I look forward to the bill going to committee. I look forward to more debate on it, but also at the end of the day, producing a bill that benefits all Canadians, in particular and in my heart rural and remote Canadians to have access to the same benefits that everyone else in Canada enjoys and rightly so.

The Acting Speaker (Ms. Denise Savoie): The time provided for debate has expired. Therefore, the question is on the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

The Acting Speaker (Ms. Denise Savoie): I declare the motion carried. Accordingly the bill stands referred to the Standing Committee on Transport, Infrastructure and Communities.

(Motion agreed to, bill read the second time and referred to a committee)

Mr. Kevin Sorenson: Madam Speaker, I rise on a point of order. First, I again want to commend the member for Brandon—Souris. I believe if you were to seek it, you would find consent to see the clock as 6:30 p.m.

The Acting Speaker (Ms. Denise Savoie): Is that agreed?

Some hon. members: Agreed.

ADJOURNMENT PROCEEDINGS

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

Adjournment Proceedings

[English]

GOVERNMENT POLICIES

Hon. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Madam Speaker, on May 7, I asked the government House leader several legitimate questions about the conduct of his government. Instead the House leader completely sidelined the question and attempted to steer the opposition. I will not go into the details of the allegations made by the minister, but I will say that it is an insult to the intelligence of Canadians.

What is even more insulting is that Canadians wanted answers to the questions that I asked of the government minister. Groups such as the Centre des travailleuses en maisons privées in Montreal listened when I asked the questions, listened to his responses and were not very happy about it.

Instead, this centre had its funding cut this year and as their funding was cut he chose to slap them straight in the face, to add insult to injury, in revving up the political rhetoric in deflecting my questions, which were legitimate ones.

This is an issue of the muzzling of groups by the Conservative government and it is a serious issue. For years the government and the Prime Minister have attempted to silence any reasoned and credible opposition, not just from other parties but also from individuals and groups of average citizens. Anyone with damaging information or a contrary opinion to the government is told to “shut the f— up”, to use the words of a Conservative senator, if they do not want to suffer the consequences.

I will name just a few of those who have been muzzled: Linda Keen, former president of the Nuclear Safety Commission; Peter Tinsley, once head of the Military Police Complaints Commission; Paul Kennedy, once chair of the RCMP public complaints commission; Adrian Measner, once president and CEO of the Canadian Wheat Board; Yves Côté, once the ombudsman for the Department of National Defence and the Canadian Forces; Munir Sheikh, once the head of Statistics Canada; Steve Sullivan, once the Federal Ombudsman for Victims of Crime; Kevin Page, the Parliamentary Budget Officer; Richard Colvin, a Canadian diplomat. I could go on.

This government clearly has a history of attacking in particular what it calls “fringe groups”, meaning ordinary Canadian community groups and government bodies that are following their legal mandate, and muzzling groups with which it does not agree.

For example, the Prime Minister cut the court challenges program. The court challenges program was designed:

to provide financial assistance for important court cases that advance language and equality rights guaranteed under Canada's Constitution.

It was cut by the Conservative government.

In the meantime, when we talk about equality rights, Canadian women are still only earning 71¢ to every dollar earned by their male counterparts.

Here is what one former watchdog had to say about this government.

Peter Tinsley reportedly suggested that his removal from the Military Police Complaints Commission is part of a broader pattern with this Conservative government. Mr. Tinsley said that the former Liberal government, in contrast, deliberately did not remove Shirley Heafey, who oversaw the controversial inquiry into the pepper spraying of protesters by the Mounties at the 1997 APEC summit in B.C., because the Liberal government wanted to avoid the appearance of trying to shut down a tribunal that was generating negative publicity for that government.

● (1805)

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC): Madam Speaker, let me first say in response that I reject the premise of the question presented by the hon. member across the aisle.

Number one, she speaks about cuts to funding for a women's organization. In fact, we are spending more money on women's organizations in Canada today than at any other time in history.

I should also point out that if the hon. member wants to talk about cuts in funding, let us go back to the 1990s when the former Liberal Party was in government. There was \$25 billion that it cut in social and health care transfers to the provinces in order to try to cover and pay off the debt that was racked up by its former hero, Pierre Elliott Trudeau.

Also, since it is a timely discussion today with EI private members' bills being debated and discussed, the Liberals took \$50 billion out of the EI fund to help try to pay down the deficit as well, punishing workers and employers at the same time.

The Liberal Party has a very poor track record. In my view, at least, it is absolutely hypocritical that they should criticize this government for funding cuts, when in fact they were the authors of some of the largest funding cuts to Canadians and provinces in history.

I should also point out, as I alluded to just a few moments ago, that this was a result of massive debts racked up by the Pierre Elliott Trudeau government in the 1970s. In fact, as history knows, Prime Minister Trudeau at the time, at the end of his term, was spending \$1.03 for every dollar in revenue the government took in. That is unsustainable, and that is why Canada has as high a debt load as we do today.

The *National Post* had a great editorial today, talking about Mr. Trudeau's legacy. It points out quite correctly that the philosophy of Mr. Trudeau was to spend his way out of debt, to inflate his way out of debt. It just simply does not work.

I also notice that we have a current leader of the official opposition who has stated repeatedly and in publications across Canada that he is cut from the same mould as Pierre Trudeau.

The official opposition leader is calling himself a tax and spend Liberal. He is advocating such things as a 45-day work year in terms of EI benefits. Those are things that would cost billions upon billions of dollars to the Canadian economy and would tax workers and employers. That is simply not acceptable.

Adjournment Proceedings

OFFSHORE DRILLING

When I hear words from the hon. member opposite that the present-day Conservative government has been cutting funds to groups, it simply does not wash, because it is not true.

One thing the Liberal Party was very good at when it was in government a few years ago was funding a lot of advocacy groups, but not because it felt that this was the right thing to do. It was merely because, by funding these groups, the groups would then in turn speak favourably about the government. In other words, it used taxpayers' dollars to fund groups that would go out and promote the Liberal brand across Canada.

That is not responsible government. It is not even close to being responsible government. That is the choice Canadians will have come the next election.

Do they want to go back to the irresponsible tax and spend ways of the Liberals, who proved in the 1970s and onwards that they could not be responsible in terms of guarding taxpayers' dollars; or do they want to re-elect a Conservative government that provides stable, fiscally responsible government, as we see today?

• (1810)

Hon. Marlene Jennings: Madam Speaker, Le Centre des travailleuses en maisons privées in Montreal had its federal funding cut by this government.

When the hon. member opposite talks about the spending cuts and program cuts of the Liberal governments in the 1990s, from 1993 to 1996, he forgets that his party, at the time called the Reform Party, and the Prime Minister, who was around at the time, were actually criticizing the Liberal government. They said that government was not going far enough in its program and spending cuts to tackle the \$42-billion Conservative deficit, which has now been surpassed by the new Conservative deficit, which is in the \$50-billion range.

Back in 2005, the Prime Minister said when a government starts trying to cancel dissent or avoid dissent is when it is rapidly losing its moral authority to govern.

When did the Prime Minister stop believing what he said in 2005? Was it when he became Prime Minister?

Mr. Tom Lukiwski: Madam Speaker, once again, I reject the premise of the question. It is absolutely ridiculous to consider that a member from a former government, which cut \$75 billion between social and health care transfers and EI benefits, stands in this place and suggests that cuts to programs that perhaps were ending or nearing the end of their term are perhaps a sign of dissent.

We have seen that this Conservative government has placed priorities on spending initiatives for our military, for our families, and for our farmers. That is the way to run a responsible government, not like the hack-and-slash deficit-cutting scheme of the former Liberal government.

Voters will have a clear choice come the next election between the tax and spend Liberals of previous years and the fiscally responsible Conservative government of today, and I know that they will make the right choice.

Ms. Joyce Murray (Vancouver Quadra, Lib.): Madam Speaker, on May 13 I asked two questions in my quest to have this Conservative government stop weakening the protection of coastlines from oil spill risks.

In December 2009, the government changed offshore drilling regulations to shift government's role away from ensuring that companies properly operate and manage safety and environmental protection. Instead, it placed the responsibility on the companies, thus abdicating government's own responsibility to prevent and manage oil spill response. This is completely unacceptable.

We saw in the Gulf of Mexico just how very damaging to economies and communities oil spills can be and also that the spill response appeared to be really no better and no further advanced than it was decades before. Therefore, I am calling on the government, and the Liberals are calling on the government, to take action and provide better oversight.

The second question had to do with the tanker ban in the Pacific north coast inland waters. I will give a quick history lesson on this, because apparently it is needed.

In 1972, the Liberal government, under Prime Minister Trudeau's policy, put a moratorium on tanker traffic in the channels around Haida Gwaii and extended that moratorium to include a ban on offshore oil and gas drilling. Since 1972, all governments have respected these bans, this moratorium, including two Conservative governments. Millions have been spent, through three federal panels since 2003, to review the moratorium. All referred specifically to the moratorium on oil tankers through Hecate Strait, Queen Charlotte Sound, and Dixon Entrance.

Now the Conservative government has backed away, dismisses or even pretends this moratorium does not exist, and apparently is willing to put the coastal economies, jobs, and communities at risk. The Liberals are not willing to do that. That is why the Liberal leader has committed to ending this ambiguity and took decisive action this spring to announce a commitment to formalize the ban through legislation.

I would like to just read a point about this economic action on the Liberals' part. This was from an article in the August 5 *Globe and Mail* by Eric Swanson. He put it very well. He said:

There is no existing crude oil tanker traffic in the area. The choice to ban these tankers is not one of environment over economy. It is a choice of a sustainable economy over an unsustainable economy. Economies are created by people. We choose, collectively, what they look like and how they function. Sustainable economies allow our children and grandchildren to be born with essentially the same opportunities and resources as now. Unsustainable economies cumulatively degrade and deplete.

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Allowing oil tankers would threaten the foundations of a sustainable north coast economy. Where oil moves, oil spills. Even from double-hulled tankers; even with tugboats around; even with pilots on board. Machines break and humans err. If oil were to spill on our coast, if it soaked the beaches of our Great Bear Rainforest, we could not clean it all up. The Exxon Valdez and the BP spill show us that a single spill can devastate lives, economies, ecosystems and cultures.

All of the first nations in that coastal area are united in their opposition to allowing tankers. The Lax Kw'alaams, the Wuikinuxv, the Skidegate, the Metlakatla, the Old Masset, the Kitasoo/Xaixais band, the Heiltsuk, the Haisla, and the Gitga'at are all solidly for a ban on tanker traffic.

I call on the government to come up to our remote areas and to join us in protecting those coastlines from oil spills.

• (1815)

Mr. David Anderson (Parliamentary Secretary to the Minister of Natural Resources and for the Canadian Wheat Board, CPC): Madam Speaker, it is unfortunate that we are here tonight listening to more fearmongering about hypothetical situations. The member opposite knows full well that nothing has changed in terms of the tanker traffic moratorium. She also knows full well, as the Senate committee recently recognized, that Canada's offshore regulatory system is among the best in the world. There are very few systems that are better than ours.

We could talk for the next few minutes about that specific issue, but I think there is something even more important that we need to discuss and that is credibility.

The Liberals differ from us on this because we have been consistent on these issues. We have been consistent on the regulatory issues. We have been consistent on the moratorium. They have not.

It is hard for people to know where they stand on anything. It is hard to know whether they stand in favour of oil drilling or not because we cannot get a clear position from them. It is hard to tell where they stand on the moratorium on tanker traffic because they have been inconsistent on that for months as well. It is hard to tell where they stand on energy development. Are they for it or are they against it?

Even in agriculture, which is one of the things I really enjoy, we cannot tell where they stand. There is a GMO bill that has been presented, an extreme radical bill by the NDP. The Liberals have always opposed those kinds of things and under the direction of the member for Malpeque now they seem to be standing in favour of that as well.

We need to know where they stand on these issues.

One of the biggest issues of inconsistency came yesterday and probably damaged the Liberal Party more than almost anything else in the last year or two. That was last night when we were here voting on the EI bill that had been put forward. This is a bill that would cost something like \$7 billion a year. It would result in a 35% increase in EI premiums. It would set up a 45-day work week.

Even yesterday morning the Liberal leader called it fiscally irresponsible. When we hear those words coming from the leader of a party we would expect that his party would likely vote against the bill. Last night we got here and the Liberals took four positions.

I have the voting list here from last night. It is very intriguing because the majority of the Liberals supported it. They believe that Canadians should have been hit with a 35% increase in EI premiums, that it should cost them \$7 billion. Some Liberals were against it. There were three of them who were against it. I think the member opposite was one of the three who opposed it. Some of them sat. What was fascinating is the House leader sat and the deputy opposition leader sat. The fourth position was that some cleared the House. The Liberal leader was among the people who actually left the premises so he did not have to vote on this. In the morning he is saying it is fiscally irresponsible; at night he is running out the door.

It is a disaster. It is a disaster for their party. Canadians can see right through it. The leader flees. The House leader and deputy opposition leader sit and do not even vote. I am sure that the deputy opposition leader is probably still smarting from his recent demotion but one would think he would at least support his leader. Then the majority follow the critic and actually support an extreme bill.

On this issue we see the Liberals are inconsistent. On many other issues we see them as being inconsistent. Thankfully the government is not. The government is consistent in its positions and we have taken consistent positions on virtually every issue, including the one we are speaking about tonight, which is the regulatory system governing offshore drilling.

We have been consistent. We have been consistent in our demands that Canadian industry reach and hold to the highest standards. We are consistent in that as we are in our commitment to Canadians.

• (1820)

Ms. Joyce Murray: Madam Speaker, I find it very sad that when we are speaking about a serious issue of a risk of oil spills from the tip of Vancouver Island to Alaska affecting potentially 50,000 jobs that depend on the coastal environment, that the member takes the time to laughably make partisan shots and talk about completely unrelated issues. That is coming from a member whose government only recently backed down from its plan to implement a job-killing payroll tax increase, thanks to the Liberal Party's input.

What am I to tell the first nations up and down the coast when the member does not even have the courtesy to respond to the serious issue? Does that member not think the environment is important? Does that member not think that the economy of our coastal fisheries is important?

It is completely shameful that the member is not taking seriously the risks to which the Conservative Party is opening the door in terms of potential oil spills on our coast.

Mr. David Anderson: Madam Speaker, the member is absolutely right that this is a big issue. Something as big as this actually requires leadership. As I pointed out, that is what this government can provide. That is what the opposition cannot provide.

Adjournment Proceedings

The Liberals certainly gave no indication last night when they were voting that they could provide any type of leadership for Canadians. The Liberal leader said that the bill was fiscally irresponsible. The Liberal deputy leader and House leader sat in their seats. The critic stood to support the bill, along with the majority of their caucus. That is not a party that is fit to lead.

Our party is ready to lead. We are leading. We are taking care of the issues, including the regulatory issues regarding offshore drilling and the issues regarding the moratorium on tanker traffic.

[*Translation*]

The Acting Speaker (Ms. Denise Savoie): The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow morning at 8:30 a.m., pursuant to order made on Monday, September 27, 2010.

(The House adjourned at 6:24 p.m.)

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