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(HANSARD)

Monday, November 3, 2003

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Monday, November 3, 2003

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

● (1100)

[*English*]

IMMIGRATION AND REFUGEE PROTECTION ACT

Ms. Libby Davies (Vancouver East, NDP) moved that Bill C-436, an act to amend the Immigration and Refugee Protection Act (sponsorship of relative), be read the second time and referred to a committee.

She said: Mr. Speaker, I am proud to rise in the House to speak for the first hour of debate to my private member's bill, Bill C-436, an act to amend the Immigration and Refugee Protection Act (sponsorship of relative).

I thank the member for Winnipeg Centre for supporting the bill. I know it is an issue that he supports very much. He has had a lot of feedback in his riding about the bill and I am very happy that he is seconding the bill today.

The bill before us would allow a Canadian citizen or a permanent resident to make a once in a lifetime sponsorship of a relative who would not otherwise be considered under the family class sponsorship rules that exist today.

I brought forward the bill because one of Canada's key immigration objectives is to help families reunite in Canada. In fact we just received information from the minister a couple of days ago showing us that 28% of Canada's new immigrants are under the family class.

Upon examination of the current provisions, it becomes very clear that the current legislation defining the family class is quite restrictive, leaving many potential relatives ineligible for family reunification. I know in Vancouver East, my own riding, and indeed across the country, because I have heard from many people, many families are desperate to reunite with a family member who is still in the country of origin.

The bill is actually a very modest one. It does not change the system in any dramatic way. It lays out that a permanent resident or a Canadian citizen could sponsor, once in a lifetime, on a one time basis, a family member who would not otherwise qualify under the existing rule. It is that straightforward and it is that simple.

Just to give some context to this proposal, the Liberal red book has long put forward a goal to move immigration levels to 1% of the population, which would be about 300,000 people per year. However, as we all know, we have never come close to meeting this target. On average about 219,000 immigrants arrive each year in Canada.

In 1993 the number of people sponsored under the family class provision reached a peak of 110,000. Today the projection for family member sponsorship is around 60,000. We can see that there has actually been a decline from that peak in 1993.

The federal NDP and our leader, Jack Layton, have been very outspoken on this issue and very supportive of the bill. We do support the government target of 1% of the population for immigration. We consider immigration to be a powerful and positive contribution to the economic, social, cultural and political life of our country. We are a party that has always stood for supporting immigration.

We have seen too often a backlash against immigrants. I read a front page story in the Vancouver *Sun* last Thursday, the day I held a press conference in my own community around the bill, which linked immigrants to terrorists. We all know we are in an environment where there is increasing hostility toward immigration.

I am proud to say that in the federal NDP we have always supported immigration. We want to see the federal government meet its own targets. We know there are Liberal members who support those goals as well. We can help achieve the goal of 1% by supporting the bill without drastically changing the system.

Currently, under the family class section of the Immigration and Refugee Protection Act, only the following relatives are eligible for sponsorship, and it is quite restrictive. For example, one can sponsor a spouse, a common law or conjugal partner who is at least 16 years of age. One can sponsor a dependent child who is under 22, is a full time student, is dependent on a parent for financial support or has a disability. One can also sponsor a parent or a grandparent.

● (1110)

My bill would allow a further step such that someone not eligible under those restrictions could be sponsored. A brother or a sister over 18 years of age could be sponsored. A first cousin, an aunt or uncle or a niece or nephew over the age that now provides the restriction could also be sponsored. A child over the age of 22 could also be sponsored. My bill gives more flexibility.

I want to make it very clear that my bill is not opening up the floodgates to family class sponsorships. Sponsorship would be on the basis of somebody being able to do this once in a lifetime.

I am sure that all members, based on their own experiences in their own ridings, have heard of heartbreaking cases of families spending years in the system trying to get a family member to Canada from their country of origin. I find it heartbreaking to see the psychological impact and sometimes the economic impact that hits these families that have been broken up. I feel that if my bill were supported and acted upon it would be a small step in helping to provide family reunification.

Bill C-436 has received tremendous support. When this idea first came up from the former minister of immigration in 2000, 15,000 signatures were collected in Vancouver alone in support of this policy change. Unfortunately, the then minister decided not to go ahead with the change.

Even today the bill is gathering a lot of support across the country from groups like MOSAIC in Vancouver, Storefront Orientation Services, Falun Gong members, the B.C. Latin American Congress, the Inland Refugee Society of B.C., members of the Fijian community, the Iranian-Canadian Community of Western Canada, the Vancouver Association of Chinese Canadians, and well known writers like Lydia Kwa and Sook Kong, a writer, a poet and a teacher. There is also support from groups like SUCCESS, which is the largest organization in the lower mainland of Vancouver serving the Chinese and was one of the organizations that obtained those 15,000 signatures in 2000. Just yesterday I was advised that the all presidents' meeting of the Chinese Canadian National Council voted to support this once in a lifetime bill.

Word is now going out across the country that Bill C-436 is being debated in Parliament and in due course will be voted on. I think there is very strong community support. Groups and agencies that support new Canadians understand how difficult this issue of family reunification is. They understand families' desperation at trying to bring family members over. No matter how hard they try, the rules are so restrictive they are not able to accomplish it. I think this bill would help move us toward family reunification.

When we held a press conference in Vancouver on Thursday some local media were there, after which a story appeared in the *Vancouver Sun.* A couple of immigration lawyers were quoted as saying that the family class is "traditionally a net drain on public funds". I was actually quite alarmed by these kinds of statements and by the fact that anybody who works with new Canadians and families would say that new immigrants and family class sponsorships are a net drain on public funds. We know that under the existing rules financial support has to be provided for anywhere from three to ten years. All kinds of existing provisions are in place to ensure that there is no financial drain on society generally. None of those rules are being proposed for change. All my bill would do is ensure that someone could sponsor one additional relative.

Other comments were made that if the bill were passed it would somehow trigger a backlash. I was very alarmed to read those kinds of comments, particularly from immigration lawyers who should be familiar with what we need to do.

● (1115)

It seems to me that as members of Parliament we should be supporting and advocating for family reunification. This is actually one of the core programs of the government's immigration program. It is something that is based on compassion and on the well-being and wholeness of families. Any of us could imagine what it would be like if we were here in Canada and wanted to have a relative who was a very important part of our family in this country yet were prevented from doing so.

I will be the first to say that clearly there have to be rules and regulations. My bill would not change any of the provisions around medical requirements or even the definitions of family in the existing bill. Based on the conversations I have had, there are many people who actually would like to change those definitions because they think they are too restrictive. However, that is another debate and maybe another bill for another day.

This bill is actually quite limited in that it takes in the existing definition of family class and the existing provisions for approval. It would simply allow someone, once in a lifetime, to sponsor an additional family member who would not otherwise be eligible under the sponsorship rules.

I hope members will consider the bill and look at it as a step toward actually accomplishing what I believe we all support and agree on, which is support of families and reunification. I hope members will agree that it should go to the next step, to committee. Then we would have a further discussion and there may be all kinds of suggestions about how to improve the bill, which I would certainly welcome.

One of the things I hope we can draw visibility to in putting forward the bill is the real difficulties people face in dealing with the immigration system. In our party we are actually setting up a website so that Canadians can tell us first-hand about the experiences they have had with the system. I know that many of us are familiar with that because of the cases that too often, unfortunately, we are compelled to take on.

We want to draw attention to the facts about just how difficult it is to deal with this system. Some of it is a question of resources. I think one of the reasons we do not meet the 1% target is simply that government offices overseas do not have the kind of staff resourcing they need to actually process applications. This is actually something that the Standing Committee on Citizenship and Immigration has investigated and documented in a very thorough way. I think many of us are very concerned about the fact that while these goals exist, we are not able to meet them because we simply do not have the resources, particularly in some key offices, or we do not even have enough offices to make sure that these applications are processed in a timely way. This becomes a sort of backdoor way of keeping a gate closed on the system. I think members on that committee are very well aware of that systemic problem that exists now.

I will close by saying that I think the bill is a small step to help families with reunification. It is a very modest proposal. It would not dramatically change the system in any way. It was actually proposed by the former minister of citizenship and immigration at one point in 2000. It has tremendous support in the community. I think people see it as a practical and concrete step which they would be able to use. I look forward to the debate. I encourage members to think about the issue and to support in principle the idea of what is being put forward. I look forward to further debate at committee.

● (1120)

Mr. Sarkis Assadourian (Parliamentary Secretary to the Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I was following the hon. member's speech very carefully. As a member of the immigration and citizenship committee, she works very hard on this issue.

Basically I think the concept is a very good idea, but the problem is in the details. As the expression goes, the devil is in the details.

Based on her proposal, I wonder if the hon. member could inform us of what she thinks is the maximum capacity of immigrants we are ready to absorb in the country. Would it be 100,000, 200,000 or 500,000 a year? What impact would that have on our society as a whole? I do not think we have enough capacity in the system to absorb and integrate the potential millions who may come to Canada. If we accept this rule, that is a possibility we have to face. We have to address that issue.

Ms. Libby Davies: Mr. Speaker, I thank the hon. member for his question, as I know that he as well has worked very hard on the citizenship and immigration committee. I am glad to hear that he thinks this is a good idea.

Of course a number of details would need to be worked out, but I would point out that at one point we did have over 110,000 new Canadians who came under the family class provision. We are now down to about 60,000, so if there is some increase in the family class provision through a measure like this, I absolutely cannot not see any evidence that somehow it will have a huge impact in a negative way. In fact, I would advocate that it will have an impact in a positive way in actually helping to strengthen families in local communities. Surely this is something we should be supporting.

In terms of what number we might arrive at, again I would point out to the hon. member, and I think he knows this, that we are far short of the target actually set by the government.

In any report from the citizenship and immigration committee or any government report, members will read information and evidence about the evaluations and studies done over the years which show that immigration is of huge benefit to this country in terms of the workforce, the labour market and cultural, social and economic contributions.

I think we have to look at this bill in that context and say that it would strengthen our immigration system. It would not detract from or undermine it.

Mr. Sarkis Assadourian: Mr. Speaker, I wonder if the hon. member would comment. We did not reach our 1% target in the last few years although that is the Liberal policy, but how would the bill help us to achieve that target without regulating this? Also, how can the government reach that target without making it difficult for society to absorb new Canadians? If we cannot do it with 225,000 because of, as my colleague said, limitations on funding, how does she expect us to do such a thing in a massive way?

● (1125)

Ms. Libby Davies: Mr. Speaker, it is just a matter of political will and commitment. Those targets exist. I think the governing Liberal Party has shown its support for immigration policies, but as I have said, there has been this backdoor way of keeping a limit on the numbers because of staff resources.

There is a way to do this. There may even be a way to forward this bill without additional staff resources, but generally that is a huge question. I know the member is very aware of that because of his work on the committee. It is something the government has to address. If we believe in immigration and if we support immigration and we want to come anywhere close to what these targets are, then we actually have to provide the training, the staff supports and the settlement programs to actually facilitate it. It comes down to a question of what the government priority is on that question.

Mr. Sarkis Assadourian (Parliamentary Secretary to the Minister of Citizenship and Immigration, Lib.): Mr. Speaker, family reunification has long been a key objective of the Government of Canada's policy and legislation. It helps ensure the well-being of each newcomer we bring to Canada and it substantially contributes to community growth and prosperity. Debates on how to strengthen this important cornerstone of Canadian policy to allow more family members to sponsor their loved ones from abroad therefore have a long and rich tradition.

In June 2002 Canada opened a new chapter in this regard with the passage of regulations to significantly enhance the family reunification program, which more closely reflect today's social and cultural realities. These changes reflect extensive public consultation as well as the government's commitment to expand the family class and balance the number of family members we bring to Canada each year with a sustainable plan.

The new regulations allow individuals in a common law or conjugal relationship with a Canadian to be sponsored. They broaden the definition of dependent child by including children under 22 years old, up from under age 19 in the previous regulations. The regulations also reduce the age at which Canadian citizens or permanent residents are eligible to become sponsors from 19 to 18 years old, and they decrease the period of sponsorship undertakings from ten years to three years in most cases.

These changes are based on careful deliberations and reflect the recommendations of individual experts in the field as well as stakeholder organizations in every region of the country. They support our commitment to the family. They also help ensure that Canada maintains the appropriate balance of economic and family class immigration.

As part of the public consultations concerning the new regulations, the government gave careful consideration to a number of options to further expand the family class, including a suggestion that each Canadian or permanent resident should receive a one-time opportunity to sponsor a non-family class relative. The once in a lifetime sponsorship option was found unworkable for a number of reasons, all of which apply to the private member's bill before the House today.

Bill C-436 would amend the Immigration and Refugee Protection Act to grant Canadian citizens and permanent residents the right to sponsor, once in a sponsor's lifetime, one foreign national who is a relative but not a member of the family class. The bill contains no definition of relative nor any apparent restrictions or limitations on intake beyond its once in a lifetime provision. Such a wide open approach would significantly increase processing delays and the size of existing backlogs for every immigrant category. It would place an unsupportable burden on existing resources, and it would help to undermine the integrity of the entire immigration program by increasing the opportunities for fraud.

Canada's recent experience with the removal of limitations on sponsorships clearly demonstrates the flaws in the private member's bill under consideration. In 1988 the government of the time changed the sponsorship rules to include all unmarried sons and daughters in the family class. Total intake in this category nearly doubled over two years, going from 53,033 in 1987 to 104,199 in 1989. When the government cancelled the program in 1993, it was after an eight year processing backlog had been incurred at some Canadian missions, and some of the effects are still being felt today.

Think of it this way. The increase from 1987 to 1989 consisted almost entirely of never married children of any age. If the proposal under debate today were limited to never married children, family class intake would at least double in the next two years. However, if all distant relatives are included with their spouses and children, family class intake could increase even more. Since the newly landed relatives could themselves sponsor any relative as soon as they were qualified to do so, the family class could potentially overwhelm the immigration program. This is clearly not in the best interests of Canadians or the newcomers we bring to our shores.

● (1130)

We agree with the concept of expanding the family class and making it easier for families to reunite with their loves ones in Canada. We agree with the idea of strengthening families in general. Our recent actions clearly support and reinforce this commitment, but the government has also a duty to properly manage the immigration program and ensure that the principles of fairness, integrity and balance are upheld. We therefore cannot support Bill C-436 or any other special provision that fails to take into consideration all that I have mentioned earlier.

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance): Mr. Speaker, I would like to commend my colleague from the New Democratic Party for bringing forward this private member's bill. I know she has a very caring heart and has worked closely with immigrant communities.

The difficulty I have with the bill is twofold. One is that there has been a concerted effort by a number of other parties to label our party as anti-immigrant. That is not the case. However, because that perception is out there, it is sometimes very difficult for us to speak on these kinds of matters because no matter what we say, we are attacked with that perception in mind.

Therefore, I would like first to make it clear that our party is very pro-immigrant. In fact we have a very diverse ethic group in our caucus. Many of our members of Parliament in the Canadian Alliance were not born in Canada. They are in fact immigrants, children of immigrants, including myself. Therefore, we are very pro-immigration, and I want to enter the debate with that very clearly in mind.

The second difficulty I have with the bill is on some practical matters. It would be wonderful if we could move ahead, as my colleague has suggested, with each person being able to sponsor someone once in a lifetime to come to Canada. That would certainly be a wonderful gift to many people, but there are some results that would flow from that kind of change in policy. Therefore, we need to look at those carefully before we decide whether this matter should go ahead.

The main concern I have, and I know a lot of immigrants to Canada have, is the huge backlog that exists in our immigration system. I have had some heartbreaking cases in my office. I imagine that each one of us, as members of Parliament, could stand in our place and tell stories of people who have tried so hard to get their spouse, their fiancée, their children, their parents to Canada under the family class sponsorship but have had the most horrendous roadblocks put in their way with a huge backlog.

I have had many such cases. One that was recent was a constituent who worked very hard to get his wife to come to Canada. She was pregnant at the time. The application started in May 2001. He was told, though a letter from the immigration department, that the whole process would take about 15 months, which would have brought his wife to Canada about the summer of 2002. Unfortunately, their child would not be born in Canada and that was a real concern to him. He was very proud of Canada and wanted his child to be born here.

I do not have time to go over the horrendous series of events that took place between the time my constituent made his application to bring his wife to Canada and when she finally arrived in September 2003. That was two and a half years from the time he made his application, and there was such heartbreak for this man, his wife and his little daughter.

My concern is that immigrants, who are in these situations, who want to bring elderly parents, many of whom are not well and need family to care for them and to be with them, or who want to bring their children or their spouse to Canada, already have such a difficult time. By loading up the queue, so to speak, with new categories of entrants, new categories of people who are able to make an application to come to Canada, we have to think about the impact on those who are already in the queue. That is a tremendous concern to many citizens and immigrants who are already trying to get close family members into Canada.

● (1135)

Both my colleague in the New Democratic Party and the government member, the parliamentary secretary, spoke of the lack of resources in our system. It is a real concern for all of us. The lack of resources are impacting newcomers to Canada very severely.

We all know that settlement services continually are cut back. That really means newcomers to Canada do not have the kind of language training they require. Newcomers to Canada do not get the employment counselling that is so important to them. There is a lack of resources in housing, so we have cities like Vancouver and Toronto where the housing costs are so horrendous that newcomers find it difficult to establish themselves and their families.

Resources are being cut back for counselling overseas. It used to be that our people at missions abroad would take at least a half hour with everyone intending to come to Canada and counsel them on things like the climate, the tax system and some of the cultural expectations when it came to disciplining children, which is a huge concern for newcomers to Canada. They would give them some idea for what they needed to prepared.

Now, because of lack of resources and the huge backlog, individuals are simply pushed through the queue without having the kind of preparation that is so important. When they come to Canada, they find that their family members are so busy and tied up in making a living and establishing themselves that the extra help we want to give immigrants simply is not available to them.

Therefore, we need to think very clearly about whether loading the system further really will be a benefit to newcomers in Canada, to families in Canada and to our country or whether it simply will exacerbate the problems that in my opinion ought to be fixed first.

Once in a lifetime has been suggested but that is a very arbitrary limit. Why is it only once in a lifetime? If we are to open up a new category, why would it only be once in a lifetime? We will have some tremendous problems in administering that.

An immigration lawyer, who was the former head of the Canadian Bar Association immigration subsection, said to me that immigrants were able to sponsor a relative with a one page document, supported by another one page document their about financial resources, but now there was different criteria for specific countries and it was a bureaucratic nightmare.

I would suggest we need to start streamlining our system so there is not such a nightmare for people wanting to come to Canada, before we add to categories of sponsorship. We also want to ensure that we have the resources to care for and establish people in our country so they can succeed very quickly, as many of them work hard to do but the tools are not there for them.

My colleague knows that one of the real concerns we all have in the House, from all parties, is the lack of recognition of foreign credentials. We have horror stories of people coming to our country and not being able to establish themselves in their trade and profession such that they can really succeed. They struggle to survive at low paying jobs.

I have a constituent who was brought to Canada because he had two masters degrees: one in education and one in science. He taught ESL in his country of origin and was very fluent in English. He found to his horror and dismay when he got to Canada, and no one had told him this, that he could not teach. He is now working stocking vending machines, with two masters degrees.

These situations need to be looked after. They need to be cleaned up and cleared up before we bring more people in to suffer the same frustrations that so many others have experienced.

While I applaud my colleague and her generosity of spirit, which I think is shared by all Canadians, I think in practical ways we need to clean up our system to make it more effective and efficient before we add to the categories of sponsorship.

● (1140)

[*Translation*]

Ms. Madeleine Dalphond-Guiral (Laval Centre, BQ): Mr. Speaker, there are certain debates in this House that require making decisions in the light of a particular context and realities that cannot be ignored. Today, I have the opportunity to speak on a question that demands serious thought in order to arrive at our position. Here we see reason clashing with passion.

Bill C-436, sponsored by the hon. member for Vancouver East, seeks to amend the Immigration and Refugee Protection Act. The proposed amendment reads as follows:

> Subject to the regulations, a Canadian citizen or permanent resident may, once in their lifetime, sponsor one foreign national who is a relative but is not a member of the family class.

We are well acquainted with the hon. member for Vancouver East. This proposal reflects her humanitarianism and her great generosity. We commend her on the spirit behind this bill.

Unfortunately, we cannot support her bill as it is currently formulated. Three major reasons underlie our position: the lack of clarity of Bill C-436; immigration priorities, particularly Canada's role in refugee protection; and finally, budgetary constraints and the resulting choices for the allocation of resources.

What do we mean when we say that the hon. NDP member's proposal lacks clarity? What does she mean by a "foreign national who is a relative but is not a member of the family class"? What are the acceptable limits of the definition of "a relative"? For example, is a third cousin counted as a relative? Is there a requirement that they share a genetic ancestor and, if so, to what percentage? What is the dividing line between an acceptable relative and one who is not, if the list of admissible persons has not been defined?

We easily see that there is a great deal of room for arbitrary decisions. If the hon. member wishes to broaden the family class to include other specific family members, she should state that in her bill, because without that, it is too vague and does not make it possible to determine which cases are admissible and which are not.

For example, we know that certain cultures consider family much more broadly than blood relations. For some people, a very close friend or neighbour is like a brother or at least like a member of the family.

The current list of persons admissible in the family class is already well defined. How could we justify an amendment this far-reaching without including some limits?

That way, the hon. member should be able to show how many people would be affected by this new measure. Has she any credible and relevant studies on this? For now, we can only presume that this kind of proposal would have allowed 229,091 additional sponsorship applications in 2002.

This piece of the pie, which is Canada's immigration plan, is split 60-40. In other words, immigrants are selected as follows: 60% are economic immigrants, meaning business people, and self-employed and skilled workers; the remaining 40% are family class immigrants, asylum seekers and so forth.

Of this 40%, approximately 30% are family class immigrants, 10% are refugees, and 1% other. If the number of individuals who qualify for family class is increased, who will pay? Since the total is split 60-40, asylum seekers will clearly pay the price of these new measures.

Those members interested in reducing the 60% should remember that, before family members of a permanent resident or Canadian citizen can be brought over, the primary applicant must qualify to enter Canada as part of the 60% in the economic class. So, this proposal, which would reduce that percentage, does little to improve the situation.

● (1145)

With respect to the 40%, headlines show deportation cases for asylum seekers being dismissed almost every week. Clearly, the numerous conflicts and civil wars in a growing number of countries —Colombia, Algeria, Palestine, Israel, Democratic Republic of the Congo, Iraq, Afghanistan—should make democratic countries pay closer attention to refugee claimants. Every year, small budgets cause Canada to turn away thousands of asylum seekers whose lives are in danger in their country of origin. With bigger budgets, Canada could further meet its obligations as a signatory of the Geneva convention with respect to protecting refugees.

By allowing more immigrants to sponsor relatives, we are using resources that could save lives by accepting more asylum seekers. Politics and public administration are no exception, as with daily life we have to make responsible choices while taking various constraints into account. Would it be better to bring a distant cousin to Canada or offer asylum to a Colombian family whose members might be tortured or killed if they were returned to Colombia? In an ideal world we could do both, but for now this is not possible.

Although the humanitarian intent of the NDP member is praiseworthy, her bill does not take into consideration the realities of Citizenship and Immigration Canada's budget.

Canada's immigration objective is to admit the equivalent of 1% of the Canadian population, or 310,000 immigrants annually. There are two key reasons for this: compensating for the recorded drop in population and filling the need for skilled workers, particularly with economic category immigrants.

In 2002, Canada admitted 229,091 immigrants, compared to the 2001 figure of 250,484. The drop was in part a result of the department's inability to process any more because of budget restraints and the costs related to settlement and integration. It is not enough just to admit people into the country; it is also important to ensure that they receive proper services for a smooth integration into the host society.

This past spring, the Standing Committee on Citizenship and Immigration's trip across Canada gave us a good idea of the inadequate funds available for settlement of newcomers and the unfortunate consequences of this situation. The quality of services to new arrivals is as important as, if not more important than the quantity of newcomers. What is the point of bringing in distant cousins and neighbours, if we are not even in a position to properly service those already here in Quebec and in Canada?

It is important to clearly understand that the Bloc Quebecois recognizes the humanitarian aspect of Bill C-436, and if the hon. member agrees to take it back to the drawing board and fine tune her proposal, particularly by improving its focus and clarifying those who would be eligible, it is possible that we might support it when time comes to vote. For the moment, however, common sense and responsibility dictate that we instead favour providing proper settlement services for those who are admitted. As well, our humanitarian duty toward asylum seekers requires us to afford them priority when resources are being allocated. For them it is often a matter of life or death. As the old saying has it, “You should not bite off more than you can chew”. We are better to not bite off so much that we develop problems later.

● (1150)

[*English*]

Mr. Inky Mark (Dauphin—Swan River, PC): Mr. Speaker, I am pleased to rise this morning to take part in the debate on this important and interesting bill.

In principle, I believe the member for Vancouver East has her heart in the right place and the bill has the right intent. I have a lot of questions to ask about the bill which I will bring up later on in my remarks.

First of all, I wish to thank this country for having a family sponsorship program because I would not be standing here today if that sponsorship program had not been put in place. In fact, I would not be in Canada at all if it were not for the program. However, if it was not for the Chinese Exclusion Act, I would have probably been in this country a lot earlier.

Using myself as an example, I am actually a third generation Canadian by immigration because my family was excluded from this country. When my father came here, he just escaped the Chinese Exclusion Act of 1923. It was not repealed until 1947. That tax was put in by the Liberal government of the day. I came in the fifties under the family reunification program. The doors were opened and people were allowed to come to this country to join their families.

It is important that we be serious about family unification. All the excuses I heard this morning throughout the debate were just that, excuses. I do not think there is anyone in this House who does not have a relative or who does not know someone personally who came to this country through the family sponsorship program at one time or another, if not in the last decade, certainly 20, 30, 40 or 50 years ago.

We believe that families are the foundation of this country. Who built this country? It was built by families and immigrants who came here, certainly the first and second generations. They came here not to use the country and ask for hand-outs. They came here to contribute to this country, much like the pioneers of the early days in the 1600s, 1700s and 1800s. We must not forget that.

We believe that uniting families is important. It is just like our own immediate families. That is how important it is. Imagine being separated from them for decades and not being able to have them come home: our own children, our nephews and nieces. If we were to put a reality perspective on it, I think most members in the House would agree that it makes sense.

I do not believe immigrants or their family members want to come here for a free ride. They want to come to contribute and help this country grow. That is why conditions need to be put in place.

I had a private member's bill put together on the same topic back in February 2002. I did not take the time to table it. In that bill, I qualified the definition of citizen making an application. A qualified citizen meant a person who had been a Canadian citizen for 25 years or more. In other words, people had to show credibility. They had to have contributed to this country, to its growth, and to its success.

Under section (b) qualified citizens would have to satisfy the minister of their ability to provide for the necessities of life and fulfill the legal obligation of a person sponsored under section 2.2 for 10 years following the person's arrival in Canada, either financially, partly financially or partly in time, and undertake in the prescribed manner to do so, if necessary. Also, that the qualified citizen had not previously sponsored a qualified person under that same section. In other words, the citizen had to guarantee that the family member or individual would be looked after, not at the expense of the country, but at the expense of the sponsor.

● (1155)

When we look at families that probably makes sense and is rational, because if we want family members to be here then we should be obligated to look after them.

On the numbers side, even according to the Liberal records, roughly 25% of family members who come to this country annually are sponsored under the family class. This year we are looking at something like 44,227, which met 75% of the target. When the Liberal target is something like 300,000, 1% or roughly a quarter million is the annual average, 44,000 is not a lot of people.

If we put in a qualifier in terms of who is qualified to make the sponsorship, I do not believe we would get an onslaught of applications. First, as I indicated, people should have been citizens who have helped generate wealth in this country for 25 years, which is a number I picked out of the air. We could make it 10 years if it would be more applicable. I do not believe we would get a huge onslaught.

It is so ironic that the Liberal government over the last 10 years has wanted to take the credit for all the immigration numbers, as the member for Vancouver East alluded to earlier in her speech. In the 10 years the Liberals have been in power they have actually lowered immigration levels. That is hard to believe. They are the ones who have been promoting that it should be 1% or 300,000 people. The intent of their proposal is that all these new immigrants will vote Liberal. They are more interested in their vote than how they will contribute to the creation of wealth in this country.

Over the last 10 years the Liberals have actually lowered immigration levels in the range of 232,000 to 257,000 in the last three years. During the last three years of the former Progressive Conservative government, they were actually a lot larger. In fact in 1992-93 immigration levels were about 0.9% of the population and right now they are just over 0.7%. How does the Liberal government explain that? It has been the government for the last 10 years that has promoted immigration and yet the actual levels of immigration are less than they were in 1992-93.

In principle I agree with the intent of the bill. I know that with the diverse population base, the people who are watching this debate, I am sure, support the bill. Diversity and family reunification creates wealth but it has to be done in a qualified and right way.

● (1200)

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I for one could not be more proud or honoured to be a seconder for the bill introduced by the member for Vancouver East regarding family reunification.

Her idea of once in a lifetime, where new Canadians who would otherwise be unable to sponsor a family class member would, under the bill, be able to do such a thing. The bill meets a need that I am certain has been brought to the attention of virtually every member of Parliament in the House. Who among us has not had people come to our offices who wish to reunite with a family member but who find the rules so restrictive that they are unable to do so?

I believe it is the position of the hon. member for Vancouver East, and I concur, that the current rules under family reunification fail to recognize the reality of many traditional cultures from source countries, from immigrants who have extended families who perhaps live in a far closer network than we are used to in North America.

I can use, as an example, one case I know of quite well where a non-married aunt in a family unit actually was the primary caregiver for the children when both of the parents were out of the house scraping by to earn an income. This reference is from the Philippines. The aunt raised the children in that case. It was very important for those children, who now reside in Canada, to bring that family member to Canada to join them as she was reaching her senior years. That would be one case in point where the current rules do not accurately address the reality of the family structure in the source immigration countries. The hon. member's bill is sensitive to that issue.

Other members from other parties have raised details as to why this may be a problem in terms of resources. I do not accept that by allowing the hon. member's bill to go forward it would open the floodgates and cause a rush of immigration that our system would not be able to handle, for the simple reason that her bill does not change anything else in terms of who would be eligible and how a person would qualify. The sponsoring family, or the sponsoring new Canadian, would still have to meet the very onerous issues regarding income and the financial aspects to the current system.

One of the biggest barriers to more family reunification into the inner city of Winnipeg is that we are held to the same standard in terms of the amount of annual income the sponsor must have in order to sponsor another person. It, more than anything, is the barrier to more family reunification sponsorship.

I believe, as I think all members here recognize, that the family reunification aspect of our immigration system is one of the key pillars on which our system is built. I would wholly support this measure which I believe would enable more families to sponsor more immigrants without putting an undue burden on the current system or adding to what I do accept is an unreasonable backlog.

I have often heard the Minister of Citizenship and Immigration deny that there is a backlog in the system. That is simply putting one's head in the sand. The previous minister said, in a very creative way, that it was not a backlog but a waiting list. Whether it is a backlog or a waiting list, it has the same net effect that people are waiting years.

I will point out one other basic unfairness in the existing system that the hon. member's bill would recognize. While people are waiting in this country to get their earnings up to a sufficient point to sponsor, for instance, a child from the Philippines, that child may pass the age of 18, or the current age of 22. As the years tick away, this family has to make the most gut wrenching choice of their lives, which child to sponsor at which time, while the child is getting older. Ten years can go by before the new Canadian can get the earning capability to sponsor enough of their family members to truly reunify that family and by then the person may be over 22 years old.

● (1205)

In the case of this simple rule change, that family could now sponsor that 25 year old adult child who was no less valued but was forced to be separated from the family unit for whatever reason in terms of the way that the family came to this country.

This is an issue of basic fairness. It creates opportunities. It does not create an undue burden, I believe, on the system. I wish more members would realize that.

[*Translation*]

The Acting Speaker (Mr. Bélair): The time provided for the consideration of private members' business has now expired, and the order is dropped to the bottom of the order of precedence on the Order Paper.

GOVERNMENT ORDERS

[*English*]

SPECIFIC CLAIMS RESOLUTION ACT

The House resumed from October 31 consideration of the motion in relation to the amendments made by the Senate to Bill C-6, an act to establish the Canadian Centre for the Independent Resolution of First Nations Specific Claims to provide for the filing, negotiation and resolution of specific claims and to make related amendments to other acts.

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, Canadian Alliance): Mr. Speaker, I assume we have moved on to Bill C-6 and we can commence from there. However I wonder if we could have quorum in the House first. I have some important things to say and wonder if that could be established before I commence my speech.

The Acting Speaker (Mr. Bélair): Obviously there is not a quorum. The bells shall not ring for more than 15 minutes.

And the count having been taken:

The Acting Speaker (Mr. Bélair): We have quorum.

Mr. Maurice Vellacott: Mr. Speaker, I know they will be watching from the TV monitors out in the lobby as they are eating their lunch and hearing the very important things that are being said this hour in response to the report from the Senate with regard to Bill C-6.

When I left off on Friday in terms of this rather important bill under consideration, I was saying that I do not dispute the point that making the centre independent not to mention giving it the appearance of independence is no small challenge. It is a challenge. As I said last week, it is clear to me that the government is not up to the challenge.

Proposals to help give the centre independence and the important appearance of independence are staring the government in the face from the pages of the joint task force report, to which I will refer later. There are large blocks of that document that are very helpful. There is another document by Leigh Ogston Milroy which talks about the need for independence with this particular body.

A number of amendments were put forward in committee by the Canadian Alliance and there were some from other parties as well. There were a significant number of amendments from our party, yet those were completely ignored and swept aside.

Another Senate amendment is a transitional provision to ensure that those who are claimants under the current specific claims policy are also entitled to make representations regarding appointments to the new claims centre.

Another Senate amendment will allow first nations to make representations as part of the government's three to five year review process mandated in the bill. This will affect clause 76 of the bill. Unamended, Bill C-6 does not obligate the government to seek anyone else's input into the review process or to document their thoughts.

Even with the Senate amendment, nothing forces the government to make public and be accountable for concerns that the many first nations have with the claims resolution process. How does the government expect to win over the confidence and the trust of first nations when it ignores them in such an obvious manner? How does the government expect to convince people that the claims resolution centre is independent when it is keeping such tight control over every aspect of the process?

Indian chiefs from across the country as well as the Assembly of First Nations have made their position very clear, that the appointment process mandated by Bill C-6 undermines any claim that the centre will be independent and impartial. If they use it at all, the first nations will not accept rulings against their claims because they lack confidence in the impartiality of the centre.

The government has set up a process that will not resolve anything in terms of producing closure or finality to a claim.

The parliamentary secretary told us in committee that the minister would consult first nations. Having said that, he was unable to explain why the minister is unwilling to put that promise in the bill. The review process sends the message that the government is only interested in the effectiveness of the centre from its own perspective, rather than understanding its impact on all parties concerned.

I believe that is a major flaw and a major problem in the bill. If the bill is not looked at in terms of the other parties involved, in terms of getting the proper resolution, saving us all kinds of tax dollars if we have to use the more expensive and extensive process of going through the courts, this is not taking into account those considerations.

The concerns about trust and lack of independence of the proposed claims centre have been raised numerous times in the Senate as well. I frankly confess that I am surprised that the Senate report to the House did not include any stronger amendments to rectify the situation.

For example, Progressive Conservative Senator Terry Stratton noted at one point:

> Under the present system Canada is already the judge and jury. Bill C-6 retains this concept and adds elements to this conflict.
>
> ● (1210)
>
> The federal government retains sole authority over appointments to the commission and tribunal and retains authority over possessing the claims, which undermines any concept of independence. Appointments are made on recommendation of the minister, the same minister responsible for defending these claims. Obviously, this system is ripe for political patronage considering that the commission appointees have no qualification requirements.

Liberal Senator Gill told his colleagues:

> I have trouble seeing how this tribunal or the appointed commissioners or judges would be independent. I have a lot of trouble seeing that independence.

At one point Senator Nick Sibbeston, speaking in defence of the bill, argued:

> There is no other system. No other approach is possible in our system of governance, where the government appoints people to tribunals and boards. We have to live with that system and trust that the appointees are not in a conflict of interest situation. We must trust that they can make judgments based on their best ability without regard for who appointed them.

Senator Sibbeston and others speaking on behalf of the government on this issue are arguing that we are dealing with an either/or situation, making no room for a middle ground.

Elsewhere in Senate debate, Senator Jack Austin, also speaking in defence of the bill, objected that the Assembly of First Nations and other aboriginal groups were demanding veto powers over government appointments. The Assembly of First Nations has indicated that it can live with the recommendations that are in public view for all to see in the joint task force report.

As I indicated in my speech last week, although it gives aboriginal groups much more input into the appointment process than they would have under Bill C-6, it would still give the government the final decision making power. First nations can be given far greater opportunity for input into the review process as well without giving them veto powers over the final release of the government's report.

Mr. Speaker, as you well know from your many years in this place, there is a mechanism in Parliament whereby in the case of committees, opposition parties can release dissenting reports. No doubt, Mr. Speaker, you were in on that process when you sat on the opposition side.

Opposition reports, or dissenting reports, are not uncommon in this place. Those dissenting reports are given when individuals do not agree with a committee's final report. Those opposition reports are tabled and made public. They have official status but they do not stop or obstruct the government's legislative agenda from moving forward.

I do not understand why there is such a lack of creativity on the government side when it comes to the specific claim centre that it cannot come up with something comparable to that such as dissenting reports or whatever one wants to call them in the three to five year review process mandated in the legislation.

Senator Sibbeston raised an interesting point in the comment which I quoted a few minutes ago. He talked about trust and about how important it was. We are supposed to “trust that the appointees are not in a conflict of interest situation”. He said that we must trust that appointees can make judgments based on their very best ability without regard for who appointed them.

The hon. senator talked about trust in the context of the industry minister's interesting relationship with industry giant Irving Oil. We would not want to forget the special perks that other ministers have received from Irving. When we are told to trust the government, we should not forget about the Minister of Human Resources Development and her admission regarding Irving perks. That minister is already famous for the HRDC boondoggle that was exposed under her watch. Trust indeed. There is also the involvement of the environment minister and who knows who else will admit to an unethical relationship with Irving later on today, tomorrow or sometime during the remainder of the week.

When we think about trust and the current government, we might also keep in mind the flagrant abuse of taxpayer dollars through the billion dollar boondoggle gun registry. There has been no end to the ink used to write on that exposé of scandalous waste of taxpayer dollars and then we use the word trust.

● (1215)

That scandal in respect to the gun registry has been brought to us by the current industry minister. Everything he touches seems to turn to scandal and boondoggle it would appear, at least in terms of the number of portfolios he has had.

There are the current health minister, the justice minister and now the solicitor general, and there are all of these different problems in respect to the kinds of perceived conflicts and scandals they have been involved in.

Speaking of the justice minister, this is an individual who is presently sacrificing our parliamentary democracy on the altar of judicial activism and so we had hearings all across the country. We listened to good, qualified, competent people who presented considered, reasoned opinions to the committee and at the end of the day when it was just about to release its report, it was pretty much shut down. Other individuals were brought in to stack the committee. It did not matter that the members did all this good work over some considerable period of time in attempting to get an understanding of the crucial issue of marriage in the country.

As well, there is no question from the vast majority of witnesses that the way in which the government is going in terms of homosexual marriage is not the direction the committee wants. In fact, it would have been along a different line, possibly civil or domestic partnerships or something like that but certainly the retention of heterosexual traditional marriage was the way the committee obviously would have gone.

At the end of the day the government threw that out or did not even appeal to the Supreme Court of Canada. A pretty good body of opinion is asking why it did not do that. It is because it knew in fact it would have been upheld; the traditional heterosexual time honoured definition of marriage in the country would have been upheld.

The Minister of Justice at that point did not trust at all what the committee did. He was not to be trusted because he really sabotaged and hi-jacked the whole process to his own end, to his own purpose and to his own agenda. Instead of taking it to appeal which would have upheld the traditional heterosexual time honoured definition of marriage, the whole thing was sabotaged.

The justice minister was trying to get in the way and obstruct others who were going to come forward in lieu of the government on that particular issue, defending in our country what has long been held to be the proper definition of marriage. It is as constitutionally valid today as ever.

I say that simply because there is the issue of trust. Can we trust? Ought we to trust? Ought we to be so naive as to trust when we have things like that going on in our country? I would say it would obviously be very naive.

Getting back directly to Bill C-6, that is why when Senator Sibbeston talks of trust, either he is thinking that we are a little bit naive and fairly stupid in this whole thing or he believes it himself and that is not even a strong statement in respect to his own credentials for his role.

Trust in the current government is probably at an all time low because of a number of these things. We cannot simply trust the government.

How would it go over, Mr. Speaker, if you showed up at a place in your riding, or if any of us did for that matter, and walked in saying, "Trust me, I am from the government". I think it gives a little sense of it if you, I, or any member here did it.

I am slightly shielded at this point because I can say, "Trust me, I am from the official opposition party, the Canadian Alliance". But if I were to walk in and say "Trust me, I am from the government," I can imagine what kind of a response that would get from constituents. "Trust me, I am from the government" is not an assurance that goes very far today, not with the government engaged in permanent damage control due to unethical behaviour and gross incompetence.

Canadians want to make their government accountable by seeing their promises stipulated in legislation. They do not want a verbal statement that the government is going to do such and such; they want it in legislation. Let us defend it, make sure it is entrenched there and then they will be more likely to believe it. Verbal assurances are not good enough, certainly not when there is the kind of legacy that the Liberal government has.

● (1220)

What is so difficult about putting some bottom line, minimum standards in place in terms of the credentials required by a claims centre employee to mitigate against the risk of patronage and conflict of interest? That could be done, it should be done and it is necessary for it to be done. Such a move would increase the confidence of Canadians, including the aboriginal claimants involved in these claim disputes.

At the same time, to bring my comments back specifically to the three to five year process, let us give first nations a better mechanism to have their voices heard, especially if they do not agree with the government's report.

The Senate has made another amendment that seems designed to address concerns over conflict of interest. It may be of some benefit in that respect, although that remains to be seen. We are not quite sure. The amendment in the words of the Senate Standing Committee on Aboriginal Peoples chair, the hon. Thelma Chalifoux "seeks to protect the impartiality of the commission by limiting employment with claimants for certain appointees following the completion of their term". It also imposes a temporary employment restriction with the Department of Indians Affairs and Northern Development for prior appointees.

The government should make further amendments to deal with the independence and the impartiality of the claim centre before sending the bill back to the Senate for final approval, instead of simply accepting the Senate report as written.

Bill C-6 states that the majority of the adjudicators, including either the chief adjudicator or the vice-chief adjudicator, must be members in good standing of the bar of a province or la Chambre des notaires du Québec. As I mentioned a few minutes ago, the bill says nothing about the professional qualifications of those eligible for appointments to the claims commission. In a saner time one might be able to trust the government to make competent appointments, but the scandalous revelation of out of control bureaucrats that have been surfacing in recent months lead to some real concerns about the need for greater clarity as to the credentials of potential appointees to the claim centre.

It might also be worth examining the length of the terms that the appointees hold with the centre. First nations have expressed concern that the appointment periods for the chief and the vice-chief commissioners and adjudicators are only five years and for the regular commissioners and adjudicators the period is three years, with the possibility of reappointment available in all these cases. First nations, and rightfully so, fear that these short periods of service will tempt the officials to rule in favour of the government that appointed them so as to ensure they are reappointed. That concern was also raised during Bill C-6 debate in the other place, in the Senate. If the appointee sits for such a short term and has the option of being reappointed, will his or her interest in being reappointed affect his or her commitment to impartiality when hearing the claims?

The final amendment proposed by the Senate adds to the tribunal's authority by amending section 47. Section 47 deals with some of the responsibilities of the tribunal. The Senate amendment adds to the tribunal's responsibilities. If this amendment passes, the tribunal will be able "in relation to a specific claim that is before the commission to summon witnesses or to order production of documents".

In other words, if one of the parties is not forthcoming with information deemed important by the commissioners to resolving the particular case at hand, the commission can request the intervention of the tribunal for the purpose of requiring witnesses to appear before the commission and to require the production of documents that would help in evaluating the claim. That on the surface seems like a reasonable amendment. I might be able to support that if we were to get that far, but I am not so inclined to think we will at this point.

Although not reflected in the amendments from the Senate, the question of transparency with the specific claims resolution centre was a significant topic of debate in the Senate. I found it very interesting to note and to understand what was said there on this matter. It was the subject of some observations which the Senate added to the end of its report to this House.

● (1225)

That is another area of the bill that needs to be dealt with to build confidence and trust in the government by our first nations aboriginal people across the country.

What we are talking about regarding transparency are provisions to make the process effective and efficient. I think everybody concerned in this process would like that. We want a process that is expeditious, not one that is full of delay, obstruction and stonewalling. Sadly, we see the very opposite in Bill C-6. In the legislation there are far too many opportunities available to the government to stall and to delay the process of considering a claim.

As individuals well noted, it has been said numerous times in speeches delivered here and elsewhere, that justice delayed is really justice denied. There is no question about it. If we hold off people indefinitely and obstruct, stonewall and delay, then justice delayed is simply justice denied. That is a sad statement.

The comments from the Senate are remarkably similar to the concerns that we raised in the House and in the aboriginal affairs committee earlier this year. Let me read the Senate comments into the record today. I quote:

> One of the primary goals of this Bill is to provide for more speedy resolution of claims. Nonetheless, there are many areas of potential delay built into the process. Most notably, there is no requirement on the Minister to make a decision on whether to accept a claim for negotiation within a set time period. We have been told that this flexibility is necessary because of the complexity of many claims and the limited legal and other resources available to the Minister to make these determinations. As well, the government may be limited in the number of claims it can address because of the budget available for settlements. We would therefore urge the government to allocate significant additional resources to the process of validity determination, negotiation and settlement of claims so that the admirable goals of the Bill can be met.

> We would ask that the Minister, in the review of the Act in three to five years, pay particular attention to the impact of the issues of delay and resources that have been allocated to the process of validity determination.

We, of course, believe the government should make the necessary amendments to the bill immediately and not put it off. As I noted earlier, the government has protected itself fiscally by establishing a budgetary limit to the funds it can distribute each year to settle claims. Then to go on to say that it needs to build on such protections at other points in the bill is really nonsense.

There is nothing stopping the government from resolving claims in any given year that total an amount greater than that which has been set aside in the budget to allocate to such claims. In such a situation the resolution process could include a provision to add an appropriate amount to the claim payout to take into account the fact that it cannot be allocated until the next fiscal year or whatever subsequent date on which the payment would be made. Therefore, if the total is used up within a year, that is fine, then there is an agreement, a written legal binding part of the text, that says it will be paid out of another year's or maybe the total amount could be increased altogether. However, I would say that it is fairly uncreative. I can attribute other things to it as well, but do not say that it cannot meet these bigger claims because it does have the total allocation, when it could be paid out in the subsequent years. I am sure that would be acceptable to that band rather than setting it aside altogether.

I am sure that the simple fact of resolving a claim would be a step forward for peace of mind and security for many native people, even if the payout for that claim had to be delayed by a year or two based on prior knowledge of budget constraints. To leave first nations claimants in a state of insecurity and flux over the final outcome of their claims simply because the money is not available to pay it out in any given year is quite frankly an indefensible position.

I want to take some time now to remind the House of the numerous specific areas in the bill in which the government has built in opportunities to delay and obstruct the claims resolution process.

● (1230)

The minister, for example, if he decides not to negotiate the claim is nowhere obligated to explain his reasons for that decision. If the claimant decides to challenge the minister's decision, the minister has to provide disclosure in his defence at a later date before the claims tribunal or the court. The claimant on the other hand is required to provide a full accounting of his position and rationale for it at the outset of the process.

One would expect that in a context that is supposed to be conciliatory and guided by alternative dispute resolution mechanisms rather than the more adversarial environment of the courts, that Bill C-6 would make clear the responsibility of both parties for full disclosure at the earlier point in the process.

The government has also built many mechanisms into the bill to enable delay and obstruction in the process of considering a claim. It has avoided the establishment of tangible timelines contrary to recommendations in the 1998 joint task force report, which we want to make some reference to later, to ensure a speedy resolution of claims.

That 1998 joint task force report had some very good, notable and worthy recommendations. The government has also rejected joint task force report proposals that would have given the claimant or the commission the ability to move the process forward if the government seemed to be taking excessive time to consider a claim.

The first example of what we might call a stalling clause is the provision for multiple, preparatory meetings. It is probably fair to call it a stalling clause because that is the net effect of what results here. Following the initial preparatory meeting, the commission is authorized to hold additional such meetings at the request of either party. The minister can conceivably use this provision to delay the process.

Indian representatives who spoke with us said that one preparatory meeting was generally enough and therefore the option for additional meetings was not likely to be a provision found useful by first nations. Concern was raised that it existed more for the benefit of the government for use as a stalling mechanism. People were pretty wise to that from all sides of the table. I think the government was also aware of that, but would obviously not want to concede that or publicly fess up to that.

The bill does not require the commission to hold additional meetings at the request of either party, and one could imagine the government using this point in its defence to try to defend the indefensible here. However, without protections in the bill to ensure that the commissioners are competent and free from conflicts of interest, this really means very little. As we have said before, we need those specific protections in the bill along the lines of the competence of commissioners free from conflict of interest and so on. We need those in writing. It is not good just to have verbal assurances of same. A handshake, unfortunately, is not adequate for the job in this case.

Later in the process where the bill discusses the minister's need to consider the merits of the claimant's case and to make a decision as to whether he will negotiate the claim, the bill gives him six months to report back with a decision. Clause 30 of the bill also states that the minister can come back to the commission in six months and instead of reporting his decision, he can say that he needs more time.

This might seem like a reasonable provision on the surface, if it simply extended the government's deliberation for another 6 to 12 months. When we look at it more closely, we find out that timelines and final deadlines are completely absent. They are nowhere in there, not in respect to a 6 to 12 month deadline. Therefore, the government could theoretically ask indefinitely for additional six month extensions carrying on to eternity, I assume. Obviously, that is a real problem.

Earlier in committee, the Canadian Alliance attempted to amend this section with a one year limit on the process, but the government rejected that amendment as it did with pretty much all of our amendments. *Hansard* records indicate that this aspect of the process was a topic of some debate and concern in the Senate, but unfortunately that concern was not translated into an amendment in the Senate's report to this House.

● (1235)

The amendment that we in the Canadian Alliance proposed would have required the minister to apply to the commission for more time rather than to simply declare that he needed more time. That is how it stands now: that he simply needs more time. Rather, what I think was our very reasonable amendment stated that the minister had to apply for more time, thereby essentially giving the commission the right to deny the government's request, enabling it to say no, it has had time enough. As it stands now, the minister simply says he needs more time and that is it. There is no verdict that can be rendered back to him to say that he cannot have more time.

The amendment we put forth and the proposal we made also would have required the commission to hear from the claimant before making a decision. Then it could render a decision on whether that period of time was required.

Bill C-6 does not even require the government to provide its reasons for insisting on an extension to its reporting deadline. Can hon. members imagine that? The government can say it needs an extension without any indication of how much time it needs and without having to give any reason why. I find that extremely absurd and nefarious at worst.

We are dealing with a government that despises accountability and transparency. Subclause 30(3) states that the government may provide the reason that it needs more time "if applicable". The way this clause is phrased, it treats the practice of not providing reasons as normative. That is not uncommon, as we hear that across the way in question period as well. Not giving reasons is the norm. The exception would be that in some really remote and strange case one might be compelled to provide some sort of reason. That is the way the clause is phrased. It treats the practice of not providing reasons as normative, saying that the minister need only produce reasons if it is deemed "applicable" to do so.

I do not know what situations would make it not applicable for the minister to provide reasons for delaying the process and leaving the parties hanging there. One of my amendments in committee would have deleted the words "if applicable" and just knocked that out of there, but again, the government members voted that down. Apparently this secrecy provision, which is almost what I would call it, is important, even though the minister does not tell us why.

It is this lack of transparency in the bill that raises serious questions about how effective it really will be in clearing up the terrible backlog that exists today in respect of specific claims. The government even added a fourth section to clause 30 to protect itself against penalties for stalling the process. Subclause 30(4) states:

> No passage of time in relation to the decision on whether to negotiate a claim may be considered as constituting a decision not to negotiate the claim.

This section reinforces the fact that the bill makes no provision for the claimant to circumvent this part in the process. The commission may not treat the lack of a decision from the government as a decision one way or the other, so it would remain in limbo until the minister decides to announce his decision.

It would be worthwhile at this time to consider for some moments part of the legal analysis of Bill C-6 produced by the Assembly of First Nations as it pertains to the particular issues of accountability and transparency in the claims process proposed in this legislation. Here I will quote:

> Under Bill C-6, the federal government unilaterally controls the pace at which claims are considered. Bill C-6 permits the Minister to 'consider' a claim indefinitely at an early stage in the process. There are no time limits that must be obeyed. No independent body can ever say 'enough is enough, the claim goes to the next stage'. A claim might have to go through an elaborate series of distinct stages and steps before compensation is ever paid. This could include:—

Here the Assembly of First Nations lists distinct stages and steps before compensation is paid:

> —a funding application;
>
> —initial preparatory meetings;
>
> —Ministerial consideration;
>
> —mediation;
>
> —further delays while the Minister considers an amendment that the claimant makes to its initial claim;
>
> —an application and hearing to convince the commission that mediation has been exhausted;—

I am getting a bit exhausted just reading through this whole thing.

● (1240)

The steps continue:

> —a hearing in front of the Tribunal to determine compensation;
>
> —mediation to deal with compensation;
>
> —an application and hearing to determine whether mediation has been exhausted;
>
> —proceedings in front of the Tribunal;
>
> —a five year delay while the award is paid out;
>
> —judicial review of the award.

I can rhyme all that off in just a few short minutes here, but each one of that number of steps and stages takes considerable and lengthy time in and of itself. They are distinct stages or steps that would be required to be undertaken.

The Assembly of First Nations continued:

> Many of these steps could have been eliminated or combined. With others, the delays could have been controlled by giving an independent body control over the pace by setting a strict time frame in the statute itself. The Joint Task Force Model Bill was built for making major headway on the backlog. Bill C-6 is almost certain to ensure that the backlog grows.

That was the thing. Even with all of those steps that we listed there, there was no strict timeframe in respect to any of them, so members can imagine that it would go on for an awfully long time. It is just a fact of life that if some timelines and timeframes are not set, then things go on indefinitely. In all courts of law, in all those processes, there is something to address that, yet we do not have anything here at all.

In a footnote to these comments, the AFN noted that:

> Under the [Joint Task Force] report, the minister did not have the discretion to consider a claim indefinitely.

I think that was a very good thing about the joint task force report, one among many things. In that joint task force report, the minister did not have the discretion to consider a claim indefinitely. The AFN went on to say:

> Once a claim was lodged, the Commission and Tribunal, not the federal government, had the primary say over the pace of proceedings. A First Nation was not required to attend more than one preparatory meeting, or to prove to a third party that mediation or other "alternate dispute resolution" was exhausted... When a claim reached the tribunal, both validity and compensation could be dealt with together.

As I have examined this particular bill and the claims process in general, including the entire history leading up to the place at which we find ourselves today in the House, these observations made by the AFN generally strike me as quite reasonable.

Another problem with clause 32 is the obstructionist language used in terms of the requirements the claimant has to fulfill before the commission is permitted to send a claim to the tribunal. A claim can go to the tribunal if the government refuses to negotiate it following discussions facilitated by the commission with the help of alternate dispute resolution mechanisms. If the claimant still wants to pursue his claim, he can ask the commission to refer it to the tribunal for a binding decision.

The problem here is the excessive threshold of proof that the bill imposes on the claimant before the claim can go before the tribunal.

Subclause 32(1)(a) states:

> the basis for the claim and all matters of fact and law on which the claimant relies in support of the claim have been fully and clearly identified and adequately researched and have been considered by the Minister;—

Subclause 32(1)(b) states:

> all dispute resolution processes appropriate for resolving the issue have been exhausted without the issue having been resolved;—

These sections essentially require the claimant to prove to the claims commission that he has done absolutely everything that he could possibly do within that alternate dispute resolution process before the commission can send the claim to the tribunal to consider its validity.

The absolutist language in this clause imposes an excessive if not impossible threshold on the claimant to reach before he will be permitted to pursue a hearing before the tribunal. If pro-government patronage appointees are sitting on the commission, they could help the government to use this provision as yet another stalling tactic. If the claimant does not have every single *t* crossed and every *i* dotted, this step in the process can be another place to delay justice for aboriginal people and, as we have said before, justice delayed is justice denied.

● (1245)

Also as we have said before, first nations have pointed out that they do support the use of alternative dispute resolution mechanisms, and that if the alternative dispute resolution process is working for a particular claim, it is in their interest to make it work. First nations therefore say they do not understand why the government is using this big stick approach to ensuring the use of alternative dispute resolution mechanisms—unless it is another mechanism to be used as a stalling tactic, of course, which would explain why the government would be of a mind to use it—and that it is a matter of trying to force the claimant to continue to sit down with the federal government even long after any reasonable person would have observed that nothing further could be gained by additional negotiations.

One comment we received from first nations on this issue is as follows:

> Alternate dispute settlement mechanisms, such as mediation, only work if both parties are committed to making it work. The best judge of that is the parties themselves.

The very best individuals to know that, the best persons to know that, are those who are sitting at the table, those parties themselves. The comment continued:

> A claimant should not have to "prove" to the commission, in another potentially expensive and dilatory proceeding, that alternative dispute resolution is "exhausted".

Now they have to prove that it is not working, with the burden of proof being on them. The comment continued:

> The current provision allows the federal government to further stall and frustrate the process by dragging its feet with respect to its participation in the alternate dispute resolution process.

I want to move to discussion of the compensation phase of the process. Assuming that the tribunal has made a binding decision that the claim is valid, that it is a bona fide claim, then both parties have to go back to the commission to try to negotiate the appropriate compensation for the claim. That is dealt with in clause 35 of Bill C-6. Subclauses 35(1)(a) and 35(1)(b) of this clause duplicate those in clause 32.

Subclause 35(1) essentially requires the claimant to prove to the claims commission that he has done absolutely everything that he could possibly do within the alternative dispute resolution process before the commission can send that claim to the tribunal to consider its validity. As I said before about absolutist language, in this clause it imposes an excessive if not impossible threshold on the claimant to reach before he will be permitted to pursue a hearing before the tribunal. If pro-government patronage appointees—I said it before and I will say it again—are sitting on that commission, they could help the government by using this provision as another stalling tactic.

First nations have pointed out that they have supported the use of alternative dispute resolution mechanisms and they would be willing to use that process. I think they are the ones best, willing and able to decide whether it is working, and the government across the other side as well, rather than forcing that individual or those claimants to sit down with the federal government even long after reasonable people would have observed that nothing further could be gained by additional negotiations.

Some first nations have said that if alternative dispute resolution mechanisms do not work by the end of one year, there should be a provision for the claimant to request that the claim be transferred to the tribunal. One representation we received states in part:

> After one year of attempting to negotiate a resolution, the claimant should be free to proceed to the tribunal. It should not have to go through further hoops, involving additional delay and expense, to show that it tried to exhaust other means of settlement. It is unnecessary and unfair to require the claimant to exhaustively state its case, including all of its evidence and legal arguments, prior to the tribunal hearing. No one is required to do so in any comparable litigation or arbitration context.

The representation goes on to say:

> The Minister should not be able to delay resolution by dragging a First Nation through a slow or endless series of 'negotiations'. Any First Nation that can achieve a reasonable settlement by negotiation will do so. Why would it risk losing at the tribunal?

● (1250)

These certainly seem to me to be reasonable observations. I think other people, as they examine, scrutinize and carefully look over the bill, would draw the same conclusion.

I am not saying that no criteria should be stipulated as a basic standard that has to be met by the claimant before the commission can transfer the claim to the tribunal. Perhaps there are ways in which the claimant could unfairly take advantage of a situation in which no criteria are required. But at the very least, the criteria should be modified with changes to the absolutist language that currently exists in the bill.

As I consider the lack of independence and transparency in the claim centre proposed in Bill C-6, I continue to be astonished at the government's claim that this is an improvement over the current situation. Even in the Senate, the hon. Jack Austin, speaking on behalf of the government, stated numerous times that:

> The centre will create a more independent, impartial and transparent system.

He also claimed that:

> Bill C-6 is the result of a substantial joint Canada-First Nations task force process.

Does the government believe that if it says the same thing over and over again—in the Senate or anywhere in the country—that no matter how absurd it is, people will eventually believe it? It clearly has not taken into account, in a substantive manner, the recommendations of the joint task force report of 1998.

It does not matter what Senator Austin or others have said. They can say it until they are blue in the face, but it does not make it so. It can simply be looked at and it is not on too many pages in that report. We eventually realize how far it falls short of those recommendations there.

Thankfully, aside from the government senators, Progressive Conservative and some Liberal senators were willing to challenge Senator Austin's claims on the independence of the Bill C-6 process, as well as his insistence that it was fairly representative of the joint task force report of 1998.

We also had Canadian Alliance Senator Gerry St. Germain make representations to say that what was in Bill C-6 was not independent as reported back to the House from the Senate. For the record, the hon. Terry Stratton, a Progressive Conservative senator observed that:

> The [Indian Affairs] minister, in his presentation to the committee, referred to the joint task force report. He stated that there were two areas where they did not agree with the joint task force report and, therefore, did not follow the recommendations of the task force report. However, the aboriginal presentations stated to us quite clearly that far more than just two references to the JTF were ignored. As a result, because there were so many problems with the bill, not just two, they maintained that the bill should be rejected. There was a conflict between what the minister had stated and what the aboriginals had been stated with respect to the JTF.

Senator St. Germain stated, for example, that:

> The government has built mechanisms into this bill that will delay and obstruct the process of considering claims. It has avoided the establishment of tangible timelines to ensure a speedy resolution of claims. This is contrary to the recommendations in the 1998 joint task force report.

Senator St. Germain also noted:

> Bill C-6 would permit the minister to consider a claim at the early stages of the process indefinitely.

This reinforces exactly what we have said, what we as members of the committee have said, and what I, as a member of the Canadian Alliance, have said. The process can be carried on indefinitely. He went on to state:

> There are no time limits that must be obeyed. No independent body can ever say, "Enough is enough, the claim goes to the next stage." The claim might have to go through an elaborate series of distinct stages and steps before compensation is ever paid. Many of these steps could have been eliminated or combined with others. The delays could have been controlled by giving an independent body control over the pace or by setting a strict timeframe in the statute itself. The joint task force model bill was built for making major headway on the backlog. Bill C-6 is almost certain to ensure that the backlog grows.

● (1255)

Senator St. Germain then pointed out:

> The AFN also noted that under the 1998 joint task force report, the minister did not have the discretion to consider a claim indefinitely. Once a claim was logged, the commission and tribunal, not the federal government, had the primary say over the pace of the proceedings. A first nation was not required to attend more than one preparatory meeting or to prove to a third party that mediation or other "alternative dispute resolution" was exhausted. When a claim reached the tribunal, both validity and compensation could be dealt with together.

As we can see from these comments, the concerns over the integrity of the government regarding the joint task force meetings is in question, at least in the eyes of first nations peoples. Why would the government go through that process, all the countless hours, in supposedly good faith, to get something of a meritorious document of that sort, and then ignore it?

Unfortunately, that happens with too many reports around this place. We go through the effort and then the report sits on a shelf collecting dust. It is not followed-through for one reason or another. That is why people question the integrity of the government regarding the whole lengthy process of the joint task force meetings. That is why first nations people, who participated in that process in good faith, question the whole process, particularly the government's intent and whether or not there was any good faith.

If the government decided that it could not stomach the recommendations of the joint task force report, then it should have the courage to say so, rather than pretending that Bill C-6 is a natural step in the process, that it is an evolution from the joint task force report of 1998, when clearly it is not.

The government should be bold enough to tell us there are problems. It should acknowledge where it sees problems so we can have some debate on this rather than the subterfuge that everything is fine and in Bill C-6, when that is obviously not the case.

I want to turn my attention to another example in Bill C-6 of the government's hostility to the principles of accountability and transparency.

Clause 77 of the bill gives the governor in council the authority to make regulations. Mr. Speaker, you have been in this place long enough to know that the Canadian Alliance, and perhaps members from every party in the House, are rather uncomfortable with the idea of the governor in council, in other words the government or the cabinet, making and changing laws behind closed doors, doing it by way of regulations beyond the scrutiny of Parliament and the Canadian public.

That is not to deny that sometimes that is necessary, particularly the fine points, the detail and so on, but obviously, it must adhere to the principles in the bill, not with regulations being made thereafter and going off in a different direction. That seems to violate the very letter and spirit of any bill if changes are done by way of regulations.

The reform party, before it became the Canadian Alliance, and members of other parties, have made it clear that they have considerable concern and unease about some of these things being made by regulation and, therefore, no scrutiny by Parliament. It is sometimes an easy matter to insert a clause here or a phrase there where it is not going to add thousands of pages, and then it does not have to be done in the regulations. It is plain for all to see in the bill itself.

This whole matter of too frequently relying on regulations to change laws, and often violating what would seem the spirit and letter of the bill, is a dangerous practice. It undermines Parliament by ignoring, and even ostracizing and diminishing the role of parliamentarians in this place, members of all parties who work good and hard making good legislation for people concerned. We need processes in place with respect to any bills that come before us that encourage and ensure democratic accountability.

Specifically in Bill C-6, the governor in council has the authority to add to part 2 of the schedule the name of any agreement related to aboriginal self-government, and to prescribe anything that may, under this act, be prescribed. We have a lot of "any" and "anything" there and that seems to open it up pretty wide.

● (1300)

Let us look at the second part of this provision, "the authority to prescribe anything that may, under this act, be prescribed". Two places where the government will have the authority to make rules for the claims process outside the supervision of Parliament after the bill has passed are in subclause 32(1)(c) and subclause 35(1)(d).

Subclause 32(1)(c) is one of the conditions that claimants must meet before the commission is permitted to refer their specific claim to the tribunal for the purpose of determining its validity. It reads:

> (c) the claimant has, in prescribed form, waived any compensation for the claim that is in excess of the claim limit as it applies to the claim in accordance with section 56.

It is, therefore, the condition that requires claimants to agree not to pursue an amount greater than the value of the cap—moving up to $10 million by way of a Senate report amendment—to settle the claim before they are permitted to have the tribunal consider the claim to determine whether or not it is valid.

For years now, the Canadian Alliance has been objecting to the government's practice of passing incomplete legislation, what we might call fill in the blank legislation, bills that need to be fleshed out by the government after the bill has been passed, fleshed out somewhere other than in Parliament, where there are less eyes watching and where they are protected from much of the accountability process that is provided by the House.

I do not think that is an appropriate way to handle the issues in the bill. There are enough problems with this section already, as I have mentioned, without making the implications of the bill for first nations and taxpayers less clear by keeping those important details of the law out of the bill until after it has passed.

The same must be said for subclause 35(1)(*d*), the waiver clause for the compensation phase of the claims negotiation process. We are not going to know all the rules that govern the cap until the governor in council finishes prescribing them behind closed doors, somewhere at a time and a place when they will not be subject to the scrutiny and the accountability of Parliament. This is simply undemocratic and it is another example of the current government's hostility to the principles of accountability and transparency.

I have discussed some of the most troubling aspects of Bill C-6 even in its amended form. What I have listed here is by no means an exhaustive list of the flaws that permeate the legislation.

When the bill fails, it will fuel the feeling of injustice and unrest among first nations across the country. It will put Canadian taxpayers on the hook for the cost of setting up and running the centre with minimal or no return on the investment.

Taxpayers will have to continue to pay the government's legal bills in addition to this claims body. They will have to pay those legal bills for the expensive court cases that will be launched in place of the mediated hearings that would take place in an effective claims commission and tribunal.

The first nations will continue their uphill battle to have legitimate claims recognized over incidents of injustice and maltreatment at the hands of the federal government and its agents in violation of historic treaty agreements.

Bill C-6, for a host of reasons, does not deserve the dignity of being passed by Parliament. It should be withdrawn by the government and then redrafted before being brought back to the House for consideration.

I have referred a number of times to the joint task force report that was put together with considerable work by individuals back in 1998. It has considerable bearing in terms of what the new independent claims body should look like. Therefore, I am going to be making comments regarding the joint task force report on the specific claims policy reform. This was submitted by the Assembly of First Nations and the specific claims branch of DIAND. I am reading from a reformatted version of November 25, 1998.

● (1305)

The report's table of contents gives us a way out of the morass, the delay and the lack of resolution we have had in respect to specific land claims. I will make reference to the many covering letters which go into some of the background on how we arrived at this point and why we need such a body. Some of the main themes are outlined, such as the JTF proposals, and some of the key features. It then gets into a discussion of some of the general issues: aboriginal rights, fiscal framework, the joint task force process and then the current status. And, of course, as with any of these reports, there are a number of appendices, charts and graphs.

I first will read a letter to the chiefs from Rolland Pangowish, the co-chair of the joint task force report. It is dated November 25, 1998. He says:

> Dear Chiefs:
>
> On behalf of the First Nations Task Force representatives, I would like to take this opportunity to present to you the Report of the Joint First Nations/Canada Task Force on the Reform of Claims Policy. This report reflects the painstaking and highly detailed efforts of the past one and a half years of cooperative efforts between the AFN Chiefs Committee on Claims, First Nations technical advisors and government officials from the Departments of Indian Affairs and Northern Development and Justice.
>
> In introducing the JTF Report, I would like to offer my personal assessment that this exercise in partnership has succeeded by achieving agreement on what participants feel is the best technical approach for resolving claims. The recommendations set out in the proposal are based on the assumption that the goal is to resolve claims.

I think that is pretty basic and it is good they came to that understanding. He goes on to say:

It should be kept in mind that both sides had to give and take in this process in order to reach agreement on these recommendations. While there are certain aspects of the proposed process that each side would have liked to take a different approach, the proposal represents a minimum standard that each side thought their respective principals could live with.

Overall, in my estimation, this joint policy development initiative should be highlighted as a positive and productive venture in terms of its future role as a workable and highly useful means for addressing the many issues currently confronting the First Nations and the Crown.

It must be said, however, that many legal, political and financial questions were raised at the table for discussion. While the input from the Department of Justice was most helpful, the First Nation participants believe that any future refinement of these proposals should involve senior financial specialists from central agencies directly in the discussions. Had these key officials been active participants in our joint dialogue, they might have provided necessary expertise and assistance for us to achieve more timely solutions in key problem areas.

The Joint Task Force has now provided a highly detailed and focused blueprint for fulfilling the long-standing need for an independent claims body. The implementation of these proposals would represent an important step in addressing an important aspect of the RCAP Report. Although the Task Force could not address all the matters contemplated in the RCAP Report with respect to an independent claims body, we have attempted to design a process whereby the perception of conflict of interest would be eliminated.

The primary phase of the task that was mandated for the AFN by the Chiefs-in-Assembly has now been completed. The First Nations Joint Task Force technical representatives, under the guidance of the Chiefs Committee on Claims, has sought to ensure that this proposal is entirely faithful to the principles that have been set out for it by the First Nations political leadership.

In the next few weeks, we will be presenting this proposal to the Chiefs Committee on Claims and to the Chiefs at the Confederacy

On behalf of the Joint Task Force, we look forward to the opportunity for continuing to meet the challenge of ensuring that this proposal will one day form the framework for resolving conflicts between the First Nations and Canada. It is our anticipation that this proposal will provide a sound basis for a new, constructive and mutually productive relationship.

Sincerely,

Rolland Pangowish

Co-chair, Joint Task Force Report

● (1310)

The letter was carbon copied off to the appropriate individuals: the AFN executive committee, chiefs committee on claims, the joint task force members, the Minister of Human Resources Development and so on.

At the outset of the joint task force report there was a very interesting letter that I would like to read. I think the listening audience and members in the House as well will find it interesting. The letter was written by Dan Kohoko, the director of special projects, specific claims branch. He wrote it on Indian and Northern Affairs Canada letterhead and sent it to Mr. John Sinclair, the ADM policy and strategic direction, Indian and Northern Affairs Canada, and then off to Mr. Scott Serson, the deputy minister, Indian and Northern Affairs Canada. The letter reads:

The Joint Task Force, which Mr. Rolland Pangowish, Director, AFN Land Rights United, and myself, Director, Special Projects, SCB, chaired over the past two years, recently completed its work on what I would consider to be Phase I of our towards establishing an independent claims body.

For the record, we would like to table a report on the Joint Task Force (JTF) work, to which we have appended the actual product produced by the JTF in phase one; as well as a copy of both English and French versions of the legislative drafting instructions. The JTF work on the drafting instructions was basically completed when we met with AFN in October 1998. It was indicated at that time that a staged approach was preferred by the federal government.

As requested we held a meeting in Quebec City to discuss what a model that could be considered a staged approach might look like. The work to adjust the current drafting instructions to reflect such a model is what I consider to be the next phase of potential work for the JTF. However, before proceeding the JTF should receive direction from both First Nations and the federal government with regard to Phase II.

The letter was signed by Dan Kohoko, director, special project, specific claims branch.

We find again that the letter was forwarded off to the appropriate people: Warren Johnson, A/ADM, claims and Indian government, DIAND; Paul Cuillerier, DG, specific claims branch, DIAND; Dennis Wallace, associate deputy minister, DIAND: Daniel Charboneau, minister's assistant, DIAND; and, Rolland Pangowish, director, lands right unit, AFN. I simply add all those individuals who received it so nobody can claim it was not without their knowledge. This is public record and it has been read by all.

What we have where we say it is the JTF report embodied in Bill C-6 is hard to comprehend when in fact it is so obviously different from it and it does not take into account some of the very good recommendations that we find in the 1998 joint task force report.

I want to give some background and content though as we come up to the need for a specific claims body of some kind or other and what brought this particular joint task force together. In the preface of the report itself it gives some of that background. It states:

The Joint First Nations-Canada Task Force on Claims Policy Reform has been charged with addressing an important part of the new partnership the Government of Canada has promised will characterize its efforts to build a new relationship with First Nations. If this new relationship is to be based on mutual trust and respect, we must begin to address those things which have created mistrust.

It is well put from my point of view. The report goes on to state:

Obviously, an important part of this healing process requires that we effectively resolve outstanding grievances and address the need for an adequate land and resource base.

For many years, First Nations and others have called for the establishment of an independent body to resolve outstanding claims. The need to eliminate the federal government's perceived conflict of interest in resolving claims against itself has now been widely acknowledged.

Lots of people have seen the light on that one. The report continues:

The mandate of this task force was to provide a forum where federal and First Nations officials could cooperatively develop recommendations for the reform of Canada's claim policies.

● (1315)

The commitment to this type of process followed up on the federal government's Red Book commitment to work with First Nations to design a new independent claims body. This commitment was consistent with the recent RCAP Report recommendations and many years of similar recommendations by First Nations and independent observers. This commitment was further affirmed in the subsequent "Gathering Strength" and agenda for action polices of the federal government, which convey Canada's commitment to building a new relationship with First Nations, based on trust and mutual respect.

The Task Force is a technical table composed of regional First Nations representatives and federal officials from Indian Affairs and Justice. It began its work in earnest in the Spring of 1997 and has reached agreement on detailed recommendations with respect to the major elements of a new process for addressing what have come to be referred to as specific claims. We have now identified the required structures, basic procedures and required legislative—

Mr. Jay Hill: Mr. Speaker, I rise on a point of order. I hate to interrupt my colleague when he is on a roll bringing out all these relevant points, but I notice there is not a quorum and it would be appreciated if there were enough people in the House to actually listen to his speech.

The Acting Speaker (Mr. Bélair): There is quorum now and the hon. member for Saskatoon—Wanuskewin has the floor.

Mr. Maurice Vellacott: Mr. Speaker, I hope they stick around. I am a little offended when they step in and out again but I guess that would be their choice.

An hon. member: It is annoying.

Mr. Maurice Vellacott: It is more than a bit annoying.

The report states:

> The Task Force is a technical table composed of regional First Nation representatives and federal officials from Indian Affairs and Justice. It began its work in earnest in the Spring of 1997 and has reached—

● (1320)

Mr. Charles Hubbard: Mr. Speaker, I rise on a point of order. I am rather concerned. Today we are debating the amendments to Bill C-6 as they came back from the Senate. I know many members are concerned but we would certainly hope that he would stick to the main point in order and not digress. That is probably the reason that people are not listening very much.

The Acting Speaker (Mr. Bélair): The point of order from the parliamentary secretary is somewhat well taken. We all assume that the hon. member for Saskatoon—Wanuskewin will put together everything that he has said at this point in time and indeed address the amendments submitted by the other place. He has the floor.

Mr. Maurice Vellacott: Mr. Speaker, precisely, and the point here is to show that these very weak and whimsical kinds of amendments that have come back from the Senate entirely miss the point. Very good work has been done over a number of years, building rapport and building recommendations so we get a good bill before us. Bill C-6, even with what the Senate brought to us, does not take that into account.

I am trying to show and adduce here some of these things from the joint task report. If they were taken into account in terms of the amendments from the Senate, we would have something with which we could live. The first nations have indicated that. Members around the House have as well. I cannot understand or see why members on the government side have not.

The point is that a considerable amount of work has been done. These things should be taken into account and the Senate amendments should be adjusted. They should be taken into account as the work is being done. It is important to note that the underlying assumption in all the lead up work to Bill C-6, and to even get us to this phase of the JTF, was that the goal of the exercise was to find, and this is the crucial thing, a mutually acceptable means by which to settle claims. That was the whole point of the exercise.

Can we say, with a straight face in all honesty today, that Bill C-6, coming back with the weak amendments from the Senate, is a mutually acceptable means by which to settle claims? I think not. It is just so far removed from the case. In fact there was a modicum agreement coming out of the JTF. These were the minimal basic kinds of standards that would be taken, even at this late hour, by the government. If it would hear what is being said adjust the report, then we could get on and get the business done so we could have a body which would be a mutually acceptable means by which to settle claims.

There has been a growing backlog of claims for many years, outstanding legal obligations that present a liability to this government and to any government that comes in later; the new Conservative Party government that will take office in the future. We need to deal with it in a fair and reasonable fashion. That is the whole point of it.

The legislative proposal, the mandate that committee had, is conveyed here. It is a very technical table of some very technical work, which is being done, to come to agreement on a detailed proposal and a model for a more credible claims process. That is why we are doing this whole thing. That is why we had a JTF. The last way of doing it and the present way has not worked. It has not been a credible claims process. The Senate should listen to the recommendation. At this late hour, to get something of a decent body and to get this approved in the House before we rise, the government should take into account some of those minimal standards of the JTF report.

Those recommendations are articulated in the draft in the form of drafting instructions. They represent the joint product of people on both sides, extensive efforts by leaders and by officials on both sides. Notwithstanding that, every effort was made to meet the needs and concerns of both parties. These proposals, as said by the JTF, articulate the best technical means by which to resolve these claims. I stand by that. I think we would find a spirit, a willingness in the House to move forward if we went back to the very considerable work that was done.

I need to stress the main themes and elements of the JTF proposal. It has been often said in the Senate in recent days, on Bill C-6, that what we have is basically JTF. It could not be further from the truth. It is definitely not the case. Only by members around the House today understanding what JTF is about can they themselves make a judgment and say that our own senators, Liberal senators, were not exactly telling us the whole story. It is not representing JTF. It is something else they have come up with and it is a bit of a deception to say that it is JTF when that is not the case.

The government should accept and incorporate the main elements of the joint task force report the into the bill, were it to find it possible at a late hour.

The main elements are comprised of that commission to facilitate negotiations and tribunal as well to resolve disputes. The proposed commission is meant to ensure a more level playing field for negotiations by providing for independence. That is key.

● (1325)

I have something that I want to share. It is a very substantial piece of work that has been done by an author on this very issue entitled, "Towards an Independent Land Claims Tribunal: Bill C-6 in Context". Mr. Milroy, in his writing on this, has very astutely and aptly exposes how this is not independent. How will we ever get some resolution to this unless we have some perception of that?

The proposed commission is meant to ensure this level playing field by providing for independent facilitation, at least that is what was recommended by the JTF. However, it is not at all what we find in Bill C-6 here. The JFT states:

> It can draw upon an entire range of alternative dispute resolution techniques and mechanisms to assist the parties in reaching final settlements that will be satisfactory to both sides. These tools range from mere facilitation of meetings to various forms of mediation. If the parties agree, they can even resort to arbitration to resolve a claim or any issues within it that may prevent progress in negotiations. The Commission need intervene only to the extent required by the parties in their efforts to reach a resolution.
>
> The proposed Tribunal, on the other hand, would be a last resort. It would be a quasi-judicial body available to make a final binding determination on the validity of claims, on discreet legal issues that prevent progress in negotiations or on compensation to be awarded claimants in lieu of damages to first nations communities.

"The Tribunal", at least as perceived by the JTF and which in fact should be the case here in Bill C-6, "is an essential element in the proposed process where independence ultimately resides with that body, thereby eliminating any conflict of interest on the part of the Crown". It goes on to state, "Its presence is intended to provide incentive for the parties to conduct negotiations in good faith and to reach timely settlements". There are no timeframes or time structures in Bill C-6. It goes on:

The key difference from the current process, the process that we have had and have been going with up until now, is that incentive for timely and efficient settlements to be reached is greatly increased, if we follow the joint task force report of 1998.

"It should be noted that despite the wish of many first nations, outstanding lawful obligations and grievances related to aboriginal title and rights are specifically excluded from this proposed process". Again, it is not about some of those other outstanding kinds of things. This is about specific claims where in many cases it has been established that they are bona fide claims where somebody has absconded with aboriginal or first nation resources, sold their land and pocketed the money to the detriment of that first nation.

The federal government in fact insisted on this exclusion, so at the end of the day the parties at the table agreed to that. The federal government did not agree that the issue could be revisited upon the five year review as was recommended. It wanted to keep those other things out and just make this specific claims. So be it. That is where we are with regard to some of the very good recommendations in the JTF report.

The reports states:

> It was agreed that a separate review of the federal comprehensive claims policy would be included in the National Delgamuukw Review process now being initiated.
>
> The JTF recommendations have maintained the long-standing principle that negotiations are the preferred means by which to resolve outstanding legal obligations. We continue to agree that the courts are far too costly, adversarial and inaccessible to realistically resolve the hundreds of specific claims that have been brought forward by first nations.
>
> It is clear that the costs of not settling these claims will continue to grow the longer they are not addressed.

That is so profoundly true. It goes on to say:

> More importantly, the social and economic benefits of settling these claims makes it an important means by which Canada can assist first nations in healing broken communities and building a productive future.
>
> The big advantage here is that settling outstanding claims is not another spending program, it is paying off old debts. These are recognized obligations that Canada owes First Nations. The benefits that will be derived from bringing closure to these outstanding matters far outweigh the costs. This initiative is a key step in building a new relationship by correcting past wrongs. It represents one important step in building mutual respect that first nations in Canada can undertake immediately.

● (1330)

Some of the key features, as we got into that JTF process, of the proposed model, included the removal of Canada's perceived conflict of interest through the creation of a truly independent mechanism which would report directly to Parliament and the first nations.

Another key feature was the establishment of a commission to facilitate and ensure good faith negotiations by providing appropriate mechanisms for alternate dispute resolution.

The third key feature was the establishment of a tribunal that would be available to claimants to resolve legal disputes when negotiations fail.

Fourth was that the tribunal could make binding decisions on the validity of grievances, compensation criteria and award compensation subject to reaching an agreement on a fiscal framework.

Fifth, another key feature, was a contemporary definition of what types of issues could be brought forward which were consistent with case law evolving jurisprudence that included all legal obligations arising from the fiduciary relationship and the honour of the crown.

As well, another theme would be the flexibility to accommodate regional diversity and complement existing or future regional mechanisms.

Another theme would be the capacity to offer innovative means of resolving outstanding grievances. That is lacking. That is not in Bill C-6. Also, getting a legislative base for the new settlement process to ensure adequate authority, impartiality and secure financing.

Another key would be that of independent funding for first nations research, submission and negotiation.

The last one would be a joint review after the first five year period which would assess the effectiveness of the process and consider matters that could not be addressed at this time, for example, the inclusion of lawful obligations arising from site specific aboriginal rights.

The joint task force moved through its report and came to the end of some fairly decent and reasonable recommendations. These were not found in Bill C-6 before the bill went to the Senate, and are still not found there after the Senate recommendations. They are not found anywhere. However, there were several items, and in a process of this sort special challenge come to the surface. Admittedly, in the joint task force report a conscious a effort has to be made to maintain the task force interest base approach to the discussions.

These types of issues brought out some more of the adversarial aspects of the relationship. They required some fairly sensitive discussion.

Such issues had undermined previous efforts of joint policy development. This group resolved it would not fall into that old pattern of positional bargaining. Those more difficult issues and how they were dealt with might be informative to other joint efforts in the future, and I think I would agree.

On aboriginal rights, early on in the process it had to face the fact that the federal government and first nations held very different conceptions about how land grievances should be addressed. First nations wanted to hold to the original Liberal red book commitment, that an independent commission to deal with all claims would be established. The federal government insisted that aboriginal title and comprehensive claims had to be dealt with separately. The issue of site specific aboriginal rights was raised.

The first nations across our country pointed out that many first nations could suffer damage due to an infringement on such rights. However, they did not have access to comprehensive claims negotiations.

In the view of first nations such issues are no less lawful obligations than any other specific claim.

Federal officials were concerned about opening the door to aboriginal title matters. They insisted that the government would never consider dealing with aboriginal title within the same process, primarily due to the compilations presented by issues related to the jurisdiction of provinces.

Many of the first nations were not prepared to support the JTF process unless their concerns about a review of comprehensive claims policies were addressed. That particular issue was only resolved at a meeting with the chiefs' committee on claims on December 11, 1997, late in the year prior to when the JTF report came out.

The minister made an explicit commitment to a second process to review federal comprehensive claims policy. That proved rather timely as the Supreme Court of Canada's Delgamuukw decision came out later the same day in fact.

● (1335)

In the very end, this issue has been flagged for inclusion in the five year review of the new process recommended by the joint task force. It is important to note that the proposed process would allow for issues related to aboriginal titles to be addressed in the independent process with the consent of the minister. That is the recommendation. It is a very reasonable one.

There was a fiscal framework for all of this. When one looks at specific land claims, I think anyone would have to acknowledge that fact. Reaching agreement on recommendations for a fiscal framework proved to be one of the biggest challenges for the joint task force. It had to agree that certain key principles should guide the discussion on a fiscal framework. The backlog of claims and the transaction costs for processing them should be reduced. All claims should be resolved within a reasonable timeframe.

When we look at the Senate recommendations and when we look at the bill as it went from committee to the Senate, that was a problem. We acknowledged that in committee. Recommendations and amendments came forward in the committee but of course they were voted down by the government members, for whatever reasons we are not quite sure.

However there were no timeframes. If this is going to work, there have to be timeframes. That is simply why I have emphasized time and again throughout my speech that it is such a crucial part of a proper process.

There is one recommendation which needs to be heeded by the government and which should have been heeded by the Senate and could possibly still be adjusted with respect to that. It is the recommendation in terms of a fiscal framework comprised of a budgetary allocation for a settlement of funds over the initial five year period which has been referred to as a five year compensation amount or FYCA.

If during the five year period when the amount paid in settlements by negotiated agreements or tribunal rulings reaches a certain predetermined point, it will trigger a pause in the caseload until the next budgetary allocation is determined. That makes sense.

That would be the way of doing it even with those that are going to be over the "cap". We think the cap is way too low. We have indicated that. It could be put into the next budget year and a pause put on some of those other examinations of cases until such time as the payouts happen.

Once this point was reached, the commission would not issue certificates for first nations to go to the tribunal. That would prevent the new system from imposing liabilities that exceed the budgetary allocation. This should satisfy the federal requirement for a manageable fiscal framework while meeting the first nations need that no claims be excluded from the new independent process.

Although there are federal concerns that one or more large claims could expend the budgetary allocation early on in the five year period, the joint task force concludes that the FYCA proposal is the best means by which to meet the minimum requirements of both parties.

While the federal side has presented the problem at the task force table and has indicated a wish to explore options which might exclude larger claims from the tribunal process, first nations representatives were not comfortable discussing any exclusion of lawful obligations claims. Such a compromise would require political direction and might very well undermine the broad first nations consensus maintained to that point.

While the JTF was not in a position to resolve how the financing would ultimately be addressed, agreement was reached on what data and approach would provide the most realistic cost projections for future settlements. It gave a very specific outline of that in an appendix which was rather helpful for the government and for the Senate to take into account.

The main variables to be used in making cost projections have been clearly identified. They were discussed and all that foot work was done. For example, 60 claims come in each year and 60% of those have been accepted for negotiation. That would provide the base data for determining a whole range of options on financing.

It is important for us to know too in terms of when other bodies get involved, other less partisan bodies some might say, the kind of process they go through to come up with a report. I think it is instructive and enlightening for us. There are drafting instructions which the task force provided to the government which represented the product of intensive efforts by leaders and officials from both sides. It was not one sided.

● (1340)

A great deal of technical assessment and legal analysis had to be undertaken when the joint task force began developing proposals for an independent claims body sometime ago. The proposals themselves are the product of many years of work by many different people all of whom have recognized the need for some fundamental reform.

The joint task force did a lot of work reviewing and debating a wide range of options in arriving at the recommendations. Its suggested model was thought to be the best course in terms of eliminating the crown's conflict of interest in dealing with claims against itself. The joint task force proposal aims to achieve fairness, efficiency and effectiveness in the process for settling specific claims. All participants agreed that these were reasonable expectations in view of the serious shortcomings of the current process.

There were many legal, political and financial implications brought to bear on the task force's lengthy discussions. Many hours were put into the discussions. The task force devised what it believed to be an innovative and workable solution which was ignored by the government and the Senate again. The task force thought it was innovative and workable. Hours of no end were put into the challenge of jointly establishing recommendations for a fiscal framework.

The joint task force relied heavily upon the many years of experience of the participants, the wealth of past analytical material, as well as the expertise of the various consultants and experts who were brought into the process at different points.

The process was unique. It is rather different from what goes on in the House of Commons. It demanded representatives from both sides to act in a mutually supportive fashion to achieve results. There was not a lot of previous experience in such joint efforts to draw upon. The participants discovered that it required a great deal of mutual support and understanding to make it move forward. Each party had to come to grips with the constraints under which the other operated, especially at difficult points in the discussions when it seemed that different viewpoints were almost insurmountable.

From the outset the participants determined that the discussions had to be guided by an interest based approach, what was in it for one party and what was in it for the other based on interest, which was non-positional and required some wide-ranging consultation.

The development of mutually acceptable guiding principles helped both sides reach agreement relatively quickly on the scale of things on what the main elements of the recommendations should be. In this way the task force was able to take up one element at a time and work its way through the required details.

The task force hoped that its respective principals, the Government of Canada and first nations, would come to an agreement on proposals that could be mutually sanctioned and implemented within an agreed timeframe. Alas, it appears that will not be the case. It will be some time before we get some resolve on this. Regrettably it is not coming to pass anytime soon.

After the report was written, both the minister and the chief expressed the desire to have the new body in place by April 1999. The calendar in front of the Mace indicates that it is now November 3, 2003. There will be quite a few more sittings of the House before any headway will be made on the issue. Those individuals were obviously far more optimistic than they should have been.

The minister committed to the first nations that the required legislation would be jointly developed, thereby providing the task force with some sense of urgency in its efforts to complete the package. The goal was to have the legislation ready for introduction to Parliament early in the current session and here it is almost five years later.

Part of the urgency in moving the legislation forward quickly was due to the growing backlog of claims. Back in 1998 there were approximately 400 claims. We can well imagine what the backlog is now. The backlog contributes to the frustration and sense of grievance that have characterized relations between Canada and the first nations for so many years.

The need to clear up the uncertainty and to remove the impediments caused by those outstanding claims is now more apparent than ever, as first nations and Canadians pursue a wider range of economic opportunities and business partnerships.

● (1345)

Developments in the law have helped to clarify the legal basis of these claims and also the federal responsibilities in this regard. This makes it even more imperative that we eliminate the appearance of conflict in how Canada deals with first nations grievances against the government.

It had been expected that, pending agreement on the recommendations, those proposals would go to cabinet very quickly thereafter. That was postponed and delayed and other things stood in the way. Finally, we stand here on November 3 not anywhere closer at this point it is regrettable to say. Some of the delay was in order to address the federal requirement for a fiscal framework as set out in the Liberal government's red book.

Based on the desire to move forward on the required reforms without delay, the task force prepared a model of what the basic elements for legislation might look like and presented that in its report. If the drafting instructions of the joint task force had been approved by cabinet, the task force could have moved forward with the development of an actual bill very quickly. Instead the government took a detour. It went in a rather different direction from the recommendations in the 1998 joint task force report.

The task force was directed to work on a fiscal framework. It sought to satisfy the federal need for financial predictability. This was very time consuming and many hours were put into doing that. It was found that building a fiscal framework had fundamental implications for key aspects of the proposed model under discussion. It also brought about a further re-evaluation of such fundamental questions as to what comprised independence, how much it would cost and the issues surrounding fiscal control.

Those are good questions to be asking. Whenever we embark on a bill around this place those are the necessary questions. Sometimes we are concerned that the government does not get into that, that it does not look through it carefully and does not do the projections nor does it extrapolate the costs. It makes a lot of sense that this should be done in respect of this. The task force went through a lot of that work trying to get the figures down to be able to make the proper predictions.

It is believed that the five year compensation amount recommended by the task force addresses the concerns raised by the government of the day. It required a significant compromise on the part of first nations representatives who had a clear mandate to avoid putting financial caps on the settlement of claims. It was with great difficulty that the task force managed to reach agreement on a fiscal framework that would not prejudice or exclude claims.

The task force firmly believes that its proposal will provide the best means by which to settle claims. It is important to begin addressing these outstanding matters in a very significant way as the cost for first nations and the costs for the nation of Canada, can only rise when there is further delay. There are costs for not settling these matters not only fiscally, which is important of course, but socially as well. There are other kinds of fallout as well, which we do not want to have to get into today because it is a rather sad and sorry state. The cost of settling these matters must be done in a clear and timely fashion.

The task force's proposals were felt to provide the kind of basis for moving forward. Again, they were ignored by the government and by and large they were ignored in the Senate amendments as well. The task force suggested that the first nations and Canada begin to consider the types of mutually acceptable individuals who should fill those key positions in the new body.

Now we sit around waiting, and we will be waiting for a while to come, as the government has no particular willingness to make some significant adjustments to the bill. It was thought it would be timely to consider a joint advisory body to assist the new claims commission and tribunal in setting itself up. We are a way from doing that as things unfortunately stand.

The task force believed it engaged in an exercise that could serve as a landmark and a model for a new partnership between first nations and Canada. It addressed it in a very creative, cooperative spirit. There was a whole range of technical, legal and financial challenges it had to address and it did in a reasonable manner. It is not perfect and nobody is saying that, but the task force produced a very detailed, innovative and for the most part very practical proposal.

● (1350)

The task force was ready and willing to provide any further technical assistance. If it were called up today I am sure it could provide advice and wisdom, having sat that many hours for that particular joint task force. Task force members hoped and I hoped that its work would in some sense contribute to the enactment of legislation in this place and to other measures that would ensure a new process to resolve claims to the satisfaction of all parties concerned.

I think that is important when we look at what the government produced and what the Senate then, in a fairly weak and wimpy way, came forward with: something of the final draft of the legislative drafting instructions for an independent claims body, the instructions for preparing the legislation, the product of the joint first nations and Canada task force. The task force completed its work in a series of monthly meetings beginning in February 1997 and concluding in the latter part of 1998.

The following are some of the suggestions the task force had. The bill was going to be called the first nations specific claims resolution act. I think the instructive item in the title was that it was actually going resolve something. It was going to resolve these specific claims.

There were definitions, as there are always are. There were definitions with respect to AFN and with respect to the bands. A band was defined as:

> (a) a band as defined in subsection 2(1) of the Indian Act;
>
> (b) a group of Indians that was recognized as a band under the laws of Canada, or whose ancestors were so recognized, and whose members are members of a band referred to in paragraph (a) or (c); or
>
> (c) a group of persons that was a band as defined in subsection 2(1) of the Indian Act that was a signatory to a comprehensive claims settlement agreement entered into with the Government of Canada or to any other agreement specified by the regulations.

Establishing a commission by subsection 5(1) of the act was also addressed.

With respect to competing claims, it was defined as follows:

> "competing claim" means a claim that is brought by a band before an adjudicative body otherwise than under this Act if there was another claim filed under section 10 and the two claims are in respect of the same asset and raise substantive or remedial issues that could result in irreconcilable decisions.

We would not want to be at odds if it is already under consideration in some other context. That had to be sorted out and clearly and properly defined.

The purpose of the proposed act was to provide for the establishment of:

an independent and expert Commission to help First Nations and the Crown settle, or resolve by binding arbitration, certain claims and to establish an independent and expert Tribunal to expeditiously and finally determine issues referred to it that arose from such claims.

With respect to non-derogation, it stated:

The bill will provide that, for greater certainty, nothing in this Act shall be construed so as to abrogate or derogate from the application of section 35 of the Constitution Act, 1982.

Then in general there were proposed sections 5 to 9, which are what the bill should look like. This is more closely what it should approximate. These were specific drafting instructions for the government of the day which for some reason this government decided to ignore. Why do we put people to work on these expensive and time consuming task forces and then ignore them and set aside their report?

The bill was to include:

provisions for the establishment of the First Nations Specific Claims Commission and for general administrative matters regarding the Commission.

It stated:

The Commission shall consist of a Chief Commissioner, a Vice-Chief Commissioner and between three and five other members to be appointed by the Governor in Council.

It recommended that:

Persons are eligible to be appointed only if they are recommended by the AFN and the Minister.

Thus we see that a joint recommendation was suggested.

In regard to regional representation, it stated:

Appointments shall be made having regard to regional representation in the membership of the Commission.

That was to get some balance around the country.

In regard to full time and part time, it stated:

The Chief Commissioner and Vice-Chief Commissioner shall be full-time members and other members may be appointed as full-time or part-time members of the Commission.

In regard to the terms of their appointments, it stated:

Each member of the Commission shall be appointed for a term of not more than five years and may be removed by the Governor in Council only for cause on the recommendation of the AFN and the Minister.

As things stand now, where we have only three year terms, if the government does not like how the commission is doing things it could well remove members.

● (1355)

I sat on a health board for the city of Saskatoon and the Saskatoon area, the largest health board in that province, where at one point in time the NDP government of the day decided it needed something of a buffer, so there were appointments of members to these health boards while other members were elected. I was one of those elected members. Six were appointed.

I need to make members aware that when individuals are appointed, as was the case there, they are going to be somewhat careful not to buck the trend and not to go against the government if in fact they are dependent on the government for their reappointment.

In this case, we have three year terms. With that kind of scenario, if these individuals are looking for reappointment because they need the salary, the job and they want to carry on, it is only for three years. If they do not kowtow to and rule as the government wants them to, members can imagine that they are not going to be reappointed. That is problematic.

Therefore it was a very wise recommendation coming out of the joint task force report that:

Each full-time member of the Commission shall be paid the salary fixed by the Governor in Council and each part-time member shall be paid the fees or other remuneration for that member's services that are fixed by the Governor in Council.

Then we move on from there in terms of a number of other things.

Mr. Speaker, you are signalling me that my time has concluded. I have much more to say on this subject. I look forward to that in days ahead. I understand that I have indefinite time, so am I to understand that I will commence again when Bill C-6 comes back to the House as I yield the floor now? I will cede the floor, but I will be back on the docket to relay much more wisdom and many more insights, not from myself but from the joint task force report.

STATEMENTS BY MEMBERS

[*English*]

OSTEOPOROSIS MONTH

Mr. John Godfrey (Don Valley West, Lib.): Mr. Speaker, November is Osteoporosis Month, and 1.4 million Canadians have osteoporosis, a condition that causes bones to become thin and brittle. The result can be broken bones, particularly the hip, spine and wrists. These fractures lead to long term pain, disfigurement, a loss of mobility and, in turn, a loss of independence.

The incidence of osteoporosis will rise steeply as the number of older Canadians increases over the next two decades, so it is important that we all become aware of the risk factors for this treatable disease.

The Osteoporosis Society of Canada urges all of us to learn how to detect and treat osteoporosis to ensure an independent and active lifestyle, even in old age.

To learn more, visit the Osteoporosis Society of Canada's website at www.osteoporosis.ca.

* * *

AMATEUR SPORT

Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance): Mr. Speaker, the Saskatchewan Junior Hockey League meets all the requirements for having true amateur status but was singled out for an audit.

The community owned teams, backed by hundreds of volunteers and fans, need to have some questions answered. They are tired of the rhetoric and words that provide no answers to their concerns.

The following four questions need an answer.

First, is there any other amateur hockey league in all of Canada that was subjected to the same audit?

Second, was any community amateur player ordered to pay fines other than those in Saskatchewan?

Third, was any community operated amateur team outside of Saskatchewan ordered to pay fines to the CCRA?

Fourth, why was the same audit not carried out in other provinces?

There are thousands of people who have waited almost a year for these answers.

* * *

● (1400)

CENTRES OF EXCELLENCE

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I am delighted that a new Networks of Centres of Excellence of Canada, ArcticNet, has been established. This will help focus the fine polar research which is being carried out by Canadians. I am also pleased that a new research icebreaker, *Amundsen*, is now operational. It has begun its first scientific mission, an international study of the changing Arctic Ocean.

Projects like these bring hope to everyone interested in the polar regions.

Our thanks to the Ministers of Industry and Fisheries and Oceans, Université Laval, the Canada Foundation for Innovation, the Natural Sciences and Engineering Research Council of Canada, and others involved with this work.

I urge the government to maintain this momentum in polar research.

* * *

GOVERNMENT OF ONTARIO

Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington, Lib.): Mr. Speaker, October 23 was a momentous day for the residents of Eastern Ontario. When our new premier, Dalton McGuinty, was sworn in with his cabinet, it became clear that eastern Ontario will have a strong voice in our province's new Liberal government.

I was delighted to note that my own provincial colleague from Hastings—Frontenac—Lennox and Addington, Ms. Leona Dombrowsky, was named Minister of the Environment. A long time community activist and certainly no stranger to environmental issues, Leona has the skills, the drive and the compassion to excel in her new post.

Kingston and the Islands MPP John Gerretsen was also named to cabinet as Minister of Municipal Affairs and Minister Responsible for Seniors' Issues. John's extensive experience in municipal and provincial government and his strong record as an advocate for seniors' rights make him a natural choice for both portfolios.

On behalf of the member for Kingston and the Islands, I would like to offer Leona and John our warmest congratulations. We look forward to working with them to advance the interests of our constituents. We know they will serve them well on the government benches at Queen's Park.

[*Translation*]

ARMENIA

Ms. Raymonde Folco (Laval West, Lib.): Mr. Speaker, on September 20, the Armenian community of Laval celebrated both the 12th anniversary of the independence of Armenia and the 10th anniversary of the founding of the Holy Cross Armenian Apostolic Church.

I invite all members in this House to join me in commemorating these anniversaries with Canadians of Armenian origin, in my riding of Laval West and across Canada.

I also hope that the ties between Canada and Armenia will continue to develop in the years to come.

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[*English*]

NATIONAL DEFENCE

Mr. Jay Hill (Prince George—Peace River, Canadian Alliance): Mr. Speaker, on November 1 military families were slapped with yet another rent increase for their on base housing.

Unlike families living in civilian housing, who could face a moderate increase, because these families live on federal property the Liberals are hiking their rent by as much as 25%.

To make matters worse, the rent increases will be applied to homes built in the 1950s and 1960s that are in serious need of repair. In some cases, these homes pose a serious threat to the health of our young military families.

One of the government's own officials admits that while these homes were built to the building codes of the day, they are not up to today's building standards. However, the Liberals are making sure they meet today's standards for rental charges.

Military families have had enough. On October 14, a petition campaign was launched to help voice their objections. For those who wish to help with the protest, a copy of the petition is available at www.canadianalliance.ca.

* * *

BERTRAM BROCKHOUSE

Ms. Beth Phinney (Hamilton Mountain, Lib.): Mr. Speaker, Dr. Bertram Neville Brockhouse, who taught in the physics department at McMaster University, died recently.

Dr. Brockhouse won the 1994 Nobel Prize in Physics for his research conducted at the first nuclear reactors in Canada during the 1940s and 1950s. He also invented the triple axis neutron spectrometer which is still used all over the world to better understand the atomic structure of matter.

While teaching at McMaster from 1962 to 1984, Dr. Brockhouse was regarded as a brilliant professor who had high expectations for his students, but who had a humourous self-deprecation about his own achievements.

Only 10 Canadians have received Nobel prizes. Dr. Bertram Brockhouse was a remarkable Canadian, a brilliant scientist and a World War II hero.

Today, I wish to pay tribute to this remarkable man for all that he has contributed to Canada and the world in the field of physics.

* * *

● (1405)

[*Translation*]

THE ENVIRONMENT

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, I would like to acknowledge the initiative of the Conseil régional de l'environnement et du développement durable du Saguenay-Lac-Saint-Jean and the Quebec department of transport, which have set up a car pooling service in my region in an effort to reduce greenhouse gas emissions.

Each year, the transportation sector generates 38% of these emissions. By reducing the number of cars on our roads, we help meet our Kyoto commitments, and in fact that is the purpose of my Bill C-400, which grants a tax credit to public transportation users.

I congratulate the Conseil régional de l'environnement et du développement durable du Saguenay-Lac-Saint-Jean and the Quebec department of transport on their great initiative. I encourage all the people in my region to use this new car pooling service.

The well-being of all generations is at stake.

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ECONOMIC AND FISCAL UPDATE

Ms. Albina Guarnieri (Mississauga East, Lib.): Mr. Speaker, today the Minister of Finance presented his economic and fiscal update and gave us some good news.

For the sixth consecutive year, Canada will not have a deficit. We will even have a surplus that will enable us to further reduce the national debt.

Despite the unexpected challenges we have had to face, such as SARS and mad cow disease, the government has set aside $2 billion of the surplus to go to health. This is very important to us, because we wish to support the first ministers' Accord on Health Care Renewal.

Hard work by Canadians and wise financial management over the past decade have made it possible to avoid a deficit once again. Canadians have every reason to be proud because this kind of accomplishment is becoming increasingly rare in the world.

S. O. 31

[*English*]

WESTMINSTER CLUB

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Canadian Alliance): Mr. Speaker, I rise to mark the publication of a history book of the Westminster Club of New Westminster, B.C., which I will file with the Library of Parliament.

This social businessman's club was founded in 1889. The publication of its history reflects the lives and times of its members, and reveals a fascinating point of view of a city's evolution, where men of commerce struggled to build a community in the isolated west that is now part of the metropolitan region known as the lower mainland of Vancouver.

When we examine our Canadian west coast history, it is too often just the political story or the abbreviated newspaper records that remain. The commercial and social history is hard to remember.

This new book tells the story of local business and social life through the records and photos of the prestigious Westminster Club, from the start as a private men's preserve to now having a woman, Karen Baker-MacGroty, as the president. She was determined to tell the story.

I wish to thank Archie and Dale Miller for their research and careful production. The Westminster Club history book will help us presently to learn of the past in order to chart a surer course into the future.

* * *

ABORIGINAL AFFAIRS

Ms. Judy Sgro (York West, Lib.): Mr. Speaker, last week the Standing Senate Committee on Aboriginal Peoples, chaired by Senator Thelma Chalifoux, released its final report "Urban Aboriginal Youth: An Action Plan for Change".

The report makes 19 recommendations and outlines a concrete strategy to create opportunities for aboriginal youth in urban communities. It offers ideas for changes in the way the government delivers programs in urban centres where aboriginal youth are most disadvantaged.

The report points out that investing in education is key to improving economic and social status, and recommends extending post-secondary assistance to all aboriginal youth, including Métis and non-status Indians.

The Prime Minister's caucus task force on urban issues also addressed issues in the urban aboriginal population and I am pleased that this report complements our recommendations.

I wish to congratulate the committee on a superb report. I want to take this opportunity to reiterate the importance of working together to build a strong Canada made up of healthy communities in all regions.

* * *

VETERANS AFFAIRS

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, for nearly a year, I have been asking the government to recognize the Republic of Korea war service medal.

This medal was awarded to our veterans in 1951 for their heroic efforts under the UN banner in the Korean War. As this is a foreign commemorative medal, our Canadian Korean War veterans are permitted to wear this medal, but our government still does not recognize it.

The United States and New Zealand, by contrast, already recognize this award. Our veterans have asked for and deserve this recognition. I am very disappointed in the government's lack of support for this initiative, particularly given the recent 50th anniversary of the armistice.

In April 2003 I formally wrote to the minister asking for his assistance in this matter, but I have yet to receive a response. One must hope that this lack of response is not reflective of his support for our veterans.

I would urge the Minister of Veterans Affairs to take the initiative to identify the Republic of Korea war service honour as an official award rather than deny our veterans the recognition they deserve.

* * *

● (1410)

[*Translation*]

CHAMBRE DE COMMERCE ET D'INDUSTRIE LAC-SAINT-JEAN-EST

Mr. Sébastien Gagnon (Lac-Saint-Jean—Saguenay, BQ): Mr. Speaker, I would like to speak to the House about an important and prestigious event that will take place in Alma, in my riding, on November 8. I am referring to the 17th awards gala of the Chambre de commerce et d'industrie Lac-Saint-Jean-Est, a very dynamic organization with more than 500 active members.

This ceremony will honour the businesses, organizations and individuals who have distinguished themselves in the past year in various areas: growth and dynamism, innovation, recruitment, quality, training, and access.

Proudly, I salute this wonderful initiative of our chamber of commerce and industry, and I want to express my admiration for the entrepreneurs of the Lac Saint-Jean region who, through their passion and creativity, showcase the vitality of our socio-economic environment.

* * *

[*English*]

YITZHAK RABIN

Mr. Sarkis Assadourian (Brampton Centre, Lib.): Mr. Speaker, I rise today to commemorate the eighth anniversary of the loss of a great peacemaker.

Yitzhak Rabin was a soldier who fought for his country and grew to realize that the only solution was to become a soldier for peace. When I met him in Canada, he promised me he would continue to work toward a lasting peace.

I was honoured to nominate Prime Minister Yitzhak Rabin for the Nobel Peace Prize in January 1994 and overjoyed when he was awarded that honour in December 1994. Sadly, I later had the honour of laying a wreath at his headstone after his assassination by a terrorist. He survived conflict as a warrior but died as a soldier of peace.

The world still mourns a leader whose foresight and courage led his nation away from the path of conflict and showed it the first steps toward the real road map for peace.

I would urge my fellow members to join me in commemorating the life of Yitzhak Rabin, a great statesman and a man of peace.

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[*Translation*]

MEMBER FOR LASALLE-ÉMARD

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, when the Bloc Quebecois condemns someone for his refusal to fly the Canadian flag, it is clear that he has problems.

This weekend, the leader of the Bloc Quebecois ridiculed the former finance minister for his refusal to fly the Canadian flag on his ships in order to avoid paying Canadian taxes and wages.

[*English*]

That is not a good thing.

[*Translation*]

So, what flag should the new Liberal leader fly? I urge people to vote on the NDP's website, flyourflag.ca.

[*English*]

When one is the prime minister-in-waiting, the reluctance to abide by Canadian taxes, wages and environmental standards sets a bad example. Do as I say, but not as I do.

I ask everyone to check out the NDP's website that our Liberal friends are loving to hate. I ask everyone to visit flyourflag.ca and help the new Liberal leader choose his flag: the American flag, the Bahamas, or maybe Visa or Mastercard.

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RAYMOND SCHRYER

Mr. Carmen Provenzano (Sault Ste. Marie, Lib.): Mr. Speaker, Raymond Schryer is a violin maker par excellence. His shop is on St. Joseph Island near Sault Ste. Marie.

On October 5, 2003, a cello crafted by him won the gold medal at the Antonio Stradivari International Competition in Cremona, Italy. The medal carries with it a prize of 15,000 Euro and the honour of having the cello on permanent exhibition.

To appreciate the significance of this award, we should understand Cremona's important place in the history of violin making. This city is the birthplace of renowned violin maker Antonio Stradivari and is known worldwide as the “City of Violins”.

Raymond Schryer is the very first Canadian to win a gold medal at this very prestigious competition. It is his second international gold medal win for cello within the past year and only some of a long list of his achievements in violin making.

My colleague, the member of Parliament for Algoma—Manitoulin, joins me with enthusiasm in this tribute to Raymond Schryer for his award winning achievements.

We say bravo to Raymond.

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FOOTBALL

Mrs. Lynne Yelich (Blackstrap, Canadian Alliance): Mr. Speaker, I wish to congratulate Saskatchewan's only enduring professional sports franchise, the Roughriders, for a very exciting 37-21 victory yesterday over the Winnipeg Blue Bombers. This win leads the team and its dedicated CFL fans to the western final next Sunday against the Eskimos.

Today's headlines said the Roughriders were “Hot in the Cold”, and they were hot.

They are driven. They are dynamic. They are focused and they work as a team.

Kenton Keith, a 23 year old rookie, yesterday delivered for Saskatchewan fans by rushing for three touchdowns. The Roughriders have played exceptionally well this season, so yesterday's win was no surprise.

We will be watching for an equally strong performance this weekend in Edmonton and look forward to seeing our Roughriders play in the Grey Cup final at home in Regina on November 16.

Saskatchewan fans are with the Roughriders. We say, go for it.

ORAL QUESTION PERIOD

● (1415)

[*English*]

THE ECONOMY

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, I listened carefully today to the fiscal update from the finance minister. He tried to minimize the government's fiscal surpluses. In fact, he says now there may not even be the money for health care.

Yet his new leader has been going around the country making spending promises, by our total somewhere in the neighbourhood of $30 billion. Could the finance minister tell the House, or better, tell the new Liberal leader where the money for his promises is going to come from?

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, I think I would want to be a little more cautious than to answer a question based on some calculation that was done by the hon. Leader of the Opposition.

I have tried to certainly say that I intend to be cautious about the country's finances. I would also be cautious about any estimate that he had made of anyone's promises.

The bottom line of the update today is that the Canadian economy is doing well. We are the only G-7 country that will remain in surplus this year, outperforming the rest of the developed world. That is something Canadians should be proud of.

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, I can understand why the finance minister would want to be cautious about his new leader's spending promises. We have seen this script before, a new leader hits the campaign trail and makes all kinds of promises, and then he gets elected and promptly says there is no money for his promises.

This is a new twist. Is the finance minister telling the new Liberal leader there is no money for his promises even before he takes office?

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, the update speaks for itself.

As I said, we are able to project for this year a $2.3 billion surplus, after having dealt with a variety of issues that have affected the well-being of Canadians; SARS, the effect of BSE, the various calamities that have befallen us and required us to expend money under the DFAA, the forest fires, the hurricane, the significant additional expenditures that we have incurred in order to support our mission to Afghanistan. Ten years ago a Canadian economy hit by this number of things would have been flat on its back.

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, I guess the message from the finance minister is that the government overtaxes so much it has an unlimited amount of funds for boondoggles and mismanagement.

[*Translation*]

The new Liberal leader is committing to investing funds. However, today's financial update proves that these funds will not be available.

Was the new Liberal leader informed or consulted with regard to the financial update? Does he know that his piggy bank is not as full as he thought?

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, this morning, I delivered an economic update that is great news for the Canadian economy and indicates that Canada will, again this year, experience economic growth of nearly 2%, and 3% the following year. We have a balanced budget. We are the only G-7 country to have a balanced budget. That is extremely good news.

When a new government takes over, it will have great latitude in making decisions about the priorities of Canadians.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, my question is for the Minister of Finance.

This morning, the Minister of Finance confirmed that he was proceeding with the government's commitment to provide the provinces with an additional $2 billion for health care.

Did the Minister of Finance get the green light from the new Liberal leader with regard to this transfer?

● (1420)

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, we are different from the leader of the Progressive Conservative Party. We respect our commitments. This morning, we said if there were a federal surplus, the first place it would go would be to the provinces, for health care.

If we can confirm that there will not be a deficit, we will pay out the $2 billion set out in the health accord.

[*English*]

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, unlike the current Minister of Finance, I actually kept my promise to complete a leadership contest. The current minister is part of a government that broke its word on the GST, free trade, the helicopter contracts, the Pearson airport contract, every major promise the government made, so I will take no lessons from that man or anyone else about breaking promises.

There is a need for stability among the provinces for the equalization formula that will be negotiated and probably broken by the minister. How can the current Minister of Finance justify cutting transfer payments to the provinces and territories by over $10 billion in the next five years?

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, I was always taught that "it is not whether you win or lose, it is how you play the game that counts". Winning by cheating is not necessarily the best way to do it.

I do not know how the member is coming up with those goofy numbers. If he looked at the tables that we published this morning, our transfer payments to the provinces both for CHST and equalization go up continually over the next five years. If there is a change or an adjustment, adjustments occur to equalization because the formula requires adjustments that reflect the economic reality. That is normal.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, once again, the Minister of Finance is acting like his predecessor, the future prime minister, by grossly underestimating the government's budget surplus.

The minister is announcing now that Quebec and the provinces will not know until September 2004 whether or not they will be receiving the $2 billion for health.

Does the government not find it improper to wait until September 2004 to confirm that the $2 billion will be forthcoming, when Quebec and the provinces have pressing needs and need to know now, not ten months from now, whether or not they will be receiving this money?

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, when I met the finance ministers here in Ottawa a few weeks ago, they agreed unanimously, if I remember correctly, that the federal government should not go into deficit.

As soon as we are in a position to confirm that there will not be a deficit at the federal level, we will be able to start paying the $2 billion. Before our books for the current year are closed, we should know if we will be able to come up with this amount without going into deficit.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, not only is the Minister of Finance contributing to a climate of uncertainty but he is being cynical, because he could very well confirm right now that the $2 billion will be forthcoming. He is not doing so simply to allow the future prime minister to come and save the day, when he was the one who created this whole mess.

Is it not cynical to give the future prime minister the opportunity to say during the election campaign, "By the way, I have come up with the $2 billion"?

Another fine promise rehashed two or three times, in true Liberal fashion. That is all the minister is doing, and nothing more.

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, if the future prime minister is able to come up with the $2 billion, it will be because Canada's economy has continued to grow.

And this is good news, not only for the provinces of Canada, but also for all Canadians.

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, for four years, Canada's finance ministers have been off by 323% in 1999-2000, 353% in 2000-01, 493% in 2001-02 and 133% in 2002-03.

With such scores, is it not despicable of the Minister of Finance to announce that, based on his estimates, he is putting off paying the $2 billion for health until next year, when he knows full well that several credible estimates show a surplus between $6 billion and $9 billion dollars?

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, first, these estimates were produced with help from the private sector. These are not the finance department's estimates.

Second, I prefer to be prudent with the estimates. I would not want to end up like the former government of Ontario, or the former PQ government of Quebec, in a situation where I promised a balanced budget and delivered a deficit. That is not the best way to manage Canada's books.

● (1425)

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, based on his statement this morning, is the Minister of Finance not asking the provincial governments to provide deficit insurance, since it is delaying a payment that should be made immediately, given that the provinces are spending money right now on health?

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, I believe the provinces will be quite happy because the condition on the promise, as they say, of $2 billion, was to have a federal surplus of over $3 billion.

This morning, I said that if the surplus was only $2 billion, it would go to the provinces. This is even better for the provinces than the promise made in the health accord.

[*English*]

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, the finance minister briefly ran for leader last spring before he took his ball and went home. One might say he should have run to be misleader 2003. Every year he produces unrealistic economic statements and forecasts that do not add up so that he has a cover for his spending sprees.

Is it not true that the finance minister is misleading Canadians about the size of the surplus so that they do not realize how overtaxed they are?

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, I think Canadians are happy to realize that according to the OECD we now have the third lowest taxes in the OECD as a percentage of GDP. They are also happy with the fact that in five years we have reduced taxes by $100 billion.

Quite frankly, I think Canadians are concerned about ensuring there is a proper balance between economic policy on the one hand, including fiscal prudence, and ensuring that the level of government services remains at a high enough standard that their needs, whether they be health, education or otherwise, are met.

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, what a tangled web we weave when we practise to deceive. The finance minister deceived Canadians today about the level of tax cuts they received. He said that it was $100 billion. Actually it is a fraction of that. He is deceiving them again on the surplus.

When will he admit that his economic statement is about as useful for predicting the surplus for taxpayers as financial statements for Enron were for its shareholders?

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, I am not quite sure what the member is complaining about. It seems to me that Enron got into trouble because it tried to tell shareholders that things were better off than they were and he seems to be criticizing me because I am telling Canadians that they are worse off than they are.

The truth is that these are forecasts. These are not history. They are the future. We are doing our best to give a good vision of what the future lies, but we have built in, as I explained this morning to the committee, prudent assumptions. We have tried to be cautious because unlike the Progressive Conservative government in Ontario, we are going to do as well as we promised.

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, my question is for the Minister of Finance who said that the Liberals respect their undertakings. I think I am quoting him directly. I would hope that he would be prepared at some point to say that about the commitment that was made to VIA Rail, if they respect all their undertakings despite what messages might be coming from other places.

The Minister of Finance knows the need for stability and long term planning in health care. Why would he put the provinces in a position where they cannot be certain of $2 billion? They need to plan how to spend it. I was wondering if he could commit to the House and to the provinces today that they will receive that $2 billion come what may.

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, I remind the hon. member that the commitment in the first place was a conditional one. It was conditional upon there being at least $3 billion in surplus determined by the month of January 2004. It is clear from the forecast today that we are going to be unable to forecast a surplus that large by January. However, I think the provinces will find that a responsible position was taken today, one to their liking, namely that if there is a surplus, they will get the first $2 billion.

● (1430)

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, it seems to me that there is room here for an unconditional promise to the provinces.

The fact of the matter is that we all have reason to worry about this. We are celebrating the 10th anniversary of I do not know how many broken promises, on home care, on day care, on greenhouse gas emissions, on job creation. Just name it, there are broken promises all over the place.

All I am asking is that for once the Liberals make an unconditional promise and keep it, and make sure the $2 billion goes to the provinces for health care. The Liberals could cut the corporate tax cuts for next year and deliver that money now if they wanted to.

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, contrary to the views of the NDP, I believe that having a balanced budget is very important. I believe Canadians believe that.

If we want to look over the last 10 years, I ask the hon. member to think of the fact that today in Canada there are three million more Canadians working than there were in 1993. I ask him to look at the fact that 10 years ago, 5 years ago, we were the second worst in the G-7 when it came to the level of our debt in relation to our GDP. Now we are the second best. I ask him to look at the fact that year after year we have outperformed the G-7 in growth in our GDP and—

The Speaker: The hon. member for Kings—Hants.

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FINANCIAL INSTITUTIONS

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, in the summer of 2002 the finance minister gave the green light to bank mergers. Then, weeks later, the Prime Minister said no to bank mergers until after his retirement. Today the finance minister promised that the government will soon "deliver new policy on the financial services industry".

Will the finance minister admit that his government's new policy on bank mergers is simply that his new prime minister, the member for LaSalle—Émard, will allow Canadian banks to merge?

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, this is a serious matter affecting an important sector in our economy, as I said to the member in committee this morning. His committee, the finance committee of the House, together with that of the Senate, have studied this matter. The government has responded. We have asked a series of additional questions on which we are receiving the input of Canadians.

We promise that we will respond in a comprehensive way to the issues that affect not just banking but the financial services sector by the end of next June, and that applications to merge institutions can be considered. In the meantime, there have been mergers in that sector, as the hon. member well knows.

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THE ECONOMY

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, today the finance minister used the $2 billion health care transfer to the provinces as an excuse for his government's decision to reduce the contingency reserve and further reduce its commitment to debt reduction.

Since the $2 billion for health care spending is about equal to the projected reductions in equalization payments, will the minister admit that his government's backtracking on debt reduction has nothing to do with health care funding but everything to do with rampant pre-election spending?

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, they seem to change ground quite a lot over there. I do not know whether the results are too good or too bad.

What I would say is that the issue of debt reduction remains an important priority for the government. This is not the first time that we have, at this point in the year, been faced with a contingency reserve of less than the full $3 billion. That was the case in the 2001 budget as well. As economic conditions improved we were able to fully restore, not only the contingency but the additional prudence in our statements. I expect that will be the case again.

[*Translation*]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, by announcing his intention of delaying payment of the $2 billion for health nearly a full year, the Minister of Finance is compromising not only the budgetary balance of the provincial governments, but also the quality of health care.

How can the Minister of Finance be so petty as to engage in such a dangerous game, when we all know very well that the hidden agenda is to provide an opportunity for the next prime minister to come in like some super hero and save the day, just before the next election campaign?

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, to repeat: that promise was conditional. The condition was that the government be able to report a surplus of $3 billion next January.

We will not be able to do that, so what does the hon. member want us to do? Say "No, we cannot pay"? Or wait until we are able to say, if there is a surplus, that the money will be transferred directly to the provinces, regardless of the amount of the surplus, provided it is at least $2 billion?

● (1435)

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, there is a distinct odour of electioneering in all this.

If the Minister of Finance chooses to low-ball his estimated surplus, as he has in recent years, why not admit that he is just following the strategy of his predecessor, the hon. member for LaSalle—Émard, who invented it and who ordered the minister from off stage to underestimate the surplus in order to maintain the uncertainty and keep people in suspense about whether or not the $2 billion will be forthcoming, so the super hero can come along later and make the announcement?

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, it is not our strategy to underestimate the surplus. Even if it were, it is at least an improvement over the PQ strategy of underestimating the deficit.

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[*English*]

HEALTH

Mr. Rob Merrifield (Yellowhead, Canadian Alliance): Mr. Speaker, the government still cannot offer a firm commitment for health care but it seems to have plenty of money for its pet projects: last week, $700 million for VIA Rail; the gun registry that continues to be a sinkhole of federal money; and today, it is reported more federal cash for Bombardier to sell planes to Air Canada.

When it comes to health care, why does the government not simply commit an additional $2 billion today?

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, let us talk about our commitment to health care. Let us talk about $35 billion in increased health care funding that was provided in the last budget.

Let us talk about the increased health care funding that was included in the 2000 health accord.

Let us talk about the performance of the government year after year to increase the amount available through the CHST to the provinces for health care, for post-secondary education and for social services.

The contrast to 10 years ago is a contrast of night and day.

Mr. Rob Merrifield (Yellowhead, Canadian Alliance): Mr. Speaker, let us talk about health care. Health care has never been a priority of the government.

The incoming leader of the Liberal Party slashed billions from health care when he was the finance minister. What did we get? We have long waiting lists and shortage of doctors and nurses from which we will never recover. That is the legacy of those cuts.

Will the provinces get the $2 billion in January, yes or no?

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, apparently the member has not had an opportunity to review the update. The commitment clearly was that if there were a surplus in excess of $2 billion determinable in January there would be a payment of additional money to the provinces for health care.

It is clear now that we will be unable to make that determination in January. Therefore we have assured the provinces that as long as we do not go into deficit the first $2 billion will go to the provinces for health care in the current year.

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[*Translation*]

THE ECONOMY

Ms. Pauline Picard (Drummond, BQ): Mr. Speaker, the finance minister likes to act superior to the other G-7 countries, saying he has no deficit. What he forgets to say, however, is that Canada is the only country that gets other people to pay off its deficit.

Will the Minister of Finance admit that he has eliminated his deficit by choking the provinces and stealing from the unemployed?

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, in my opinion, the greatest risk for Canada's social programs is the burden of the debt and the interest payments on that debt. When we were elected, the debt was eating up 37 cents of each dollar of tax revenue. We have been able to reduce this to 21% of revenue and we have reduced the debt and the burden of the debt, because that is the best way to save social programs in Canada.

Ms. Pauline Picard (Drummond, BQ): Mr. Speaker, what does the Minister of Finance say in response to the report from ENAP's Observatoire de l'administration publique, which states that from 1994 to 1998 the provinces and unemployment insurance bore the brunt of the federal government's budget cuts?

● (1440)

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, that is untrue. In fact, we had a program review. I was Minister of Industry; I know the facts very well. We reduced the department's expenditures by 50%.

The federal government we has reduced expenditures more than the provincial governments did during program reviews. We have also reduced interest rates, meaning that Canada has now earned the world's respect for its fiscal position. That was very beneficial, not only for us, but for each of Canada's provinces.

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[*English*]

AGRICULTURE

Mr. Rick Casson (Lethbridge, Canadian Alliance): Mr. Speaker, the much touted fiscal update delivered today leaves some alarming questions for Canada's agricultural producers.

In his comments, the minister used the BSE crisis as a crutch and an excuse for missing the mark on his budget projections. The only response to the BSE issue from the government was a flawed program that left producers wondering who got the money because they sure did not.

What guarantee can the minister give that the money from the newly proposed program will go directly to producers?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I do not know how the hon. member can stand there with a straight face and say that the $312 million in the BSE recovery program did not go to the producers, because the cheques went directly to producers who marketed animals through that program.

As we look at other programs in the future, I can assure members that if other programs are put in place that money will go directly to the producers, as well, as it has in the past.

Mr. Rick Casson (Lethbridge, Canadian Alliance): Mr. Speaker, if the minister were to talk to producers he would find out that their margins are gone, their equity is gone and their money is gone. They do not have that money.

The agriculture minister has been trying to sell his agriculture policy framework as the answer to everything for the past two years. He knows full well that there are components of the APF that producers find absolutely less than useless. Provinces have not signed on and the program is in now in limbo.

Has the minister consulted the soon to be Liberal leader to see if he supports the APF or will this be one of the programs that he scraps?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I think the gentleman the hon. member is talking about was finance minister when the APF was put in place. I think that says something right there.

Not only did all the BSE recovery money, the $312 million from the federal government, go directly to the producers, so did provincial money at that time. The $600 million in transition money is also going directly to producers across Canada in cheques to their mailboxes.

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INTERNATIONAL COOPERATION

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, this morning CIDA launched the 2004 Butterfly 208, creative art and essay contest. This is an important initiative of the agency to increase youth involvement in international development.

Could the Minister for International Cooperation inform the House how her department encourages young people to learn about global and international development issues and find ways to make a difference in the world?

Hon. Susan Whelan (Minister for International Cooperation, Lib.): Mr. Speaker, the Butterfly 208 contest is about young Canadians who are looking for ways to make a personal contribution and to make a real difference in the world. It is an opportunity for us to get youth involved for an essential piece of the puzzle for development.

All hon. members in the House will be receiving a Butterfly 208 kit that talks about all the youth initiatives. I would encourage them to do as the hon. member for Peterborough has already done, to get involved in their communities, to educate their youth and to have them help and learn about what is happening in the developing world.

It is an opportunity, as I said, for Canadians to extend themselves to help face and make differences with the challenge of poverty.

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FOREIGN AFFAIRS

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, my question is for the Minister of Foreign Affairs.

A consul general of Canada requires the highest security clearance, particularly in a post like Chandigarh.

The government will not say when Bhupinder Liddar received his Canadian citizenship. It says that is a privacy question.

I have some security questions. Does Mr. Liddar have Canada's highest security clearance? If not, how could he serve as consul general? If so, was Mr. Liddar a Canadian citizen at the time the process began to give him security clearance?

Does the government often arrange security clearance for people who are not Canadian citizens?

[*Translation*]

Hon. Denis Coderre (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, without going into details on this particular case, I can assure the House that all the rules were followed and that all the criteria were met. The consul general in Chandigarh will do an excellent job.

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● (1445)

[*English*]

FISHERIES

Mr. Rex Barnes (Gander—Grand Falls, PC): Mr. Speaker, I am not aware that ACOA is a threat to our national security so I am puzzled about the secrecy regarding ACOA funding for a Newfoundland and Labrador riding with regard to the cod closures.

Will the hon. Minister of State responsible for ACOA provide full disclosure to the House within 24 hours of all projects approved and applied for, as well as the criteria and departmental evaluation?

Did the minister give orders for ACOA representatives not to talk to Newfoundland and Labrador MPs with regard to these projects?

Hon. Gerry Byrne (Minister of State (Atlantic Canada Opportunities Agency), Lib.): Mr. Speaker, with the new innovations in the House the member can get that information right from his chair in the House of Commons because it is all on the Internet, which we have now introduced into the House.

The fact is that the hon. member is very aware of all the projects that are occurring in his riding, despite the fact that he said that there was an air of secrecy around them.

I remember not too long ago telling the hon. member about a particular project in Little Bay Islands, one that all of a sudden, when asked by the media, he had no knowledge of whatsoever.

That $575,000 will be of great benefit to his riding, but most important, to the people of his riding.

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INTERNATIONAL TRADE

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, the Prime Minister is about to meet here in Ottawa with South Africa's president, Thabo Mbeki.

Mbeki was instrumental in the WTO agreement to allow generic drugs to flow to developing nations to treat the millions suffering from HIV-AIDS, TB, malaria and other deadly diseases.

Canada engaged in much self-congratulations about being the first country to amend our patent laws but the world is still waiting.

With rumours about a UN appointment for the Prime Minister, he should be more committed than ever to implementing this legacy.

Will the Prime Minister promise that Parliament will not rise until this life saving legacy is firmly in place?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, I can tell the hon. member that the Prime Minister has been fully committed to Africa for the last few years that he has been Prime Minister.

We in Canada have worked very closely with South Africa to develop the August 30 breakthrough with a waiver on intellectual property.

We intend to do the same thing in this country. We will make sure that in consultation with our industry we can allow Canadian companies to contribute to this extraordinary effort in Africa.

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CANADA-U.S. BORDER

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, the city of Windsor has discovered that CP Rail, in conjunction with Transport Canada and Canada Customs, is building a centre for U.S. customs to inspect rail cars going to the U.S. on Canadian soil. With no notification and no planning, it will create more transportation chaos for our industry, health and security. I understand that the Manley-Ridge plan is the driving force for this process.

Could the Deputy Prime Minister explain why the municipality or local industry was not consulted? Will he meet with them immediately and put this on hold before we have more chaos and border destruction affecting our industries?

Hon. Elinor Caplan (Minister of National Revenue, Lib.): Mr. Speaker, pre-clearance away from the border, whether it is for land or rail, is one of the important features of trying to have the border function safely and efficiently. All these initiatives have been undertaken to ensure that the public interest in Canada is served. I can assure the member opposite the actions that are being taken are both appropriate and well considered.

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VETERANS AFFAIRS

Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance): Mr. Speaker, November 5 through to November 11 is Veterans Week in Canada. It is a week to honour those who fought and died for this country, but the government refuses to honour war widows by not extending their VIP benefits.

The parliamentary secretary for veterans affairs said on Friday:

> —I would like to honour that request. However, things do not operate that way around here.

The 23,000 widows who are cut off from other benefits deserve a lot better than that. Will this government today honour the commitment to the—

The Speaker: The hon. Minister of Veterans Affairs.

Hon. Rey Pagtakhan (Minister of Veterans Affairs and Secretary of State (Science, Research and Development), Lib.): Mr. Speaker, we have been seized with this issue. In fact, as recently as last May, when we had $135 million, we decided to take half of that for other priorities of veterans and the other half for widows in the country. We started a new program, and we pledged that we would continue to work harder for others. The sensitivity of this government remains very high.

Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance): Mr. Speaker, we have already had unanimous consent from the Veterans Affairs committee. We have had unanimous consent from this House, but still the government delays. To continue to deny these 23,000 widows is hypocrisy higher than the ceiling of this building.

Will this government commit to extending the VIP benefits to those widows and ensure that it is done before November 11, 2003?

● (1450)

Hon. Rey Pagtakhan (Minister of Veterans Affairs and Secretary of State (Science, Research and Development), Lib.): Mr. Speaker, last May, when we had the situation, I consulted with the leadership of the veterans organizations and I asked them if we should proceed with what we had or should we wait. They advised me to proceed with what we had, and we pledged to continue to work harder for the others.

[*Translation*]

MINISTER OF FINANCE

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, last week, the Minister of Finance stated that he had paid for his trip to the Caribbean and his holiday aboard a sailboat with Sandy Morrison of the Brewers Association of Canada, whose counsel he had just followed in his budget at the expense of the microbreweries. The minister told the House that he had paid for his plane tickets.

Can the Minister of Finance tell the House how much it cost for him and his family to stay on this luxury boat, and in what amount the cheque in repayment was made out for?

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, that is none of his business. I can go on vacation with whomever I like, wherever I want, at my own expense. He has no right to ask such questions.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, does the Minister of Finance not find it odd that, in March, he was in the Caribbean aboard the same boat as a member of the Brewers Association of Canada, when just one week earlier, his budget supported its recommendation at the expense of the microbreweries?

All we are asking the minister is to tell us how much it cost for him and his family to stay on the boat, and to produce all the receipts.

The Speaker: Once again, this question does not concern government business.

Some hon. members: Oh, oh.

The Speaker: Order, please. The hon. member for Peace River.

* * *

[*English*]

GASOLINE TAXES

Mr. Charlie Penson (Peace River, Canadian Alliance): Mr. Speaker, last month members of this House passed a Canadian Alliance motion onthe federal gas tax. It called on the government to initiate immediate discussions with the provinces and to provide the municipalities with a portion to the gas tax.

Could the Minister of Finance tell us today when the federal government will start these negotiations with the provinces?

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, the motion did not call for negotiations. I can tell him that the discussions commenced on October 10 when I met with the finance ministers from the provinces.

Mr. Charlie Penson (Peace River, Canadian Alliance): Mr. Speaker, it called for discussions that would hopefully lead to negotiations.

When he was the finance minister, the new Liberal leader had eight years to make this a priority and failed to do so. Given his track record, Canadians cannot count on him to follow through.

When will the present Minister of Finance correct this foot dragging and start these discussions with the provinces?

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): As I said, Mr. Speaker, we already discussed it. Certainly I did with several of the ministers when we met. I think the ability to put a formal arrangement together will require a great deal of work.

In the meantime, I remind the hon. member of the $3 billion of additional funding that was made available for infrastructure in the February budget. Much of this is flowing to Canada's municipalities to take care of important needs.

* * *

JUSTICE

Mr. Randy White (Langley—Abbotsford, Canadian Alliance): Mr. Speaker, Shawn Mackinaw killed his daughter Chassidy then buried her. He claimed he was drunk so the lawyers plea bargained the murder. They are saying that community service and an aboriginal sentencing circle should be adequate punishment.

Why does the justice minister not put limitations on plea bargaining so that such murderers cannot get away with just simply house arrest?

Hon. Martin Cauchon (Minister of Justice, Lib.): Mr. Speaker, the member refers to indeed a tragic event. He raises in his question many questions.

The first item that I would like to talk to is the sentencing circle. That has taken place in some provinces in western Canada and I would just like to say that so far what I have seen within the justice system it has proven to work properly, based on their culture.

Second, we know there is discretion existing in the criminal justice system. For example, they have raised the point of conditional sentencing, which is under review by the justice committee.

● (1455)

Mr. Randy White (Langley—Abbotsford, Canadian Alliance): Mr. Speaker, this is exactly why the justice minister does not understand such situations, because the Sto:Lo nation does not have sentencing circles, yet it was plea bargained in. Chassidy's grandfather and other family members were never told this terrible crime was being plea bargained away.

Why has this government devalued the justice system to the point where the victim is a non-entity and children can be murdered without serious consequences?

Hon. Martin Cauchon (Minister of Justice, Lib.): Mr. Speaker, he has been to a sentencing circle himself. That is why I raised the point.

The second point, if the member would know exactly what is taking place at Justice Canada and in the justice system, he would know that at this very moment there is a national conference on victims taking place Ottawa. It is the very first one of its kind, sponsored by Justice Canada. I was there this morning to meet with those people, who will provide the justice department and our country with valuable comments that we will be using in our future legislation.

[*Translation*]

THE ENVIRONMENT

Mr. Jean-Yves Roy (Matapédia—Matane, BQ): Mr. Speaker, when questioned about Belledune, the Minister of Fisheries and Oceans twists our words by saying that we are asking him to intervene in provincial jurisdictions, which is completely untrue and he knows it.

I will read the Minister of Fisheries and Oceans, section 35 of the act that he is in charge of administering:

> No person shall carry on any work or undertaking that results in the harmful alteration, disruption or destruction of fish habitat.

If the Minister of Fisheries and Oceans refuses to use this section in Belledune, can he tell us when he does use it?

Hon. Robert Thibault (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, we use this section when a project request is submitted and there is evidence that destruction could occur.

We are not going to use it for zoning at the provinces' expense for projects that we may or may not approve of.

* * *

[*English*]

FOREIGN AFFAIRS

Mr. Svend Robinson (Burnaby—Douglas, NDP): Mr. Speaker, my question is for the Minister of Foreign Affairs. Last year a young Chinese student living in Burnaby, Amanda Zhao, was brutally murdered. Her boyfriend, Ang Li, fled to China and was charged in May of this year with her murder.

With no extradiction treaty in force with China, what action is the government taking to seek the return of Ang Li to stand trial in Canada for this terrible crime? The RCMP has done its job. When will the minister do his?

Hon. Wayne Easter (Solicitor General of Canada, Lib.): Mr. Speaker, the member knows that this is an operational matter of the RCMP. The investigation is in fact ongoing. The RCMP is continuing to work with the Department of Justice and with Department of Foreign Affairs on the matter to see what can be done.

* * *

THE ENVIRONMENT

Mr. Chuck Cadman (Surrey North, Canadian Alliance): Mr. Speaker, the Greater Vancouver Regional District and other municipalities have expressed concerns about the government's proposed management plans for dissolved ammonia, among other substances, for the Canadian Environmental Protection Act. One primary concern is the potential for duplication.

Will the environment minister commit to harmonizing his proposals with provincial regulations, to ensure that municipalities have a so-called one window approach to waste water management?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, I can certainly assure the member that our objective is always to harmonize our environmental regulations with the provincial regulations and also, where applicable, municipal. We will be looking at every opportunity to doing that.

That said, there is clearly an issue here that is being addressed on a nation-wide basis. There will be times when the nation-wide interests will supercede the municipal or provincial.

* * *

[*Translation*]

CINAR

Mr. Richard Marceau (Charlesbourg—Jacques-Cartier, BQ): Mr. Speaker, in the CINAR affair, we know that the RCMP conducted an investigation and that a report may have been submitted to federal prosecutors or to the attorney general for Quebec, so that they could lay charges.

Since the RCMP report did not result in any legal action against CINAR, will the Solicitor General tell us if it was the federal prosecutors who received the RCMP report and decided not to prosecute CINAR?

[*English*]

Hon. Wayne Easter (Solicitor General of Canada, Lib.): Mr. Speaker, I cannot comment on this matter. I will take it under advisement and get back to the member.

* * *

● (1500)

CHILD PORNOGRAPHY

Mr. Myron Thompson (Wild Rose, Canadian Alliance): Mr. Speaker, last week the House totally agreed that all defences for child pornography that exploit children must be eliminated. The pride of the justice minister will not allow him to amend Bill C-20 to incorporate this change.

Why will the minister not swallow his pride, do the democratic thing and ban all defences for child pornography?

Hon. Martin Cauchon (Minister of Justice, Lib.): Mr. Speaker, I really do not understand from where the member is coming. Last week during the debate, for example, they said that, of course, police forces should have access to child pornography in the course of an investigation. They said as well that, of course, police forces should have access for training purposes and, of course, scientists should have access for valid reasons as well.

I would like to say to the House that the defence of "of course" does not exist within the criminal law. This is why we have to put in a defence that will be charter compliant, while protecting our children.

* * *

ETHICS

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, my question is for the Minister of Finance. Did the minister submit to the ethics counsellor the records of payments for his trip with Sandy Morrison? Did he recuse himself from cabinet discussions about budget provisions which helped Canada's major breweries to the detriment of micro-breweries?

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): No, Mr. Speaker.

* * *

PRESENCE IN GALLERY

The Speaker: I draw the attention of hon. members to the presence in the gallery of the right hon. Paul Murphy, MP, Secretary of State for Northern Ireland.

Some hon. members: Hear, hear.

The Speaker: I would also draw the attention of hon. members to the presence in the gallery of Ms. R. Eleanor Milne, who was the Dominion Sculptor from 1962 to 1993 and was responsible for the stone carvings in the foyer of the House of Commons entitled, the "History of Canada Series".

Some hon. members: Hear, hear.

* * *

[*Translation*]

POINT OF ORDER

ORAL QUESTION PERIOD

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, I rise on a point of order. Earlier, you made a ruling relating to a question that had been asked. I would like to request some further information from you. There are two separate aspects to my point of order.

The first is the following. Last March, the Minister of Finance made a decision in his budget. That ministerial decision was unfavourable to the microbrewers' association and favourable to the major breweries. Not long after, he went on a sailing vacation with family members and members of the Brewers Association. So, last week, we asked the minister, given the potential for conflict of interest, whether this trip had been provided free of charge within the framework of his duties, as was common practice at the time, or whether he had paid. You allowed the minister to respond and his response was that he had paid the cost of his trip in full.

It is our impression, however, that what the minister paid for was his plane fare. As for the sailing vacation itself, today we merely asked the Minister of Finance, as a supplementary question, how much he had paid the person who provided this trip to reimburse him for its value. The Minister of Industry was asked the same question several weeks ago, and it was allowed.

It seems to us that it is important to know and that we have the right to ask a minister who went on a trip that could place him in an apparent conflict of interest situation whether or not he paid for that trip and how much. I would say that is a minimum. What is good for the industry minister should be good for the finance minister, even if we are talking about larger amounts.

Second, and this is of some concern to me, when questioned about this, instead of answering through the official channel, since you had risen, we very clearly saw the minister tell us in this House, "Fuck off".

It seems to me that it is somewhat unparliamentary for a finance minister to answer this kind of question in such a despicable way. Is the question so terrible? Is that how dismayed the minister is to have to reveal how much he spent for this cruise with his family on the Caribbean, along with people from the Brewers Association, whom he had just favoured in his budget?

We do not know. But we are perfectly justified by political morals to ask this kind of question. I would therefore appreciate it if you could explain how the question about details on costs was in order when asked of the industry minister but not when asked of the finance minister. This is tied closely to decisions he made in his last budget and to a possible breach of ethics and conflict of interest. It seems to me that we can inquire.

● (1505)

The Speaker: Does the hon. member for Wild Rose wish to speak on the same topic?

[*English*]

Mr. Myron Thompson (Wild Rose, Canadian Alliance): Mr. Speaker, I want to verify that what the member has just said to you with regard to what happened today indeed did happen. I saw it mouthed very clearly. I think it is absolutely disgraceful that even that kind of thought would go on in this place.

[*Translation*]

The Speaker: With regard to the comments by the hon. member for Roberval concerning the question, I should immediately say that it was a question about details, that is, the exact cost of a trip or something like that. Such a question should be placed on the Order Paper. It is perfectly proper to ask the question by means of that document.

For example, as I recall the events, the question asked of the Minister of Industry was whether the minister had received something valued at over $200 or less than that amount. That is a different question. But asking for the details about the exact amount of something is another question that could be put on the Order Paper.

With regard to the other issues raised, clearly I did not hear anything said by the minister or anyone else. Since the hon. members say this occurred in the House, undoubtedly the Minister of Finance will be able to explain it later. He is not here right now, but I am sure he will be briefed on the point of order raised by the hon. member for Roberval and confirmed by the hon. member for Wild Rose. We shall have an answer shortly.

ROUTINE PROCEEDINGS

[*English*]

ORDER IN COUNCIL APPOINTMENTS

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am pleased to table, in both official languages, a number of order in council appointments made recently by the government.

GOVERNMENT RESPONSE TO PETITIONS

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 10 petitions.

* * *

INCOME TAX ACT

Mr. Gerald Keddy (South Shore, PC) moved for leave to introduce Bill C-463, an act to amend the Income Tax Act.

He said: Mr. Speaker, it gives me great pleasure today to introduce my fishers' capital gains deferral act to the House of Commons, seconded by the member for St. John's West.

The bill would amend the Income Tax Act by extending the rollover relief allowable in the transfer of farm property to cases where a taxpayer transfers fishing property or assets in order to facilitate keeping those assets within a family. In other words, it is my intent that the bill would help preserve the financial integrity of small to moderate family fishing operations and make it easier to keep a successful business in the family.

I urge the House to support Bill C-463 once it receives first reading.

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

* * *

● (1510)

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, if the House gives its consent, I move:

That the Supplementary Opinions of the Bloc Québécois and the New Democratic Party be appended to the 52nd report of the Standing Committee on Procedure and House Affairs presented to the House on Thursday, October 30, 2003.

The Speaker: The hon. member for Peterborough seems to be holding something in front of him which I am not able to see but it looks like a prop. As chairman of the procedure and House affairs committee he should be setting a very good example for all hon. members. He knows that holding up a prop is not appropriate, but I know his interest is in the subject of his intervention.

Is there unanimous consent for the hon. member to propose the motion?

Some hon. members: Agreed.

The Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to)

* * *

PETITIONS

MARRIAGE

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I have three petitions to present to the House today.

The first petition deals with the legislation regarding the definition of marriage. The petitioners would like to draw to the attention of the House that marriage is the best foundation for families and for raising children. They call upon Parliament to reintroduce into legislation the institution of marriage as being the lifelong union of one man and one woman to the exclusion of all others.

STEM CELL RESEARCH

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the second petition I wish to present is on the subject matter of stem cells.

The petitioners point out that Canadians support ethical stem cell research which has already shown encouraging potential to provide cures and therapies for Canadians. They petition Parliament to focus its legislative support on adult stem cell research to find those cures and therapies.

MARRIAGE

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the final petition is with regard to the notwithstanding clause relating to the definition of marriage.

The petitioners point out that notwithstanding the decision of June 10, 2003 of the Ontario Court of Appeal which struck down the definition of marriage as being unconstitutional, they call upon Parliament to invoke the notwithstanding clause so that the traditional definition of marriage is retained, that being the legal union between one man and one woman to the exclusion of all others.

Mr. Darrel Stinson (Okanagan—Shuswap, Canadian Alliance): Mr. Speaker, I am pleased to present a petition today on the definition of marriage.

The petitioners are requesting that the Government of Canada hold a binding national referendum together with the next general election to ask the following question: Must the Government of Canada continue to define marriage as the union of one man and one woman to the exclusion of all others, yes or no?

Mr. Svend Robinson (Burnaby—Douglas, NDP): Mr. Speaker, from another perspective I have the honour to present a petition which is signed by hundreds of residents of British Columbia. They point out that same sex couples form loving and committed relationships but are denied the equal ability to celebrate those relationships through marriage. They point out that the protection of true family values requires that all families be respected equally. They point to their concern that the Charter of Rights and Freedoms be upheld. They suggest that denying same sex couples the equal right to marry reinforces attitudes of intolerance and discrimination and is inconsistent with the Canadian values of equality, dignity and respect.

The petitioners call upon Parliament to enact legislation providing same sex couples with the equal right to marry.

● (1515)

[*Translation*]

NATIONAL DEFENCE

Mr. Svend Robinson (Burnaby—Douglas, NDP): Mr. Speaker, I have a petition concerning star wars signed by citizens of Quebec. The petitioners say that Canadians want to build a peaceful world based on human security and that this new weapons system, known as star wars, is destabilizing. The petitioners call upon Parliament to acknowledge that Canada will not participate in a star wars program and strongly condemns George Bush's destabilizing plans, and to say no to star wars.

[*English*]

MARRIAGE

Mr. Pat O'Brien (London—Fanshawe, Lib.): Mr. Speaker, I am in receipt of a petition signed by 25,000 Canadians which is in the process of being vetted. I would like to present the latest 3,000 signatures.

The petitioners call on the House of Commons to reaffirm marriage as the union of one man and one woman to the exclusion of all others. They recall for Parliament that Parliament is on record several times speaking to this matter, including in legislation. They call on the government to live up to its previous commitment to take all necessary steps to uphold the traditional definition of marriage.

RELIGIOUS FREEDOM

Mr. Jay Hill (Prince George—Peace River, Canadian Alliance): Mr. Speaker, I have two petitions to present today.

The first one is signed by petitioners from Fort St. John, Dawson Creek and Tumbler Ridge in my riding of Prince George—Peace River. They draw the attention of the House to the fact that they believe that the addition of sexual orientation as an explicitly protected category under sections 318 and 319 of the Criminal Code of Canada could lead to individuals being unable to exercise their religious freedom as protected under the Charter of Rights and Freedoms and to express their moral and religious doctrines regarding homosexuality without fear of criminal prosecution.

The petitioners call upon Parliament to protect the rights of Canadians to be free to share their religious beliefs without fear of prosecution.

TAXATION

Mr. Jay Hill (Prince George—Peace River, Canadian Alliance): Mr. Speaker, the second petition is from residents of Prince George and the smaller communities of Mackenzie and Chetwynd in my riding.

They would like to draw the House's attention to the fact that adoptive parents in Canada often face significant adoption related costs, but out of pocket adoption expenses are not tax deductible under our present laws. They call upon Parliament to pass legislation to provide an income tax deduction for expenses related to the adoption of a child, as contained in private member's Bill C-246 in my name.

MARRIAGE

Mr. Gurmant Grewal (Surrey Central, Canadian Alliance): Mr. Speaker, I am honoured to rise on behalf of the constituents of Surrey Central to present 12 petitions signed by hundreds of people from the lower mainland.

The petitioners call upon Parliament to immediately hold a renewed debate on the definition of marriage and to reaffirm, as it did in 1999, its commitment to take all necessary steps to preserve marriage as the union of one man and one woman to the exclusion of all others.

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, I have the privilege to present two petitions today with respect to marriage. In both cases the petitioners request that Parliament consider that the current legal definition of marriage as the voluntary union of a single male and a single female be upheld.

Mr. Rob Merrifield (Yellowhead, Canadian Alliance): Mr. Speaker, I would like to present a petition pursuant to Standing Order 36 on behalf of the people of Yellowhead. The petitioners are very concerned about preserving the definition of marriage as being between one man and one woman.

Mr. Myron Thompson (Wild Rose, Canadian Alliance): Mr. Speaker, I too have one petition from several hundreds of people from the towns of Banff, Canmore, Cochrane, Sundre, Water Valley, Cremona, Bowden and Trochu in Alberta. The petitioners pray that Parliament will pass legislation immediately to recognize the institution of marriage in federal law as being the lifelong union between one man and one woman to the exclusion of all others.

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, I am very proud to rise in the House to present a petition signed by a number of residents from Vancouver who point out that the protection of true family values requires that all families be respected equally and that denying same sex couples the equal right to marry reinforces attitudes of intolerance and discrimination. It is inconsistent with Canadian values of equality, dignity and respect. The petition calls upon the House to pass Bill C-264 from the first session or otherwise enact legislation providing same sex couples with the equal right to marry.

● (1520)

Mr. Larry Spencer (Regina—Lumsden—Lake Centre, Canadian Alliance): Mr. Speaker, I have three petitions here, all of them alike. The petitioners are calling upon Parliament to pass legislation recognizing the institution of marriage as being between one man and one woman and are reminding the House of its commitment to maintain that definition made in 1999.

FOREIGN AFFAIRS

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, I would like to table further copies of a petition that so far has been signed by thousands of people. I have here many more hundreds of signatures from petitioners calling upon Parliament to declare that Canada objects to the national missile defence program of the United States and calling upon Parliament further to play a leadership role in banning nuclear weapons and missile flight tests.

MARRIAGE

Ms. Alexa McDonough (Halifax, NDP): With the House's permission, I have the privilege of tabling a further group of petitions signed by hundreds of Canadians who are very much registering their objection to the fact that the federal government is wasting hundreds of thousands of dollars of taxpayers' money on litigation against equality rights groups like Egale to oppose the right of same sex couples to marry, and objecting to denying same sex couples the equal right to marry, which reinforces attitudes of intolerance and discrimination and is absolutely inconsistent with Canadian values of equality, dignity and respect. It calls upon Parliament to pass Bill C-264 from the first session or otherwise enact legislation providing that same sex couples have the equal right to marry. I am very happy to table those petitions.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

CRIMINAL CODE

The House proceeded to the consideration of Bill C-46, an act to amend the Criminal Code (capital markets fraud and evidence-gathering), as reported (without amendment) from committee.

Hon. Martin Cauchon (Minister of Justice and Attorney General of Canada, Lib.) moved that the bill be concurred in at report stage.

(Motion agreed to)

[*English*]

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

Some hon. members: Agreed.

Hon. Martin Cauchon moved that the bill be read the third time and passed.

Mr. Paul Harold Macklin (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, Bill C-46 on capital markets fraud and evidence gathering has now been returned to us by the Standing Committee on Justice and Human Rights without amendment. I am happy to rise to speak to it on this third reading.

Members are well aware of the crisis in investor confidence in capital markets around the world that resulted from the recent major corporate scandals in the United States. Responding to this crisis has engaged governments at all levels and the stakeholders in those markets in Canada as well as in many other countries.

Bill C-46 addresses one aspect of that response: legislative measures to combat the criminal law dimension of market misconduct. It addresses the federal government's and Parliament's responsibility to ensure that police and prosecution authorities have effective legislative tools and the capacity to use those tools to deter and punish fraud and other criminal behaviour that threatens the integrity of our capital markets and investor confidence in those markets.

Bill C-46 is thus part of a package of enforcement measures that includes the creation of the RCMP led integrated market enforcement teams. As members have heard, these IMET units will focus the combined skills of investigators, lawyers, forensic accounting services and other disciplines on major cases of capital markets fraud. They would be located in our four major financial centres, Toronto, Vancouver, Montreal and Calgary and would add new, dedicated resources to the enforcement of fraud cases that threaten the national interest in the integrity of our capital markets.

Budget 2003 committed the funding required for this federal enforcement effort and also made commitments as to the accompanying elements of the legislative arm of this effort. Bill C-46 fulfilled that second commitment. Those elements comprised four separate areas: first, offences; second, sentencing; third, concurrent federal jurisdiction to prosecute; and fourth, enhanced evidence gathering tools.

Bill C-46 targets capital markets fraud with new offences and sentencing enhancements while at the same time enhancing generally the sentencing of fraud, which is a rapidly expanding and ever more damaging criminal problem, as well as facilitating evidence gathering in regard to all criminal offences.

In the wake of the scandals in the United States and the wide-ranging legislative measures taken in response to them at the federal level in the U.S., known as the Sarbanes-Oxley Act, the federal government conducted a thorough examination of the Criminal Code and consulted with federal and provincial enforcement authorities to see if our offences needed to be strengthened to deal with the same problem.

We found that the responsible authorities agreed that we already had strong and effective criminal laws to deal with capital markets fraud. Both police and prosecution authorities emphasized in particular that there was no need to add more specialized market fraud offences to the Criminal Code and that, rather, this indeed could be counterproductive.

The basic fraud offence in the code, section 380, is the offence most often used in capital markets fraud cases. It is comprehensive, well understood and thoroughly tested and interpreted by the courts. The existing market specific offences are in fact relatively rarely used, although the Criminal Code does have a panoply of such offences, including manipulation of stock market transactions, section 382, and filing a false prospectus, section 400. It also has strong offences covering obstruction of justice and other relevant criminal activity that could threaten the integrity of the capital markets.

Two specific gaps were identified. Bill C-46 addresses both of those gaps. The first of these involves improper insider trading. This misuse of personal advantage and responsibility strikes at the core of investor confidence.

● (1525)

It is already covered by all provincial securities legislation and by the Canada Business Corporations Act, but stakeholders strongly advise that a Criminal Code offence will add an additional and powerful weapon against this damaging activity that threatens the integrity of our capital markets. A criminal offence for serious cases of prohibited insider trading adds the social stigma of the criminal law and more severe penalties for this violation of public trust.

The offence that Bill C-46 will add to the Criminal Code in the proposed new section 382.1 is based on the model found most commonly in provincial securities legislation. It is fashioned to capture only that improper trading conduct that is currently prohibited by the legislation, but with the added mental element required for a Criminal Code offence and a criminal law level of penalty.

The other proposed new offence would seek to encourage employees to report unlawful conduct within their companies and cooperate with law enforcement by prohibiting employment related threats or retaliation against them for so doing.

U.S. and Canadian experience has shown that employees can play an important role in disclosing this conduct to the authorities. It was found that threats and actions aimed at such persons' employment are not adequately covered in the existing offences of intimidation or obstruction of justice. This targeted offence will close this gap. It will address the protection of what is often called whistleblowing in those circumstances where such a deterrent measure is appropriate for a Criminal Code offence, where the threatening or retaliatory action in employment situations is akin to intimidation or obstruction of justice. It will have a broad application to any appropriate case but will be particularly helpful to the enforcement of capital markets fraud cases.

The second component of Bill C-46 is the sentencing enhancements directed at fraud, and in particular, capital markets fraud. The bill will raise the maximum prison term for the primary fraud offence, that is, section 380, from 10 to 14 years. Fraud overall, as noted, is becoming an increasingly more serious criminal problem.

This will address both capital markets fraud and such pernicious fraud cases as major telemarketing frauds. It will also raise the maximum sentence for the market specific offence of fraudulent manipulation of stock exchange transactions from 5 to 10 years. I would note that a maximum term of imprisonment of 14 years, which the bill would apply to the offence most often used in capital markets fraud cases, section 380, is, next to the maximum term of life imprisonment, the highest maximum sentence in our criminal law. In addition, Bill C-46 will add certain aggravating and non-mitigating sentencing factors that will point judges to those cases of fraud that need greater denunciation and deterrence, whether they are cases of capital markets fraud or other major frauds that do great economic and social damage to our society.

Third, Bill C-46 will also give federal authorities a role in prosecuting these fraud cases in addition to the existing provincial prosecutorial role and responsibility in these cases.

This addition to the concurrent jurisdiction of the Attorney General of Canada to prosecute certain cases under the Criminal Code is an initiative that has been much misunderstood. It is not, for a start, a constitutional issue concerning the division of powers.

The authority of Parliament to confer such jurisdiction on federal prosecution authorities under the Criminal Code has been unequivocally confirmed by the Supreme Court of Canada, and Parliament has chosen to do so recently in certain criminal organization offences and all terrorism offences.

● (1530)

As in those cases, the new federal prosecutorial role in regard to capital markets fraud cases will respond to an immediate issue of great national concern.

Nevertheless, the definition of attorney general in section 2 of the Criminal Code reflects the traditional role of the provincial prosecuting authorities in dealing with the prosecution of most crime in their provinces. The federal government respects this traditional role.

The new federal prosecutorial role, created by Bill C-46 would, as noted, focus only on major cases of capital markets fraud that threaten the national interest and integrity of our crucial capital markets.

Moreover, this role would be both complementary and supplementary to the existing provincial prosecutorial role in these cases. The federal government would seek only to add its resources and expertise to help to ensure that these cases could be effectively prosecuted in all provinces.

All government in Canada currently face challenges to prosecutorial capacity. This initiative would help to address those challenges in regard to the national problem of capital markets fraud. To achieve this end, federal authorities have already had productive discussions with provincial prosecution authorities on the core principles of proposed prosecution protocols that would coordinate this partnership effort.

These proposed core principles would affirm the existing and primary role of the provinces in this area and would add federal resources only in a supplementary and a backstop role. These protocols would ensure that there is a coordinated and cooperative approach to the vigorous and effective prosecution of major cases of capital markets fraud.

The fourth and last component of Bill C-46 would facilitate evidence gathering. Federal and provincial law enforcement authorities have long argued for the need of additional production order powers to complement the existing investigative powers under the Criminal Code. Existing search warrant powers under the code allow police officers to search places for evidence, but this judicially authorized production order would add a power to require persons to produce existing relevant information, or to prepare and produce documents based on the existence of relevant information.

This requirement would be directed only at those third parties who are themselves not under investigation and would require the production to the police of relevant information, within a specified period of time, which is under their possession or control whether it is stored inside or outside of Canada.

Bill C-46 would create two levels of production order. First, the general production order would be available in the same circumstances in which a search warrant is now available, with all of the same constitutional and procedural safeguards. Second, the more narrowly targeted specific production order would provide a first step investigative tool. It would be placed on an appropriately lower criminal standard where there would be reasonable grounds to suspect that the information would assist in the investigation of an offence, but it would be limited to specific types of threshold information about which there is a relatively low expectation of privacy.

This would extend only to such general financial information concerning account holders as the name, address, account number, the date an account was opened and its active status. It would not, however, extend to such personal information as the transactions or amounts in those accounts.

While these production order powers would be available in regard to the enforcement of all criminal offences, they would be particularly helpful in the timely and effective gathering of financial information that is the core element in the investigation of capital markets fraud cases.

● (1535)

In conclusion, Bill C-46 has been welcomed and has received the solid overall endorsement of stakeholders in law enforcement, representatives of provincial security regulatory agencies, the securities industry, and from members from all sides of this House.

Together with the commitment of additional enforcement resources through the integrated market enforcement teams, this criminal law enforcement initiative would help to deter and punish fraudulent activity that threatens the integrity of the capital markets that are vital to Canadian economic life. It would help to ensure that those who engage in this socially and economically damaging criminal activity are detected, charged, convicted and appropriately punished.

I would urge all members of the House to support the passage of Bill C-46.

Mr. Jay Hill (Prince George—Peace River, Canadian Alliance): Mr. Speaker, I listened to the remarks of the Parliamentary Secretary to the Minister of Justice and I note after some 10 years now that I have had to endure speeches such as that, it seems to me that the less the government does with a piece of legislation, the more puffed up it becomes in pronouncing all the great good it will do.

Nevertheless, I want to ask the parliamentary secretary questions relating to the changes that would be brought in by Bill C-46. He referred to them during his remarks, such as this new five year maximum prison sentence for those convicted of employment related threats or retaliation against employees, the so-called whistleblower protection. He also mentioned the 10 year maximum for those convicted of insider trading and the maximum sentence for fraud to be raised from 10 to 14 years.

Presumably, these types of initiatives that the government is undertaking with Bill C-46 would be to deter individuals from resorting to those types of activities, at least that would be my assumption. However, I note that all too often in cases involving white collar crime and in indeed even criminal activity, it is not the maximum or anywhere near the maximum sentence that is imposed by the courts. It is quite the opposite.

In fact all too often—ever since the government, back in the mid-1990s, brought in conditional sentencing, which is a guise and a fancy term for house arrest—individuals who should be sent to jail to at least deter others from those types of activities are instead sent home under house arrest or conditional sentencing.

What assurances can the Parliamentary Secretary to the Minister of Justice offer the House and Canadians that by putting in these maximums that they will provide the anticipated deterrents for these types of criminal activity in the corporate world? What assurance can he give that we will not see merely minimum sentences, or in some cases no sentence at all if we consider house arrest a sentence, being imposed for serious white collar crime?

● (1540)

Mr. Paul Harold Macklin: Mr. Speaker, when we look at crime and punishment, it is always a question of trying to get the punishment to fit the crime.

I know that each and every member is caught up by the concept of market fraud and the effect on our country. Overall, it is an incredible problem. In effect, it can destroy our underlying economic fabric if it is not protected, if that integrity is not there, and if the public cannot rely upon that as being so.

In terms of looking at sentencing, not only are we sending in this particular bill a message about sentencing that is indicating how severe we view such activity, but we have learned from the United States experience that we had to do other things to gain the evidence that was necessary. In some cases, if we look at the history of prosecuting crimes of this nature, it has been very difficult to collect the evidence that was necessary and it has occasionally led to plea bargaining situations.

What we have initiated is something very special, in particular dealing with the whistleblowing concept. What we have done here is we have given the employees the protection. If they are prepared to go and meet with regulatory authorities or those who are in law enforcement to deal with this crime, and provide the proper evidence that is necessary, there will be a much more effective process in place to allow the evidence to be properly gathered. The evidence would then be brought properly before a judge to avoid the frequent concept of plea bargaining.

Therefore, sending the collective message of protecting those who will bring the evidence, getting that evidence before the courts and demanding from those courts—by suggesting that we view this type of activity as one that we will not accept—a high maximum fine or imprisonment, then, in fact, the message will get through.

It is vitally important for all Canadians that we make the message very clear that this type of activity of corporate market fraud will not be tolerated in this country.

Mr. Myron Thompson (Wild Rose, Canadian Alliance): Mr. Speaker, I have one question. What I find amazing is that the government is willing to battle and get tough on corporate crime and that is good news. There is nothing wrong with that.

However, in the meantime, we are putting up with the Liberal government's abuse of tax dollars left and right. When will the government learn to clean up its own house before it goes after corporate businesses?

● (1545)

Mr. Paul Harold Macklin: Mr. Speaker, it is clear that the government is a responsible government. We have taken a number of approaches to that responsibility. We have a bill that has gone through the House dealing with ethics. It is now in the Senate.

Quite frankly, when we look at corporate market issues, we are taking the same approach. We are making corporations stand up and be accounted for, and be reliable in the eyes of the public. In fact, the security of the capital markets is there because in our longer economic term we need to ensure that our economic base is reliable, secure and does have the public confidence.

Mr. Darrel Stinson (Okanagan—Shuswap, Canadian Alliance): Mr. Speaker, when going over the bill and section 425.1, the so-called whistleblower protection, I find the bill lacking in a number of areas.

If the government wants people to come forward, then it must start protecting those people. This does not protect these people at all. There is no incentive for them to come forward. I am not saying that an indictable offence would interfere with any people coming forward.

When whistleblowers come forward, particularly in the corporate sector and also in the government sector, they need far better protection than what is in this bill. We know of many cases of financial ruin where people came forward with no compensation at all.

Under this bill, why should people have any incentive to come forward when in all likelihood they could be threatened not only with financial and family ruin, but also death? There is nothing in the bill at all that serves to protect these people on the financial scale or even on the physical scale. A five year sentence to an individual who tries to intimidate someone is unrealistic for this person to even come forward unless something is put in there.

Mr. Paul Harold Macklin: Mr. Speaker, this is only one aspect of what we have as a tool within the Criminal Code to deal with intimidation. However, the intimidation at which we are trying to direct ourselves here is the intimidation within the corporate structure.

There seemed to be a gap where we did not have any ways or means of properly prosecuting those who would intimidate. From an enforcement point of view it is extraordinarily important that we have this additional means of obtaining evidence for these cases. Without the evidence gathering this provides to us, some of the cases will not be prosecuted to the fullest extent that they would be in this case. We are protecting their jobs. We are protecting them from intimidation from their employer.

Respectfully, the hon. member may not be satisfied with that answer, but when we look at the United States situation where there was not whistleblower protection, people still came forward but they came forward at great personal risk. At least in this situation we are making certain that those people who come forward will not do so at their own economic peril. I think that is what the member was really driving at.

Mr. Jay Hill (Prince George—Peace River, Canadian Alliance): Mr. Speaker, I appreciate the opportunity to make some brief remarks today on Bill C-46, an act to amend the Criminal Code specifically as it deals with capital markets fraud and evidence gathering. I would like to say a couple of things at the outset of my remarks.

The Canadian Alliance as the official opposition will support the legislation, although that does not mean we do not have some concerns about it. I would direct anyone interested in exactly what those concerns are to read them as laid out very eloquently by the hon. member for Provencher, the official opposition's justice critic, in the House during the debate on Bill C-46 on September 29. He highlighted a number of concerns with the legislation. I will not go over them in great detail today.

While we support the bill, it is not without some reservation. I tried to draw the attention of the chamber and indeed the attention of the Parliamentary Secretary to the Minister of Justice just moments ago about one of those concerns. I can say quite honestly that he did not provide any further clarification that would convince me and convince Canadians that by making these changes in Bill C-46 and bringing forward additional maximum sentences it somehow would deter individuals from this type of corporate crime.

As my colleague from Okanagan just said, there are even some concerns about the aspect of trying to bring about some protection for whistleblowers, to try to protect those who would voluntarily come forward and reveal where fraudulent activities are taking place. All we see is a five year maximum sentence deterrent in Bill C-46. It is quite questionable whether that would be sufficient to encourage individuals to come forward or whether more would need to be done to provide adequate protection for individuals so that they would feel confident in coming forward, that their jobs would be protected and their personal safety would be protected.

In all too many cases as we recognize following the disastrous operations of Enron, WorldCom and others in the United States, we are dealing not with millions, tens of millions or even hundreds of millions of dollars, but in some cases we are dealing with billions of dollars of potential fraud. When it gets to that extent, the profitability of that fraudulent activity becomes so huge we could imagine there would be a lot of incentive for those who were committing that type of fraud to keep people quiet. If they could not do it by buying people off, if the people who saw that activity going on inside a corporation had enormous personal integrity and resisted the brown envelope or whatever it was to try to buy their support for those activities, when dealing in those kinds of numbers, there certainly would be the means for people to resort to physical intimidation. In some cases they may even use the threat of death not only to those individuals but to their loved ones.

We want to ensure that whatever steps are necessary to protect those individuals are taken. We want to send a clear message to the corporate sector that where that type of activity is taking place, we as law makers and the justice system in Canada will take extraordinary measures to protect those individuals. Those individuals need to have some assurance that if they come forward with evidence, they and their families will be protected and as my colleague from Okanagan said, not only from financial ruin but that they will be protected from any potential physical harm as well.

● (1550)

As the parliamentary secretary laid out, Bill C-46 does a number of things. It would bring in maximum sentences to deal with those convicted of employment related threats or retaliation, the so-called whistleblower protection. It would increase the maximum to 10 years for those convicted of insider trading. It would also increase the maximum from 10 years to 14 years in cases of fraudulent activity.

As I pointed out, one of our big concerns is that all too often maximum sentences are never imposed. There are innumerable examples that I could give both within white collar crime and other criminal activity in Canada. In response to my question on this, the parliamentary secretary left the impression that by increasing maximum sentences in Bill C-46, we collectively as lawmakers in the highest court in the country would be sending the message to the courts that they should get tough and impose harsher sentences when they convict individuals of this kind of activity.

That is all fine and good, but we have tried that in other cases in the past. Certainly in the 10 years that I have been here, I have seen it time and time again. We in good conscience have believed the government when it has brought forward either new maximum sentences or has increased the maximum sentence allowable for certain crimes. In practical terms however in the real world outside this chamber, those sentences are never used. Because there is no minimum sentence, all too often the judges will award conditional sentences or house arrest for those individuals.

That does not deter criminal activity. People tend to believe it is sending the opposite message. It sends the message that the court system does not believe that the crime is terrible. When we go to the expense of catching the individuals, dragging them through court, gathering and presenting the evidence which sometimes takes years, and the individuals are finally convicted, what happens is they get sent home on house arrest.

That does not provide much of a deterrent especially in those cases which deal with a potential profit of billions of dollars. Individuals will not be deterred from resorting to fraudulent activity and the potential to make billions of dollars by suggesting that if they get caught they will be sent home with an electronic anklet and told to stay inside their homes for a year or two. That will not provide much of a deterrent.

As well intentioned as the bill is, and we will be supporting it, without minimum sentences, I am not convinced that the bill will achieve the goal that all of us are collectively hoping to achieve which is to deter this type of criminal activity. I am not convinced of that. That is one of my concerns.

The second concern that really jumps out at me is the part of the bill that deals with setting up the integrated market enforcement teams led by the RCMP and the funding that will be provided for that. The bill states that the funding will be up to $120 million over five years. As I alluded to moments ago, the problem is that we are dealing with very complex cases of fraud in many cases. As the Parliamentary Secretary to the Minister of Justice indicated during his remarks, some of these cases take a long time and a lot of effort. A huge team is involved in gathering the evidence. We are going to move ahead with putting together these integrated market enforcement teams led by the RCMP and we are going to set aside $120 million over five years.

● (1555)

Even a cursory examination of some of the white collar criminal fraud cases in Canada would indicate that some of these individual cases take tens of millions of dollars of resources to investigate. It costs a pile of money for one case.

Again, while I applaud the initiative in setting up these teams, trying to bring the people together, the best people in the country to go after these corporate criminals and to ensure that they are brought to justice, I am not convinced we are going to do it with such a small amount of financial resources. That is the second concern I have.

Perhaps I will wind up my brief remarks on Bill C-46 by suggesting there is great disappointment I think not only for many people in the opposition benches in this chamber over the last number of years, but I would argue for a great many Canadians who are concerned for their personal safety of their families and children. We cannot pick up a newspaper without seeing cases.

I was reading over the weekend about another case of swarming here. A young lad on a bus was attacked by a group of other youngsters. These types of activities are happening all too often.

I have three young children who are all in their 20s now. Regardless of political stripe, I think all members of Parliament, if they are parents, and some are grandparents, would share this concern. I cannot imagine anything worse than to lose a child. I cannot imagine anything worse than to find on any given day that one's child has been threatened or has been physically assaulted.

Yet the government is moving ahead with Bill C-46 to crack down on corporate crime and fraud, which is a worthwhile objective. No one is disputing that. However, it has failed in so many other instances, dealing with the Criminal Code of Canada. It has failed Canadians and their children. It has failed all of us, I am afraid.

I mentioned conditional sentencing as it applies to these crimes. All too often the courts in Canada are applying conditional sentencing, basically house arrest, in some cases for manslaughter, rape, crimes for which conditional sentencing was never intended to be used. Yet we see the courts applying that. It is shameful

As a parent I cannot imagine, if I were to lose one of my children to criminals. Were they to be killed, to me it is semantics whether we call it manslaughter or murder. I know there is a difference. One is supposed to be to prove intent, but the net result is that someone died, someone was murdered whether the intent was there or not.

I hear all the time from my constituents in northern British Columbia that they are sick and tired of a justice system where people are not held accountable or responsible for their actions.

We heard it again in an instance that was brought forth in question period an hour ago by my colleague from Langley—Abbotsford. An individual was drunk, and that was his defence for murdering his daughter. It appalls me that people who commit horrendous crimes are not held accountable or responsible. The punishment does not fit the crime. Despite the assurances of the justice minister, parliamentary secretary and other Liberals, criminals all too often are not held accountable and the punishment does not fit the crime.

I draw the attention of the House to the use of conditional sentencing and that it should not be used for violent crime. I have been fighting against this ever since this administration brought in conditional sentencing six or seven years ago.

● (1600)

Another area where the government could be moving and bringing in changes is to restrict the use of concurrent sentences and plea bargaining. The government could restrict that use and bring in consecutive sentencing where people who are convicted of multiple murders or multiple crimes get sentences tacked on to their prison term for each additional crime. That would provide a deterrent for criminal activity. Concurrent sentencing versus consecutive sentencing would provide a deterrent.

Finally, I cannot resist the urge to mention my colleague's raison d'être these days, the issue of child pornography. My colleague from Wild Rose is in the chamber today. He has fought tirelessly to force the government and urge the government and the Minister of Justice to bring in a law that will prevent any illegal possession and distribution of child pornography.

Simply put, there is no defending the indefensible. It is indefensible that individuals should possess and distribute child pornography. We should have laws in Canada that send a clear message to those who would do so and to the court system that we will not tolerate that. Our society will not tolerate individuals possessing, distributing, making money or exploiting our children, period. Yet we have seen the government fail to bring in that legislation.

I have been in the chamber now for 10 years. If the government wants to be serious about cracking down on criminal activity in Canada, then these are some of the areas in which it could move. We do not see it happening.

I will tell the House that my constituents in Prince George—Peace River are becoming very frustrated waiting for the government to protect our children and protect the most vulnerable in Canadian society.

● (1605)

Mr. Myron Thompson (Wild Rose, Canadian Alliance): Mr. Speaker, I appreciate the member's speech. I also appreciate his question about the legislation, which has been asked several times: will it achieve its intent? That is a question we have to ask ourselves every time any kind of legislation comes forward. Will it achieve the intent? Like Bill C-46, will it achieve the intent with whistleblowers? Will it achieve the intent with corporate criminals?

Will we clean up our own house when we deal with corrupt activities within our government? We cannot send corporate vice-executives who are guilty of fraud, or whatever the corporate crime might be, to other parts of Europe to be ambassadors. We just cannot continue down that path. That achieves nothing.

Nothing is achieved when Liberals come up with a bill like Bill C-20, but they will not incorporate a clause in it that eliminates all defences that exploit children, like the illegal use of pornography. The minister continually wants to talk about how the doctors have it, psychologists have it and the police have it in their possession, that it is for a good intent, for the public good, and that we need to have that defence in there. That is not what we are talking about. We are talking about defending children.

I realize the justice minister is a lawyer. I sometimes get the impression that the Liberals want to create more court cases to keep all the lawyers busy. I cannot imagine where they are coming from on all this, but it is just one example after another, as the member mentioned in his speech. He brought up several different issues.

Why can we not be specific about what we want to achieve, so there is no question about the intent?

The intent about child pornography was made here last Tuesday when 100% of the members who were present voted for the motion that favoured developing legislation, which would say that there would be no defence for child pornography when it exploited children, for possession, distribution, or anything. I do not have trouble understanding that. I understand that to mean exactly what it says, and that is the kind of legislation for which we are looking.

Would the member comment on why the minister and the government cannot be more specific and put it in words where most people would understand our intentions loud and clear? We will protect our children. We will protect our corporations. We will protect our taxpayers. We will do the right thing by getting it done without all this legislation that never clearly indicates whether the intent will be met.

Mr. Jay Hill: Mr. Speaker, I see the Minister of Justice is in the chamber. Perhaps with the unanimous consent of the House he would get up and answer that question. It would be much more appropriate for him to answer the question than for me to try to answer the question.

As I referred to in my remarks to Bill C-46 a few moments ago, a question was posed to the Minister of Justice this very day about this by the member for Wild Rose during question period. All of us, unfortunately, have come to learn that the 45 minutes every day in what is referred to as question period, is referred to as question period and not answer period for a reason. All too often the case is that we are left waiting for answers.

The hon. Minister of Human Resources Development says that except for her. I would have to concur I guess since occasionally she does make some effort to actually address the question and provide an answer. A few of her colleagues do likewise on any given day, and actually do make some effort at answering the questions that the opposition poses. However all too often the opposite is the case.

It happened again today when the Minister of Justice, when asked in question period by the member for Wild Rose about removing any potential defence of the indefensible, any potential defence for the possession and distribution of child pornography, started referring to psychiatrists and psychologists and members of the medical profession and police during their investigations. He did not want to remove any defence because then the police officer who conducted the investigation could be convicted of possessing that child pornography. That is absolutely ridiculous.

I think the Minister of Justice, even though he is a lawyer, has to know that is a ridiculous statement to make. What we and what Canadians are referring to and what parents are referring to is the illegal possession and distribution of child pornography and the exploitation of children.

There has to be a way that we can bring forward laws, as the member for Wild Rose is constantly saying. He has been on this issue for years now. There must be a way that we can draft laws that send a message to the courts that there is no defence for such a thing. There is no artistic merit in exploiting young children, none.

What we are seeing here once again today is an example of the frustration on the opposition benches in dealing with these types of emotional issues. However imagine that we are just mirroring the frustration that we witness every time we go back to our ridings. I know the Liberal members of Parliament in the government must be hearing the same things. The people in Ontario are not that different from the people in Wild Rose or the people in northern British Columbia, where I come from. Today during petitions Liberal members stood and presented petitions on behalf of some of these issues, so it is not that different.

Our country is huge. Yes, Canadians in Atlantic Canada have different opinions from those in British Columbia, as do Canadians in Alberta from those in Quebec, and as do Canadians in the Northwest Territories from those in Ontario, but some things bind us together. The things that bind us together, the values that Canadians hold the dearest and clutch to their breasts, are things like an absolute detest for child pornography. It is something that runs from coast to coast to coast. No one can tell me that someone in rural Ontario, in urban Toronto, in Vancouver or in Fort St. John, where I come from, is going to think any differently about child pornography.

● (1610)

What the member has been asking me, and what I cannot give him an answer to, is why the government will not move in that regard, even when the member brings forward a motion stating that we remove all defence for the possession and distribution of child pornography. The House voted on it and it was unanimously approved but nothing happened.

The government wonders why Canadians cease to vote after a while. It wonders why people are opting out of the political process. It is that frustration that we are hearing being echoed in every corner of the country on so many of these issues.

Nothing is more fundamental than protecting our children. My God, what else is there in the end? Without them our society is not worth living in.

● (1615)

[*Translation*]

Mr. Richard Marceau (Charlesbourg—Jacques-Cartier, BQ): Mr. Speaker, I thought we were debating Bill C-46, not Bill C-20 on child pornography. Consequently, the pace of this debate is a bit surprising. I also marvel at my previous colleague's definition of brief remarks. If he was being brief, I would not want to hear him give a longer speech.

That said, I rise to speak on Bill C-46 with some disappointment as we had supported this bill at second reading and I had spoken in support of it some time ago.

At the time, I expressed the wish, as I did again in committee, that the government would consider possible amendments, including one on a matter I will address later. Unfortunately, the government has been inflexible, perhaps in the belief that it is the keeper of absolute truth and the ruler by divine right. No matter what the reason, the government's rigidity, inflexibility and closed-mindedness mean that today I invite my Bloc colleagues to vote against Bill C-46, which contains, however, numerous important provisions and clauses that we support.

There is, however, one basic provision in this bill which we in the Bloc Quebecois cannot support and on which we cannot agree with the government. It is the reason we will be voting against Bill C-46.

I felt it was important to make this clear right from the start. Given the inflexibility of the government, I will explain why our position has changed.

Bill C-46, which we have before us today, amends the Criminal Code and creates two new offences: prohibited insider trading and threatening or retaliating against employees for disclosing unlawful conduct. It increases the maximum penalties and codifiesaggravating and non-mitigating sentencing factors for fraud and certainrelated offences and provides for concurrent jurisdiction for theAttorney General of Canada to prosecute those offences.

Bill C-46 also creates a new procedural mechanism by which persons will be required to produce documents, data or information in specific circumstances.

Let us place all of this in context. The recent financial scandals in the United States, the Enron affair for instance, have made us all aware of the fragility of our financial system and, unfortunately, of how dependent we are on it.

Although we may think at first that only major investors are affected by a financial crisis, that is not the case. The biggest players on the stock market, in fact, are the pension funds. If a pension fund suffers major losses, therefore, the little investors are the ones who can end up losing their life's savings and watching their retirement plans go up in smoke. That is what is so worrisome.

As well, according to the financial analysts, there has been a trend recently for retirement trust funds to go more for stocks than for fixed income securities. A financial crisis in Canada would have a direct impact on the retirement income of millions of households. Those households are the ones we, as parliamentarians elected to represent the population, have a duty to protect.

Fortunately—and we do not yet know the reason for it—Canadian stock markets have so far been relatively free of wrongdoing, with the exception of Nortel and CINAR. I raised the latter issue again today in oral question period.

● (1620)

We can feel that something is not clear in this CINAR affair, and the Bloc Quebecois is determined to uncover what may be hidden, particularly what may lie behind the CINAR affair.

It is the opinion of the Bloc Quebecois that, while several of the experts we consulted believe that our securities regulatory systems are much more comprehensive than the ones the U.S. had before the financial crisis I referred to earlier, it is important to send the clear message that financial wrongdoing is a serious crime that will not be tolerated in our society.

This is what prompted my hon. colleague from Joliette and myself, in the fall of 2002—more than one year ago—to call for major amendments to the Criminal Code of Canada to provide the appropriate authorities with better tools to fight financial crimes.

Let us take a brief look at these proposed changes to the Criminal Code I put forward back in the fall of 2002. In our press briefing, we proposed adding a section that would make insider trading a criminal offence, in order to send a clear message to company directors that the use of confidential information obtained in the performance of their duties for the purpose of making profits or avoiding losses would not be tolerated. The fact is that making profits or avoiding losses in this manner impacts negatively on other investors who do not have access to the same privileged information.

This provision would have been added after section 382 of the Criminal Code. It would have created an offence of insider trading, which would have carried a maximum sentence of ten years' imprisonment. As we can see, the government accepted our suggestion and included a new offence of insider trading in the bill.

The Bloc Quebecois also proposed that a new offence be created for securities fraud. This offence was patterned on the measure adopted in the United States. We say so freely and without fear. It would carry a ten-year prison sentence and prohibit fraud when selling or buying securities

We had also proposed two amendments to section 397 of the Criminal Code. This section clearly stipulates that fraud is committed by someone who:

(a) destroys, mutilates, alters, falsifies or makes a false entry in, or

(b) omits a material particular from, or alters a material particular in,a book, paper, writing, valuable security or document.

In our opinion, this provision could have applied to falsified financial statements.

Furthermore, subsection 2 of this section makes it a specific offence if documents are falsified with the intent to defraud the creditors.

Currently, both offences carry a five-year prison term. We felt that this sentence was not dissuasive enough. Consequently, we proposed increasing the maximum term of imprisonment to ten years.

Finally, we proposed adding a third subsection to section 397 of the Criminal Code to specifically target the falsification of financial documents with the intent to defraud shareholders. We believe that shareholders are a more vulnerable category since—unlike the majority of creditors—their investments are not guaranteed. Therefore, we do not see why it is an offence to defraud creditors and not shareholders.

In committee, we suggested very specific amendments incorporating the elements that I just listed. Unfortunately, although as always, the Bloc Quebecois put forward these amendments, changes and proposals in a constructive manner, the government rejected them.

● (1625)

I would like to make a small digression to mention, or rather to deplore, the lack of respect the government has shown lately to the members of this House, particularly to those who sit on the Standing Committee on Justice.

Bill after bill comes before us. It is top speed and full steam ahead on the bill to decriminalize marijuana. The committee is also studying soliciting and prostitution. The government, when it sets the schedule for committees or the House, does not pay any attention to the fact that for many of us it is extremely difficult to be here in the House to debate government bills, and at the same time, to sit on committees. Even though, every Christmas, when asked what I want most, I always say I would like the gift of ubiquity, no one ever gives it to me.

So, while we were debating a government bill here in the House and I was scheduled to speak on behalf of my political party, the Standing Committee on Justice was meeting at the same time, and going about its business, despite the fact that several members of that committee were in the House. I could not defend the amendments I had put forward.

I think that is quite deplorable from a government that, probably sensing the end of its regime approaching, wants to get all its bills passed as quickly as possible, and therefore the work is not done well, because the members who follow the issues—on both sides of the House, in fact, because my Liberal colleagues are in the same situation—cannot contribute as much as they should to improving the legislation before them.

The government shows little consideration for its own legislation, its own bills, as seen in the fact that it does not give the members the time they need to properly examine the bills before them, and this will count against it.

When we are talking about such essential things as Bill C-46, commonly called the Westray bill, which is now before the House, or Bill C-20, the child pornography bill, or Bill C-36 on decriminalizing marijuana, in my opinion it is essential to proceed at a pace that allows the members to be here in the House and in committee at the proper times, but also to digest, assimilate, and understand the many suggestions made by the witnesses who come before us.

In fact, why spend thousands of dollars calling witnesses to appear and why ask them to come before the committee to explain their point of view and suggest amendments and improvements if the members opposite cannot digest the information provided.

All this to say that the constructive, intelligent, consistent and non-partisan amendments I moved in committee should have been moved by a member from the other side of the House. I am not questioning the hon. member's competency. I am in no way accusing him of bad faith. However, the fact remains that the amendments could not be moved, debated and defended by the member who sponsored them.

That concludes this essential digression to explain the current environment in which the members are working. Now I want to get back to Bill C-46 itself.

The Criminal Code would create a new offence prohibiting insider trading, with a maximum ten-year prison sentence.

● (1630)

Although insider trading is currently prohibited under provincial legislation regulating the sale of securities within Canada and under the Canada Business Corporations Act, this new offence under the Criminal Code will apply for cases requiring harsher sentencing.

Since this new offence was directly inspired by the proposal my hon. colleague from Joliette and I made over a year ago, we are pleased to see its inclusion in Bill C-46.

Employees who disclose to or assist law enforcement officers investigating capital markets fraud also need protection against intimidation. These employees often have a key role to play in disclosing scandals in companies, but they may be intimidated or threatened, including through measures against their job or their livelihood.

Creation of a new offence of threat or retaliation relating to employment would encourage people with inside information to cooperate with law enforcement officials and would punish those threatening or making use of reprisals. This offence would be punishable with up to five years' imprisonment. The Bloc Quebecois is in favour of this provision.

To strengthen penalties in cases of fraud on financial markets, and to make sure that the punishment fits the crime, the proposed reforms would increase maximum sentences for existing fraud offences, and would establish aggravating circumstances, which the courts should take into consideration in sentencing.

Maximum prison sentences would rise from 10 to 14 years for the present fraud offences under the Criminal Code, and for those affecting the public market. Maximum sentences for market manipulation offences would increase from 5 to 10 years.

The proposed reforms would also include a list of specific aggravating circumstances allowing the courts to impose stiffer sentences for the most serious offences. Factors such as the extent of the economic impact or any negative impact on investor confidence or market stability could lead to increased sentences. Moreover, a person's reputation and standing in the community or work environment, which have always been considered mitigating factors that can reduce penalties, could not apply in such a case. Those guilty of serious market wrongdoing are often able to get away with their crimes precisely because of these factors.

We feel these are interesting proposals, but we regret that the government did not consider our suggestions with respect to increasing the sentences under section 397 of the Criminal Code.

I will conclude by explaining why we are against Bill C-46: the involvement of federal prosecutors. As members know, financial market regulation comes under the jurisdiction of Quebec and the other provinces, as does the administration of justice. Under Bill C-46, the Attorney General of Canada would have concurrent jurisdiction with the provinces and the territories to prosecute certain criminal fraud cases, including the proposed new offence of illegal insider trading.

Federal involvement in this area would supposedly be limited to cases that threaten the national interest in the integrity of capital markets. According to information released by the federal government, the Government of Canada will collaborate—that is always a key word with the Liberals, but we know what it means—with the provinces to ensure proper and efficient concurrent jurisdiction by establishing prosecution protocols.

We absolutely cannot support these new provisions. They all seem to confirm the federal government's desire to infringe upon yet another area of Quebec and provincial jurisdiction, the securities market.

In committee, I proposed an amendment to the bill that was constructive and would deny federal prosecutors the right to prosecute in these cases. The government rejected it.

● (1635)

Knowing the federal government's penchant for interfering in the regulation of securities markets, we are opposed to Bill C-46, because the Bloc Quebecois would never consent to the federal government's meddling, however minimally, in provincial jurisdictions.

Because of the government's inflexibility and desire to intrude in the jurisdictions of Quebec and the provinces, the Bloc Quebecois is voting against Bill C-46.

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, I want to congratulate my hon. colleague from Charlesbourg—Jacques-Cartier on his excellent speech.

With all the details he has provided, I understand now why the Bloc Quebecois is opposed to this bill. I wonder if my hon. colleague would elaborate on the impact of insider trading.

Much reference is made in this bill to insider trading. Since the hon. member is a lawyer and a legal expert, I would appreciate it if he could provide those listening with information about what constitutes insider trading.

Mr. Richard Marceau: Mr. Speaker, I will start by thanking my hon. colleague from Jonquière for her question.

I will try to put in simple terms a somewhat complex legal concept. The offence of insider trading is designed to prevent someone who is privy to information he or she would not have access to if it were not for the position he or she is holding in a company, for instance, from using this information to make money for themselves or someone close to them on the financial markets.

We can think of the head of a mining company, for example, who is aware of a new development that will increase the value of the said company and uses this information, perhaps communicating it to someone else so that this person may make money outside what is prescribed in the regulations on the securities market.

The idea is to create a level playing field and to ensure that no one can take advantage of his or her position in an organization to get rich at the expense of ordinary people.

The Deputy Speaker: 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 Acadie—Bathurst, The environment; the hon. member for Lotbinière—L'Érable, Auditor General's report; the hon. member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, Softwood lumber.

[*English*]

Mr. Inky Mark (Dauphin—Swan River, PC): Mr. Speaker, it is a pleasure to represent the Progressive Conservative Party on third reading of Bill C-46, which is a response to the recent spate of corporate scandals that have plagued the United States and weakened investor confidence in capital markets around the world. Scandals associated with companies, such as Enron, WorldCom and ImClone, have precipitated calls to strengthen corporate governance standards and to better enforce laws governing capital market activities.

Governments have responded to the fall-out from these events by moving to improved corporate governance, enhanced auditor independence, increased corporate accountability, facilitate and ensure holder oversight of corporate activities, and increased penalties for wrongdoing.

The United States was first off the mark with the Sarbanes-Oxley act of 2002. Signing the law on July 30, 2002, Sarbanes-Oxley introduced far-reaching measures designed to heighten corporate disclosure and accountability, improve auditor oversight and independence, create new offences, and increase penalties for corporate fraud.

The question I raise is why it has taken this government so long to put in place legislation. The Americans have been at least a year ahead of us.

Let me read the key amendment to the Criminal Code in Bill C-46, clause 2, subsection 380. This is the focus of the legislation. Part 2 states:

> Every one who, by deceit, falsehood or other fraudulent means, whether or not it is a false pretence within the meaning of this Act, with intent to defraud, affects the public market price of stocks, shares, merchandise or anything that is offered for sale to the public is guilty of an indictable offence and liable to imprisonment for a term not exceeding fourteen years.

Fourteen years is a long time; only if it is implemented. Again we have heard in the debate today that the government of the day certainly make all kinds of legislation but when it comes to enforcing penalties that is a totally different issue. Until the track record on the enforcement side changes, obviously the confidence in this government and its legislation will certainly be questionable.

For most people who work hard for a living and who contribute to a pension on a weekly or monthly basis, their pension contribution is very important. Most Canadians are not in control of their pension funds. They rely on agencies or brokerage houses to ensure that there is some security for the money that has been put into pension plans.

As a former teacher, I have invested 26 years of hard labour into my pension plan, and I, like most Canadians, would like some sense of security that our pension money will not be stolen.

Most Canadians work hard, believe in pension savings and somewhere down the road, whether at 50 or 60 years old when they retire, they want to know there will something there for them. They do not want to worry that someone took their pension money and lost it, and that there was no recourse for the people who took the money.

That is why we should have had this legislation in place, certainly after the Enron scandals in the U.S. Canadians expect that. It is not good enough for the government to say that it is a provincial mandate and authority.

● (1640)

The federal government gets involved in all kinds of issues, health care being one example. As members know, the government only contributes 15¢ on the dollar, yet it wants to set standards for the country. Canadians agree that there needs to be national standards but that the government should be paying its share.

In Canada, the federal and provincial governments, as well as security regulators, share responsibility for enforcing laws pertaining to corporate and securities activities. Consequently, both levels of government have been moving to confront the governance and regulatory issues raised by these recent corporate scandals and their concomitant impact on investor confidence.

Ontario, for example, has enacted new legislation and the Ontario Securities Commission has issued draft rules relating to the role and the composition of audit committees, certification of corporate financial statements by chief executive officers and chief financial officers, and requirements for the financial statements of publicly traded companies are to be audited by a firm in good standing with the Canadian Public Accountability Board.

There are many changes in the bill and hopefully they will have an impact in terms of developing a regime of greater security for the money that is put into the investment business. Canadians expect that.

The bill would amend the definition of attorney general in the Criminal Code to give the Attorney General of Canada concurrent jurisdiction with provincial attorneys general to prosecute certain capital market fraud cases, including those currently outlined in section 380 of the code, fraud; section 382, market manipulation; and section 400, distributing false prospectuses, statements or accounts; as well as the proposed new offences of illegal insider trading.

The federal government should work to coordinate activities with the provinces in relation to such cases by establishing prosecution protocols. Furthermore, federal involvement in this area is expected to be limited to cases that threaten the national interest and the integrity of capital markets. As I said, it should be and hopefully it will be so that we have a greater sense of cooperation between the federal government and the provincial governments.

As we have heard many times in the House, there is too much conflict in this country between the federal government and provincial governments. Certainly, in the interest of Canadians, which is why we are here and which is the intent of this place, the federal government should work closely with the provincial governments. At the same time it should realize that it should not intrude into provincial jurisdictions without sitting down and working through the process with a sense of cooperation.

Bill C-46 would increase the maximum prison sentences for the existing offences of fraud and fraud affecting the public market under section 380 of the Criminal Code from 10 to 14 years. Again, as has been alluded to in the House, it is not the numbers on the paper, it is about the enforcement and the application, so that we do not bargain away, in a judicial process, the penalties that are in the legislation.

As was said today by a lawyer who attended the hearings on Bill C-46, "it is not what is on paper, it is what it is in reality". Unless we put on paper mandatory requirements, mandatory sentencing, and certainly in cases of jail time, then it will not apply. We can send these folks away for 50 years but that does not mean it will happen.

Maximum terms of imprisonment for market manipulation offences would increase from five to ten years. Market manipulation involves practices that create a market for securities that have little or no bearing on their actual value, which is obviously fraud. It includes activities such as washed sales, where there is a purchase and sale but no change in the beneficial ownership of a security; and match orders, where a purchase order or a sale order for a security are substantially the same size, at substantially the same time and the same price, and are entered by either the same person or two different persons.

● (1645)

Also in the act are new sections establishing four aggravating circumstances that a court can consider when imposing a sentence for market fraud offences. These are as follows: the amount involved in the fraud exceeded $1 million or the offence has adversely affected or had the potential to adversely affect the stability of the Canadian economy or financial system or any financial market in Canada, or investor confidence in such a market. Another new add-on is that large numbers of victims were involved and that the perpetrator took advantage of his or her elevated status or reputation in the community in committing the offence. The presence of these facts will enable courts to impose tougher penalties.

There are also new offences under the heading of insider trading. Bill C-46 creates new criminal offences with respect to prohibited insider trading and tipping information. That is really the key function of the bill. Improper insider trading is already prohibited under the Canada Business Corporations Act and under provincial securities laws.

The new Criminal Code offences are intended to deal with the more egregious cases that merit stiff criminal penalties. Insider trading is commonly referred to in respect of the purchase or sale of securities when using material non-public information that could affect the price of such securities. It also covers tipping such information, that is, providing inside information to a third party for that party's benefit or the benefit of the insider.

The bill defines inside information as information about a company or security that "has not been generally disclosed" and "could reasonably be expected to significantly affect the market price or value of a security". Persons subject to prosecution include those who: possess inside information because they are shareholders of the company issuing the security, referred to as the issuer; have a business or professional relationship with the issuer; obtain the information in the course of a proposed merger, takeover or reorganization of the issuer; obtain the information in the course of their employment duties or in the office of the issuer or an entity referred to above; or receive the information from a person who obtained it by virtue of the positions or relationships mentioned above. The offence will carry a maximum term of imprisonment of 10 years.

Under the heading of tipping, which means to knowingly convey inside information to another person when one knows there is a risk that the person may use the information to buy or sell a security, or to convey that information to another person who will trade in a security, we see that it can be treated as an indictable or summary conviction offence. Under the indictable offence, tipping carries a maximum prison term of five years.

I do not have a lot of time, so I will move on. There are changes in the whistleblowing area as well as in evidence gathering production orders. The government is playing catch-up with United States lawmakers, who have already passed legislation not just to strengthen criminal sanctions but also to reform the way corporations are governed. Boards of directors, auditors and auditor committees all have key roles to play in protecting the interests of shareholders. Indeed, the scandals that rocked the capital market in 2001-02 are widely seen to be the result of poor corporate governance, lax auditing and accounting standards and oversight, and incentives provided by executive compensation arrangements.

In spite of this, the government's background information on Bill C-46 does not once mention the role of good corporate governance legislation. Shortly after the government tabled Bill C-46, the Senate banking committee completed a year long study of the circumstances that resulted in the American corporate scandals. The committee was particularly interested in whether these circumstances might occur in Canada with similar results and, if so, how they might be avoided. The committee called for tougher sanctions, whistleblowing protection for those who report irregularities and increased resources to investigate wrongdoing.

● (1650)

It also recommended legislative measures: to require that a majority of board members be independent; to require the development of a code of ethics to be followed by all board members; to require that audit committee members be independent and financially literate; to limit the non-audit services that auditors can provide to their audit clients; to require an organization's chief executive officer and chief financial officer to certify that the annual financial statements fairly represent the organization's results and financial condition; and last, to prohibit compensation committee members from being a member of management and require them to have expertise in compensation and human resources.

I will close by saying that the Progressive Conservative Party will support the bill.

● (1655)

Mr. Darrel Stinson (Okanagan—Shuswap, Canadian Alliance): Mr. Speaker, I listened to the member's speech in which he said that in the bill the government is playing catch-up to the Americans, but I have a problem with part of proposed section 425.1 with regard to the whistleblower protection.

Proposed subsection 425.1(1) states:

> No employer or person acting on behalf of an employer or in a position of authority in respect of an employee of the employer shall take a disciplinary measure against, demote, terminate or otherwise adversely affect the employment of such an employee, or threaten to do so,

(b) with the intent to retaliate against the employee because the employee has provided information referred to in paragraph (a) to a person whose duties include the enforcement of federal or provincial law.

(2) Any one who contravenes subsection (1) is guilty of

(a) an indictable offence and liable to imprisonment for a term not exceeding five years;—

That brings up a question for the member who just spoke in regard to people who come forward in whistleblowing. In many cases, it is a very tenuous situation. When we are dealing with corruption within corporations or even in government, we are looking at some pretty serious retaliation that could be put upon the employee. This bill gives absolutely no incentive to anybody to come forward with this information. An offender may get up to five years. The interpretation of that has been left wide open for the judges.

There is nothing in here about a financial side benefit to compensate for a whistleblower's lack of earnings during the time this is taking place, nor is there anything saying that these people would be under some sort of protection if it came down to that. I think this section of the bill is very weak if we want whistleblowers to come forward. It is very weak when it comes to addressing these concerns. As we know, most of our law enforcement agencies and regulatory authorities get most of their information from whistleblowers. I think they have been sadly neglected in this act.

What is the hon. member's opinion?

Mr. Inky Mark: Mr. Speaker, my colleague from the Alliance Party is correct about proposed section 425.1. There is no doubt that we need to extend the criminal offence to threats or retaliation against an employee who has already provided information. I agree with him. There is no way that employees will come forth in any circumstances unless they are protected. Perhaps we need to follow the lead of the Sarbanes-Oxley Act in the United States, which also has whistleblowing protection for employees.

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Speaker, I am pleased to have the opportunity to speak on the bill for a couple of reasons. First it will give me the opportunity to speak for a bit on the companion legislation that was tabled on the same day as this legislation, and that is Bill C-45, the corporate manslaughter bill, and also on this piece of legislation, which certainly is timely.

To indicate some of the reasons we have the bill before us, I will read out of few of them just in case somewhere along the way someone has forgotten what prompted governments in the U.S. and Canada to finally put in place legislation to address some of the problems we are having in the corporate world and which are having an extremely detrimental effect on the markets. I say extremely because although things have been happening for a number of years it was not too severe and not quite as much money was being lost. Not quite as many people were affected, nor were so many of the pension funds of people we knew. Nothing was being done for a lot of years.

Over the course of the years from the early 1990s and on, we were hit with a number of problems. I will read through them just to remind Canadians of why we are here with the legislation and why it is personally important that the legislation gets support. I would agree with my colleagues on why we should strengthen it. We should be strengthening it in a number of areas.

There was the Enron Corporation. At one time the seventh largest company in the U.S., Enron announced in November 2001 that it had overstated its earnings back to 1997 by about $600 million U.S. Is that not great? It was by about $600 million U.S., give or take $1 million or maybe $100 million. The company camouflaged the huge debt in a web of off the balance sheet partnerships. The company collapsed in the biggest bankruptcy filing in U.S. corporate history. The shares now trade for pennies in the over the counter markets. The bottom line is that people's pension funds, employees' benefit plans and numerous areas are affected as a result of companies doing this type of underhanded businesses.

Tyco, the conglomerate company, abandoned plans to split into four parts when concerns arose over its accounting practices in the wake of the Enron fiasco. In early June, the company announced the resignation of its CEO, Dennis Kozlowski, who was later charged for allegedly avoiding payment of over $1 million U.S. in sales tax on $13.2 million U.S. in artwork. Tyco shares are down 80% since the start of the year.

There was Adelphia Communications. In March, the Pennsylvania based cable company said it had loaned billions of dollars to the founding Riga family. The family relinquished control of Adelphia, which defaulted on a $7 billion U.S. debt and filed for chapter 11 bankruptcy protection on June 25.

Livent, the Toronto entertainment company, collapsed in 1998 amid allegations of financial impropriety that led to its financial results being restated. Soon after the collapse, the new management of Livent filed a $225 million lawsuit against Garth Drabinsky and Myron Gottlieb, the two Canadians who founded the theatre company. Livent then fired Drabinsky and Gottlieb, saying they fraudulently manipulated financial records to hide losses of $100 million. They have countersued for $200 million. Livent also filed for bankruptcy protection, citing debts of $334 million.

When we see companies like this filing for bankruptcy protection, we have to wonder about those involved and whether or not there should be some very strong criminal legislation in place to ensure that they cannot do those types of things that have such a great effect, not just on their employees but on the markets overall and, again, on pension funds and pensioners.

Going on to ImClone and the Martha Stewart affair, the drug company's co-founder and former CEO, Sam Waksal, and his daughter were charged on June 12 with insider trading relating to sales of ImClone stock. In the days leading up to the release of the federal ruling that rejected the company's new cancer drug, Martha Stewart came under investigation after she sold nearly 4,000 shares of ImClone on December 27, a day before the regulator's announcement. She is a friend of Waksal's and shared the same stockbroker. ImClone shares are off more than 90% from the high. As for Martha Stewart, of course her shares are down a little bit these days too.

Then, of course, there is Canada's own Michael Cowpland. The founder and former CEO of the software company Corel Corporation is still involved in the OSC's case over insider trading allegations after a company he controlled sold $20 million worth of Corel shares five years ago, just before it posted poor earnings. The OSC has rejected a proposed settlement that would have seen Cowpland pay a $575,000 fine and his company pay $1 million.

● (1700)

I mentioned those examples for a couple of reasons. The next time someone in the House talks about corporations being good citizens and that we should always trust them and allow them voluntary recognition of certain practices, I want everybody to remember each and every one of those corporations and why we need legislation in place to hold them as well as individuals accountable for their crimes. Just because a corporation has millions of dollars does not mean it is a good corporate citizen unless there is legislation in place that ensures it remains a good corporate citizen.

I indicated the reasons for including capital markets fraud in the bill, but Bill C-46 is an act to amend the Criminal Code as it relates to capital markets fraud and evidence gathering. Evidence gathering relates to whistleblower protection to which a number of colleagues have already spoken today. There have been criticisms that the sanctions in place are not strong enough and will not provide protection for whistleblowers. I have to agree that stronger legislation needs to be in place.

If employees or others know that these kinds of actions are taking place and they do not feel secure and feel that their livelihood will be jeopardized as a result of their evidence, it will be tougher to get these types of actions halted in the early stages. People must be assured that if they disclose this information they will not have to worry about getting another job in their field.

This is not just about being with one employer. We all know what blacklisting can do within business sectors in the world. There is a tendency to blacklist anyone who is seen as a squealer or a whistleblower. It has become a negative thing to squeal or whistleblow even if someone who has been committing a criminal act is caught, especially if that individual is in the corporate world. We have to ensure that we provide strong sanctions so people can feel safe if they whistleblow.

A number of my colleagues in the House have tried to bring in whistleblower protection for our own public service employees. Some individuals in the Office of the Privacy Commissioner wanted to mention things that had been going on but because they could not be assured of protection, actions went on for a period of time that ended up costing taxpayers huge amounts of dollars. As a result, huge amounts of taxpayer dollars were spent in that office without proper scrutiny. Had there been whistleblower protection within the public service, I submit that would not have happened.

In spite of the government bringing forward this piece of legislation, we still do not have whistleblower legislation in place that will protect public servants. The minister has stated that she does not think it is necessary because public servants would not do that kind of thing.

I need to remind people again of various situations that have happened in a number of government departments where deputy ministers or assistant deputy ministers have absconded with funds. There have been criticisms about the Indian health branch and a number of other departments. It is crucially important that there be whistleblower protection for the public service as well.

There is one area in Bill C-46 which has not been discussed a lot today and I want to make a point of emphasizing it. In spite of always being concerned about taxpayers' dollars being spent, I know what a tough job it is to ensure that legislation is enforced. Legislation can become just words on paper unless some enforcement mechanisms are in place.

I was pleased to see that the federal government would create a number of integrated market enforcement teams composed of RCMP officers, federal lawyers and other investigators such as forensic accountants to deal with capital market fraud cases. They will be located in cities throughout Canada and are scheduled to become operational over the next two years. They will work with securities regulators as well as provincial and local police forces.

● (1705)

It is crucially important to ensure that these types of mechanisms are in place, otherwise the legislation is not worth the paper it is written on. If there is going to be meaningful action against corporate fraud, there have to be people who are trained in those areas to get to the crux of the problem and do the job that is needed.

I want to take the time to comment on the Office of the Superintendent of Financial Institutions, OSFI, which deals with pensions and keeps track of pension funds in Canada. There has been criticism that there are not enough dollars in pension funds and OSFI is supposed to be keeping tabs on them. The bottom line is that in a good number of instances, OSFI does not have the resources to keep tabs on those pension funds.

As a result, we have ended up with situations like the Air Canada pension fund fiasco where the company did not put enough dollars into the pension fund. By the time OSFI got around to telling the company it had to put in enough money, Air Canada was going bankrupt. We now have a situation where a number of employees are not getting their pension funds. Certainly their families, their communities and Canadians throughout the country are being affected by the failure to properly support a program that is in place to keep tabs on pension funds.

My colleague from Regina—Qu'Appelle had introduced amendments at committee stage to strengthen Bill C-46. One of those was in regard to whistleblower protection. I emphasize again that there was a need to do that. Ideally it would have increased the penalties for employers who intimidated employees who were taking part in whistleblowing. In the other area, it was to have stronger penalties for insider trading.

Quite frankly I want to commend the government for bringing forward this legislation a whole lot quicker than it brought forward the legislation on corporate manslaughter, the corporate liability bill, commonly referred to as the Westray bill, which was introduced at the same time as this legislation. Bill C-45 also addressed corporate responsibility, but it did not address something that seems to hit home so much more with people, which is really too bad.

Bill C-46 deals with the money aspect and it certainly hits home with people, but Bill C-45 dealt with the lives of workers who were injured or killed on the job as a result of gross negligence and disregard by corporations. It took the government almost 11 years to finally come through with the legislation. I am extremely pleased that the House and the other place have seen fit to finally pass that legislation.

I will commend the government on Bill C-46 and indicate that it should be strengthened, but I will also make the point of emphasizing that it took far too long for Bill C-45 to come into place. I personally believe that a number of accidents have happened since that time that may have resulted in corporations being held criminally responsible for the deaths of workers. I am not going to mention specific instances, but I think those corporations out there that have had accidents like that know who they are.

Corporations will know that from the day the Westray bill, the corporate liability legislation, Bill C-45 takes effect, they will not have that freedom any more. At least there is going to be a challenge out there. If that is enough to smarten up corporations to put in place better work processes by not ignoring safety mechanisms, then it has done the job. It is far better to have that legislation in place to ensure that there is a bit of fear.

To this point there has been nothing. Somehow being fined a couple of thousand dollars, whether it be $10,000 or $50,000, because they did not want to fix an unsafe action in the workplace that might cost them $100,000 was no big deal. Somehow the workers' lives were an okay kind of bargain for certain employers to say, "To heck with it. It is more cost effective this way, so if we lose a couple of lives, no big deal".

● (1710)

That is not going to happen any more, or at least I hope it will not happen any more. I hope corporations recognize that if they take a life, they will be giving up something at least close to a life on their part. Certainly if the legislation does not do the trick, we will be back here ensuring that the legislation is strengthened.

In January 2002 the Canadian Democracy and Corporate Accountability Commission issued a call for the Canadian government and corporations to follow the wishes of the majority of Canadians and to adopt measures to expand corporate accountability.

The commission did not just talk about corporate accountability with respect to the dollars that corporations were making or with regard to lives. It expected that corporations would look at things differently and would take a lot of factors into consideration when they dealt with whether or not they were good corporate citizens. It would consider whether or not they were following good human rights practices, whether they dealt with companies that followed good human rights practices, good labour standards, good environmental standards.

In the same way that people say there is honour among thieves, there was a time when there was honour among business people, that things were done in a certain way because it was beneficial for society. Somewhere in the course of our history not only in Canada but in the U.S. and throughout the world that has been lost. Somehow the bottom line is about making the most money with total disregard for the environment, for lives and for everyone else. Times have changed. People have said they will not accept that any more and if corporations are not good corporate citizens, they will make their lives miserable. That is the way it should be.

Things are changing in the world. There have been too many Enrons, too many Tycos, too many issues with ships spilling oil into the oceans. The fines have been so limited that they did not worry about cleaning it up because it really did not affect their bottom line. In some cases corporations can deduct the cost of their fines from their income tax. That is unacceptable. Those are the kinds of things we cannot allow to continue.

I mentioned the Canadian Democracy and Corporate Accountability Commission. A good friend and a former leader of the NDP, Ed Broadbent, was very much a part of that commission. He has been involved with others as well.

Members of the commission travelled throughout Canada. They not only talked to a few people here in Ottawa and a few in one province and here and there, they talked to people throughout the country. The message the commission heard was that Canadians want to see good corporate citizens in every aspect, in dealing with the environment, workers' lives, human rights. That is the route we have to take.

The NDP will certainly be supporting the legislation. We want to make it perfectly clear that we would like to see it strengthened in a number of areas, certainly the whistleblower protection and as well the amounts of the fines and penalties that corporations should have to pay in a number of areas.

I cannot think of the countries offhand, but there are countries in the world that actually put in place fines that are commensurate with a person's income or wealth. For a person who is a millionaire and is operating a business that is making millions of dollars, there is a $2,000 fine for some environmental damage or corporate fraud, the fine is a percentage of the person's income or wealth. For someone who makes $200, a fine of $20 has an impact, but a fine of $20 for someone who makes $2 million has no impact.

Maybe it is time we put in place those penalties that are a percentage of the amount of yearly income or profit that someone makes. We would truly see some strong action taken for corporations to improve their actions in this world and penalties that really did fit the crime.

● (1715)

[*Translation*]

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, I am pleased to rise in the House today to speak on Bill C-46. As my colleague from Charlesbourg—Jacques-Cartier has said, even though the Bloc Quebecois supported this bill at second reading, we must now state that we will be voting against it at this stage.

Why is the Bloc Quebecois going to vote against the bill? As the member for Charlesbourg—Jacques-Cartier and the member for Joliette and Bloc Quebecois public finance critic have said, they have been calling for amendments to the bill throughout the entire parliamentary process. There is no denying that the intent behind the bill was a good one. The Bloc Quebecois has suggested amendments in some very specific areas throughout the process, in order to provide the bill with more teeth in certain very specific situations.

The Bloc Quebecois is also categorically opposed to Canadian government interference in areas that fall under Quebec's jurisdiction over the regulation of financial markets. We have trouble understanding why this bill gives the Attorney General of Canada authority to prosecute certain Criminal Code offences relating to financial market fraud.

This is all the more a concern because the federal government has openly talked about creating a Canadian securities commission. Really now. We already have a securities commission in Quebec which works very well. The Bloc Quebecois is of the opinion that the regulation of securities clearly falls under the jurisdiction of the Government of Quebec, and we therefore disagree with what the federal government has in mind.

Since my election in 1997, I have been hearing about how the federal government should respect provincial areas of jurisdiction. Yet at every opportunity it enacts legislation to trample thoroughly over those areas of jurisdiction. It talks about cooperation, but we know what it means by that. Particularly at present, its idea of cooperation is to invade all possible areas of provincial jurisdiction so it can say "We are the boss, and you are going to have to go along with whatever we decide".

Right from the word go, the Bloc Quebecois has been opposed to any kind of interference by the federal government in areas of provincial jurisdiction. We will continue that opposition as long as we draw breath.

We also oppose this bill because not a single amendment we proposed in committee has been accepted. Under these circumstances, the Bloc Quebecois cannot agree with the bill.

For the benefit of those who are watching us, I would like to read the summary of the bill:

> This enactment amends the Criminal Code by creating a new offence of prohibited insider trading and creating a new offence to prohibit threatening or retaliating against employees for disclosing unlawful conduct. The enactment increases the maximum penalties and codifies aggravating and non-mitigating sentencing factors for fraud and certain related offences and provides for concurrent jurisdiction for the Attorney General of Canada to prosecute those offences.
>
> The enactment also creates a new procedural mechanism by which persons will be required to produce documents, data or information in specific circumstances.

This bill was originally introduced by this government because of the recent financial scandals in the United States. Several hon. members have already talked about this, but it is important to reiterate because that is truly where this all started. These scandals were a wake-up call.

● (1720)

They made us aware of how fragile our financial system was and of our dependence on it.

At first glance, we might think that only major investors are affected by financial market crises, but that is not so. The biggest players on the stock market are those who manage pension funds. Consequently, if a pension fund suffers major losses, it is small investors who might lose their life's savings and watch their retirement plans go up in smoke.

I would like to give some figures from 1998 on Canadian trusteed pension funds. At the time, these funds held assets of more than $500 billion. Of this amount, about $115 billion was invested in Canadian stocks and some $57 billion in foreign stocks. Four million Canadian workers actively contributed to these funds. Only financial assets of the chartered banks exceeded the capital held by the pension funds.

In addition, based on the above-mentioned figures, we can see that a financial crisis in Canada would have a direct impact on the retirement income of millions of households. Those households are the ones we have a duty to protect. Fortunately, Canadian stock markets have so far been relatively free of wrongdoing, with the exception of the Nortel and CINAR affairs.

However, the Bloc Quebecois feels that despite the fact that our securities regulation systems are, in the opinion of many experts, much more comprehensive than what existed in the United States before the financial crisis, it is nonetheless important to send a clear message that financial wrongdoing constitutes a serious crime that is not acceptable in our society.

These reasons and many others prompted the Bloc Quebecois, in the fall of 2002, to call for major changes to the Criminal Code in order to provide the appropriate authorities with better tools to fight financial crimes.

The Bloc Quebecois called repeatedly for the amendments we had put forward in the fall of the previous year and these would have made things better in many respects. First, we proposed adding a section to the Criminal Code to make insider trading a criminal offence. My hon. colleague from Charlesbourg—Jacques-Cartier described earlier for our benefit what insider trading is all about. This proposal was designed to send a clear message to company executives that the use of confidential information obtained in the performance of their duties for the purpose of making profits or avoiding losses would not be tolerated.

Making profits or avoiding losses in this manner impacts negatively on other investors who do not have access to the same privileged information. We can see this regularly. It has happened in the U.S. and pretty much everywhere. It is important to strengthen this aspect of the Criminal Code.

The Bloc Quebecois also proposed that a new offence of securities fraud be created. This offence, patterned on the measure adopted in the United States, would now carry a 10 year prison sentence and would prohibit fraud when selling or buying securities.

These provisions dealing with insider trading and employment related threats or retaliation are very important. Employees who blow the whistle on fraud in financial markets, or assist law enforcement officials in the investigation of such situations also need protection against employment related intimidation.

● (1725)

In fact, when it comes to money, people sometimes forget that, when fraud occurs, it is not the people who will be reported, but rather the situation.

When this kind of situation is reported, the individuals or employees reporting the crime should be protected. They are just doing their duty. They are being honest. They should not have a sword of Damocles hanging over their heads so that, if they report the crime, they will be subject to retaliation.

Protecting them is extremely important, because honesty must permeate every level of society. Where dishonesty exists, we must recognize the efforts of individuals working to openly and publically report it. These individuals must be congratulated and told that there is legislation to protect them.

Also, section 487.013 allows banks to disclose confidential information. I am perplexed by this section, and the Bloc Quebecois is also very perplexed in this regard.

This section allows banks to disclose confidential information such as a person's account number, status and type of account, the date on which it was opened and closed, the account holder's date of birth, and current or previous address.

First, this information is inherently private.

I would not like others to know all my personal information. This is confidential information. The Charter of Rights and Freedoms must protect this information.

So, when others ask for this information, this necessarily violates individual rights and privacy.

An hon. member: Oh, oh.

Ms. Jocelyne Girard-Bujold: Greetings to the Minister of Justice. How are you doing?

I am sorry, Mr. Speaker, but it was because he spoke to me. So I answered him. It is habit. When someone greets me, I greet them. It is a friendly exchange.

● (1730)

The Deputy Speaker: Order please. I will not comment on the quality of exchanges but it would be much wiser to obey the usual parliamentary practices and make your comments through the speaker.

The hon. member for Jonquière

Ms. Jocelyne Girard-Bujold: Mr. Speaker, I always address you with great respect. All through my speech I addressed you. Just now, however, someone I am very fond of called out to me. So, through you, I say hello to him.

Let us return to Bill C-46. With respect to revealing information that is inherently private, the Bloc Quebecois has questions concerning the extent to which this breach of privacy and human rights is necessary in order to achieve the objective of this bill.

This is an extremely important point. Even if this were the only point at issue, we would have to vote against the bill, because respect for privacy is important. We live in a country where we cultivate liberty. Every aspect of private life ought to be essentially confidential.

The involvement of federal prosecutors is something we have particular difficulty with. The regulation of financial markets comes under the jurisdiction of Quebec and the provinces. I hope that the government will finally take this in and understand that anything having to do with financial markets comes under the jurisdiction of Quebec and the provinces. The same is true for the administration of justice.

We cannot agree to these new provisions. In fact, to us they appear to confirm the federal government's new determination to encroach on the field of securities, which nevertheless comes under the jurisdiction of Quebec and the provinces.

For all these reasons and many others, as my colleagues, the hon. member for Charlesbourg—Jacques-Cartier and the hon. member for Joliette have said, the Bloc Quebecois is opposed to this bill. There are good elements in it, but it is missing many more that should have been included. Moreover, the government ought to have respected provincial jurisdiction and ought also to have respected the Quebec securities commission. We have such a commission and it does its work well.

I am opposed to the creation of a Canadian securities commission. In Quebec we are distinct and I hope that this government will finally understand that. We are a nation and we have acquired the tools we need to develop in a manner consistent with our identity. Never, never would Quebeckers, who have their own distinct character, ever want that used against the other provinces. We respect the other provinces. We ask the government to respect the guidelines, the tools and the jurisdiction that Quebec has developed over the years.

In regard to this bill, it does not. For that reason, the Bloc does not agree and therefore we will vote against Bill C-46.

● (1735)

Mr. Odina Desrochers (Lotbinière—L'Érable, BQ): Mr. Speaker, first I would like to thank my colleague from Jonquière who again was able to define the various elements of Bill C-46. This bill proves once again that the federal government is prepared to interfere in jurisdictions that belong strictly to Quebec.

Since 1997, the year I became an MP, I have seen many bills nibble away at Quebec's jurisdictions. I have also seen the one that Bernard Landry, the Leader of the Opposition in Quebec, so aptly described, at the Bloc Quebecois general assembly on Saturday, as the strangler. The strangler is the former finance minister, the member for LaSalle—Émard, who, since 1993, has been working at cutting funding to accumulate a large surplus. He then goes to the people he penalized, and who were short money, and he acts like Santa Claus.

It is November 3 and far too early to start playing Santa Claus. Halloween has just gone by.

An hon. member: He has not removed his disguise.

Mr. Odina Desrochers: There are still people wearing masks who have a hard time telling the truth when they are asked real questions.

I would like my colleague from Jonquière, since she too has been here since 1997, to sum up the numerous instances where the federal government has meddled in Quebec's jurisdictions.

Ms. Jocelyne Girard-Bujold: Mr. Speaker, I thank my colleague from Lotbinière—L'Érable for his question. It would take all night to list all the times, since this government came to power, that it has gotten involved in Quebec's areas of jurisdiction.

The future prime minister of Canada hiding behind the curtain and hon. member for LaSalle—Émard has, in every measure he introduced since he was the finance minister, always encroached on provincial jurisdiction. He says that when he becomes Prime Minister of Canada, he will get involved in the jurisdictions of municipalities. He will bypass the provinces, when everyone knows that municipalities come under provincial jurisdiction. He intends to negotiate and conclude agreements directly with the municipalities.

This is an insult. Municipalities in Quebec exist because they were created by legislation passed by the National Assembly, which has responsibility for them. No matter what else people say, he is preparing to do this.

This is not playing fair. It is not right for the future prime minister to tell all the provinces in Canada—and I am not talking solely about Quebec, but also about Ontario, British Columbia and all the rest—that their representatives were elected democratically by the people and that they have areas of exclusive jurisdiction, but that they will not be recognized and that attempts will be made to encroach on their jurisdiction. This is a slap in their face.

The Bloc Quebecois will never allow this to happen. The government has huge powers of taxation, and there is a fiscal imbalance in Canada. The federal government must understand that it is not the one administering public services. It must return the money. Once this is done, we can negotiate as equals.

The excess funds that the government took always came from the same place, the taxpayers, and always the same taxpayers. The money I give the federal government is mine, because I am the one giving it. The money my constituents in Saguenay—Lac-Saint-Jean pay to the federal government is theirs and must be returned to Quebec, just as the money from the residents of other provinces must be returned to them.

This debate is just beginning. The future prime minister will stand before us; I hope that he will answer our questions, because I cannot wait to ask him some.

● (1740)

[*English*]

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I am very pleased, on behalf of the NDP, to enter into the debate surrounding Bill C-46 at report stage.

By way of introducing the subject, I note that the bill is meant to address the pressing problems associated with what we call white collar crime. However, I want to develop the case, as I speak on this bill, that this is in fact very much a blue collar issue. In fact white collar crime is a blue collar issue and a working person's issue.

It is very difficult to even hear myself think with the amount of debate that is going on across the room.

[*Translation*]

The Deputy Speaker: With the cooperation of the House, I believe we will allow our colleague from Winnipeg Centre to make his comments. If other discussions need to be held, I would ask your cooperation in taking them out to the lobbies or elsewhere.

The hon. member for Winnipeg Centre.

[*English*]

Mr. Pat Martin: Mr. Speaker, the point I was beginning to make was there comes a time when white collar crime becomes a blue collar issue, a working class issue, a working person's issue. Even if most ordinary working people in Canada do not invest in the stock markets or the financial markets, almost all of us are indirectly involved through our employee pension plans and our health and welfare plans. Even the Canada Pension Plan is now privately invested on the open market.

Therefore, Canadians have to wake up frankly, and realize that there is a serious problem of confidence in our financial marketplace. We have to be able to trust the financial statements of the companies in which our retirement income is invested. Therefore, many Canadians have been horrified to watch the meltdown on Wall Street and an equal crisis in confidence on Bay Street, as they watched in horror WorldCom, Enron, Nortel, ImClone, Tyco. We could go on and on because there has been an absolute epidemic of unethical practices revealed on the financial markets of North America, which has created a genuine crisis in confidence.

Compare Bill C-46, as we have it today, which is to deal with capital markets fraud and evidence-gathering, with the Sarbanes-Oxley act in the United States. Compare the difference between the protection of pension incomes in that country compared to Canada. The Prime Minister of Canada essentially ignored and was silent on the issue of the crisis of confidence. Our finance minister was virtually silent. His reaction in fact was to strike a wise person's committee and to ask Bay Street and the Institute of Chartered Accountant to get into a voluntary compliance with ethical standards.

Compare that with the United States when the President stood up and said that if companies were defrauding the American people, the administration would hound them down, find them, catch them and put them in jail. Whether they were members of a corporate board of directors or CEOs of companies, they would pay big time. That was the difference, the contrast in the approach.

As a representative of working people in my former life as a trade unionist, who has sat on the pension plans of the union movement and have some knowledge of how that money is managed on behalf of working people, believe me, I take no comfort in the reaction of the Canadian government to this crisis in confidence compared to the very legitimate efforts made in the United States.

The bill is silent on a number of issues. I do not see a lot of reference to it in the recommendations put forward in the proposed amendments, rather than the amendments that we now see. We were hoping to see a serious crackdown in some very glaring, obvious and easy to fix shortcomings of the current securities marketplace.

The first, to which I would like to speak, is the idea of the complete independence of auditors. What happened at Enron, what happened at WorldCom, what happened at Tyco is that the same chartered accounting firm, in this case, Arthur Anderson, which was keeping the books, doing tax consultation and database design, was also hired as the auditor.

How can we trust the financial statements of a company, if the same company is asked to keep the books and audit the books? That same situation exists in Canada today. Even with the voluntary measures undertaken by the Institute of Chartered Accountants, it sees nothing wrong with the company that is the auditor also doing the tax consultation, et cetera. Can it not see this glaring conflict of interest? I should mention that this could be remedied by a simple change to the Canada Business Corporations Act. It has been brought to the attention of the government and it has chosen not to act.

● (1745)

Another glaring issue that is quite easy to fix is the idea of expensing of stock options, that is, having these costs show up in the expense column of the company's financial statements.

If a company is going to use stock options as part of the executive compensation of the company, then investors should know. The liability of outstanding stock options often exceeds the net worth of the company. Even as a blue collar socialist, I know the danger signals associated with that.

If a person is going to use—

The Deputy Speaker: Order, please. The Minister of State and Leader of the Government in the House of Commons on a point of order.

[*Translation*]

SPECIFIC CLAIMS RESOLUTION ACT

BILL C-6—NOTICE OF MOTION FOR TIME ALLOCATION

Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.): Mr. Speaker, my apologies first to my hon. colleague for interrupting his speech.

An agreement could not be reached under the provisions of Standing Orders 78(1) or 78(2) with respect to the stage of consideration of Senate amendments of Bill C-6, an act to establish the Canadian Centre for the Independent Resolution of First Nations Specific Claims to provide for the filing, negotiation and resolution of specific claims and to make related amendments to other acts.

[*English*]

Under the 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 the consideration and disposal of proceedings at the said stage.

I regret the filibuster which has been going on for the last few days.

* * *

CRIMINAL CODE

The House resumed consideration of Bill C-46, an act to amend the Criminal Code (capital markets fraud and evidence-gathering), as reported without amendment from the committee.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, it is hard to resume debate on this corporate fraud bill with the disturbing information just brought to our attention by the government House leader, moving closure on the first nations governance act. People have lost count the number of times the government has had to use closure to ram through its legislative changes.

I was outlining some of the shortcomings of Bill C-46 because the pension investments of Canadians are at risk under the current securities regime. We have seen evidence of this with the absolute collapse of Wall Street and the ethical paucity of Wall Street and Bay Street where voluntary compliance to ethical standards has not been enough to provide security to Canadians.

I do not know if it is a coincidence or not that our now privately invested Canada Pension Plan Investment Board has lost $4.2 billion out of $22 billion on the securities market. Certainly, it is cause for alarm for Canadians. They want to have confidence in the people that are investing their money.

Some of us disagreed that the money should have been gambled on the open market to begin with. Our fears have been realized. We would have been better off if we had dug a hole in the ground and put that $22 million into a hole because at least the same amount of money would still be there when we went to dig it up. Instead, $4.2 billion has been lost out of it.

We used to loan that money to municipalities and to provinces at a fairly low interest rate of 2% so that they could do capital infrastructure projects. Even with 2% return on that money, we would still have our equity or the base principal and 2% interest. Instead, it has been lost. As a result, more ordinary Canadians are taking a keen interest in the securities marketplace and financial institutions.

We are more vulnerable because our government has not had the courage to put in place strong regulatory changes such as the Sarbanes-Oxley act. Instead, we find ourselves with Bill C-46 which we are debating today.

I would like to outline some of the things that a true corporate fraud bill would deal with. Ordinary working people right across the country would be pleased to see it.

The independence of auditors is absolutely crucial. Corporate officers should be required to report any time they receive loans from their companies. Investors should know if some of these practices are taking place, but there is currently no requirement to disclose them. We found the CEO of Tyco, a Canadian by the way, with $30 million and $40 million worth of outstanding loans when his company collapsed. There have been examples of hundreds of millions of dollars worth of loans.

There are other examples where the stock options being used as part of the executive compensation exceed the net worth of the company, but they does not have to be listed on the expense column of the financial statements. Why not? If somebody is going to roll the dice and gamble with my pension income on the Canada Pension Plan Investment Board, at least we should be going in with our eyes open and know whether these irresponsible CEOs and board of directors are approving a practice that has resulted in catastrophic losses for working people in the United States and in this country as well.

We also need a national securities commission, not 13 separate independent securities commissions. We need one national securities commission with national standards because the operations of these companies are not isolated within the provinces their head office is housed. The operations of these companies are often national, transnational and international. Why does Canada have 13 separate securities commissions with 13 different sets of rules, when even the head of what used to be called the business council on national issues is calling for one single securities commission?

● (1750)

Those are the types of changes we would have expected to see in Bill C-46 if we were serious about cracking down on corporate fraud and white collar crime as it affects blue collar people.

On the compensation packages of directors, I crashed the shareholder meetings of two major institutions recently with some proxy votes. I do not own any shares in these big corporations. I often find that a single director will sit on many boards. In one case, for example, George Cohon, the CEO of McDonald's of Canada sits on 50 boards of directors, each of which meet ten times a year. No one really believes that these guys actually make it to all their directors meetings. In fact, they only attend one meeting per year where they approve the executive compensation for each other. It is an incestuous little pool and it is going on behind the shareholder's back. The shareholder does not know.

Therefore, we would have amended Bill C-46 to require CEOs to justify and defend their compensation packages to stakeholders.

When I crashed the shareholders meeting of the Bank of Montreal, I moved a motion to that effect. Further, we moved a motion that the CEO be limited to a salary 20 times that of the average employee, which seems pretty generous. In actual fact, the compensation package for the CEO of the Bank of Montreal that year was 120 times that of the average employee. The international average is 13 times that of the average employee.

We did the same thing for the Royal Bank of Canada. We moved nine resolutions to democratize and to protect the rights of shareholders from the actions of some of these corporations. One motion that we moved almost passed with 49.6% to 50.4% to have gender parity on the board of directors of the Royal Bank of Canada. I think it surprised them that a motion from the floor would come that close to succeeding.

We would have recommended other changes in the best interests to protect Canadian pension investments on an otherwise irrational marketplace. There is no stability in today's marketplace. This is what is causing the crisis in the confidence of many institutional investors and in fact threatens to bring down the entire system.

I have a number of pieces of information I would like to share with the House today. I prepared a motion back in 2002 which would have given some direction to the Minister of Finance in changing the Canada Business Corporations Act to address some of these serious concerns. The motion is quite simple. It stated:

> That, in the opinion of this House, the government should encourage regulatory changes by securities commissions to ensure the independence of financial auditors by: (a) prohibiting accounting firms which provide audit services from providing other accounting or financial consulting services to the same company; (b) requiring companies to disclose to shareholders in their annual report if their auditor has provided other accounting or financial consulting services to them; and (c) requiring companies to disclose to shareholders in their annual report the amount paid in audit fees and the amount paid for other non-audit financial services

I raised this because quite often today the practice is to throw in the audit almost as a loss leader because the real money is in the other financial services that an accounting firm sells. We believe this is a bad practice that puts at risk the pension investment security for many Canadians who rely on an honest system.

We are disappointed that instead of looking at the amendments to Bill C-46 that we are not looking at legislation that has real teeth, such as the Sarbanes-Oxley act in the United States.

Interestingly enough, we are being regulated by American legislation in that many of our companies that do business in the United States find themselves subject to the Sarbanes-Oxley act. We are having the American congress dictate guidelines to Canada that would provide some security, but we are falling far behind.

The amendment replacing subsection 382(1) states that it might reasonably be expected to effect the material value of any of the securities of the corporation. The current legislation only captures fraud that significantly effects the integrity of the system. It contradicts in a way the government's own standard enshrined in the Canada Business Corporations Act. We do not find any comfort in that amendment or in any of the amendments put forward.

● (1755)

In the interests of Canadian working people who have their pension retirement funds invested in the marketplace, the government has an obligation to take concrete steps to ensure that we are not vulnerable to the type of catastrophic meltdown that has taken place in the United States. We are not there yet, and Bill C-46 falls short of giving that security.

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Speaker, I want to thank my colleague for reminding us here in the House today as well Canadians that at one time the Canada pension plan funds were used to guarantee or to give loans to municipalities and cities throughout the country at a very affordable rate. That allowed them to build or support their infrastructure.

One of the serious lackings we have seen over the last decade has been the failure to put enough dollars into infrastructure. We have heard from municipalities, cities, people and first nations throughout the country of the shortfalls in the infrastructure budgets.

Does the member think it might be beneficial at this point in time to re-evaluate where Canada pension funds are going? I am sure that people who are investing in those funds want to be supportive of their communities. Does he think municipalities would like to see that happen again as well, where there is an investment in Canada rather than an investment in corporate leaders who were misusing funds.

● (1800)

Mr. Pat Martin: Mr. Speaker, this is a serious problem. A couple of years ago, when the dot com craze was happening, investors were getting a return of 15% to 18%. I guess the Government of Canada had a look at the Canada pension plan and said that if it only invested that on the open market, it could get a better rate of return. The results have been catastrophic. The government lost 20% of the money it was given. That is $4.2 billion that we will never get back. That was in the most recent fiscal year.

During that period of time, the government gave the CEO a $100,000 raise and a 20% bonus for doing such a great job. Imagine the kind of bonus he would get if he actually made money. The other members on the board of directors got 50% bonuses for losing $4.2 billion. That is the 11 person Canada Pension Plan Investment Board, made up not with people of necessarily any expertise. One of the people on that board is the Liberal MP whom I beat when I won my seat in Winnipeg Centre. We never really beat Liberals, we just make them rich because they get these fallback positions, such as this scandalous situation of the Canada Pension Plan Investment Board.

The past practice was that we would use the Canada pension plan to finance, fund and lend to municipalities and provinces, at a low rate of interest, large amounts of money to capitalize necessary infrastructure projects. That no longer happens. Granted we were only getting 2% interest when we loaned money to build sewage treatment plants or any number of things in the communities, but getting 2% interest is a heck of a lot better than losing 20%. It is better than rolling the dice and gambling our pension fund money away.

I would like to know just how this happened because it happened under the radar. The Government of Canada put together this Canada Pension Plan Investment Board. It started out with $17 million, of which it promptly lost $2 million. When the rate of contribution went to 9.9%, all of a sudden the money really started to flow in. The board got it up to $22 billion. Now it has lost $4.2 billion of that, and it predicts it will have $70 billion to invest on the open market within 10 years.

Imagine the amount of money the board will lose if it continues at the current rate of loss. Imagine the amount of necessary infrastructure work that could be done across the country not only in terms of the infrastructure deficit that most communities face, but also in terms of the green infrastructure, the very necessary retrofitting infrastructure that needs to be done in the coming years.

The hon. member could not be more bang on in terms of the best use for this Canada Pension Plan Investment Board money.

[*Translation*]

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, I have listened attentively to my colleague from the NDP, whose speech contained so many negative comments on this bill that I was obliged to ask his colleague whether the NDP was for or against it. She told me they were in favour. I therefore found this rather odd.

I have two little questions for him. I would like to know his views on proposed section 487.013, which allows banks to disclose such confidential information as the account number of an account holder, the status and type of account and the date on which the account was opened or closed, the person's social insurance number and date of birth.

Does the hon. member not feel this bill encroaches on an individual's right to privacy? I would like his comments on this.

I would also like to hear his comments on the fact that federal attorneys may prosecute, when we know that financial markets fall under provincial jurisdiction.

I am asking these questions because I have not heard any of his colleagues address these clauses of the bill.

● (1805)

[*English*]

Mr. Pat Martin: Mr. Speaker, Bill C-46 falls tragically short of any meaningful codes of conduct for the financial markets. In fact I refer to an article from the *Globe & Mail* of September 26, 2002, where it said that the meagre fines contemplated in the bill would give analysts a licence to shill, not to kill but shill.

What I am getting at is the practice of misrepresenting the value of certain stocks by recommending a strong buy. In other words, it is a recommendation to purchase, when in actual fact the analyst knows full well that the stock is not doing well at all. This kind of corruption, this kind of shilling, is simply because an analyst has a vested interest or even shares in a company, and is misrepresenting the value of a certain company or stock to investors. No wonder there is a crisis in confidence if this is the type of thing that is going on.

I can give an example. Scotia Capital treated Royal Group Technologies as a strong buy recommendation on September 13. Three days later Royal issued a profit warning that clobbered the stock. The Scotia report failed to disclose that Scotia itself owned 5.5% of Royal. Imagine small time stock investors. They are simply at a terrible disadvantage. In a situations like that, the government has to step in to regulate these markets.

Here is another example. TD Newcrest had a buy on Telus but its research reports did not disclose that chief executive officer of Telus, Darren Entwistle, was a TD Bank director. Essentially, we have all this incest going on at that level.

All these directors and analysts for the major accounting firms are misrepresenting the value of stocks at the peril of Canadian investors and at the peril even of the institutional investors like the union I represent.

I have a great deal of interest in this because the retirement security of honest working people is being squandered and misused in situations like this.

● (1810)

[*Translation*]

Mr. Odina Desrochers (Lotbinière—L'Érable, BQ): Mr. Speaker, I too will speak on Bill C-46. Everything has been said, but once again, this bill is part of the nation building effort undertaken by this government since the 1995 referendum to try and take jurisdictions away from the provinces and centralize everything in its hands.

My neighbour, the hon. member for Trois-Rivières, who is a staunch advocate for the provinces, condemns nation building and the Liberal government's actions every time he rises in this place. Again, Bill C-46 is a fine example of the federal government's attitude. It is stepping into areas of provincial jurisdiction.

I take this opportunity to say that when this government should be taking its responsibilities, it hides. It is not there, and we are left waiting. But it is all there when it comes to encroaching on our provincial jurisdictions.

A case in point is the current farm crisis in Quebec. The money is in Ottawa. This is a federal responsibility since the crisis involves two countries. it is my understanding that when two countries are having bilateral problems, they have to talk, come to an agreement and act to support those going through a crisis. They are not doing their job.

In that respect, I would like to make a small digression. In Quebec, as you know, many television viewers tune in to what is called reality TV. Here we have "Parliament and Reality".

Some hon. members: Oh, oh.

Mr. Odina Desrochers: It bothers many of my colleagues opposite when I resort to humour to tell them what they are like.

As I said, in this Parliament we have "Parliament and Reality". This means that we are dealing with a two-headed government. This is a very popular expression these days. This happens when there is one king on his way out and a future Liberal king to be crowned within two weeks. That is what a two-headed government is all about. Do you know what "Parliament and Reality" is about? It is when there is no one taking their responsibilities in this place.

We could also call this the "Martin Story", with parallel caucus meetings. No one is making decisions here anymore. But when it comes to invading areas of provincial jurisdiction, it is a different story.

The Deputy Speaker: The Parliamentary Secretary to the Minister of Agriculture and Agri-Food, on a point of order.

Mr. Claude Duplain: Mr. Speaker, the hon. member was supposed to talk to us about Bill C-46. What he is talking about is of no interest. He is talking about reality television and it is irrelevant.

Mr. Michel Guimond: Mr. Speaker, I think the member for Lotbinière—L'Érable should be given the time to express his thoughts.

With all due respect, my colleague from Portneuf did not even let him finish his sentence. He wanted to make an analogy or use an allegory to illustrate his point. An allegory, by definition, is a figure of speech used to make us aware of reality. I think that is what my colleague from Lotbinière—L'Érable wanted to do. Out of respect, he should be given time to make his point.

The Deputy Speaker: Is there anyone else who wishes to speak on this point of order?

The rule of relevancy is very generous and flexible. However, as we say at home, do not push your luck.

I have no objection to setting the tone, preparing arguments and other things, but we still have to come back to Bill C-46 that is currently under consideration. The member for Lotbinière—L'Érable is probably leading into his arguments, as is common practice among his colleagues from both sides of the House. I am certain that soon, he will start to talk about Bill C-46.

Mr. Odina Desrochers: Mr. Speaker, I thank you very much for your kind words about me. You know that I am an experienced parliamentarian and I did have a previous career in radio, so I sometimes like to add a little humour, and mix humour and reality. I was talking about nation building.

I come back to nation building. It is not very complicated. At present there is legislation in Quebec governing this whole issue of the regulation of financial markets, as discussed in Bill C-46.

The government now wants to have federal prosecutors in charge of prosecutions. That annoys us a little, because since 1993, every time there is a crisis, every time there is a world-shaking event, every time there is a conflict between the provinces and the Canadian government, every time something happens between another country and Canada, this government intervenes, legislates, and uses the opportunity to come and encroach on provincial jurisdictions.

The government has acted this way ever since 1993. That is what we mean by nation building. I am coming to the bill now.

The provision that it will be federal prosecutors who prosecute the offences—

Some hon. members: Oh, oh.

Mr. Odina Desrochers: Mr. Speaker, I would appreciate it if the members opposite would take the time to listen to me. It does not upset me; I will just raise my voice. I am used to controversy; it does not bother me one bit.

If these people think they can distract me and get me off topic, we will be talking for a long time, because I do not need notes to speak about nation building and all the interference of the federal government in provincial jurisdictions. I could talk about it for a long time. They will cut me off and tell me my 20 minutes are up. If it bothers the members opposite when I tell the truth, that is their problem.

Thus, I was saying that the regulation of financial markets comes under the jurisdiction of Quebec and the provinces. That is clear. Sometimes I have the impression that even though they patriated their beautiful Constitution by force in 1982, they are not familiar with it, or if they are, they interpret it badly. The way they interpret it, they can interfere in Quebec's jurisdiction all they want.

This is also true with regard to the administration of justice. I hope that the Minister of Justice is listening. Quebec and the provinces have responsibility for this. Once again, there is an attempt in Bill C-46 to give the federal government responsibilities that do not belong to it. In terms of the proposed reforms, the Attorney General of Canada would be responsible, jointly with the provinces and the territories, for laying charges related to certain kinds of fraud under the Criminal Code.

Here again we have nation building at work. Under the pretext of establishing excellent cooperation between the federal government and the provinces, areas belonging to the Quebec government is being taken over.

Initially, the Bloc Quebecois was in favour of Bill C-46. The Bloc Quebecois tried once again to trust the Liberals. However, once again, the Bloc was forced to change its mind, because every time the Liberal government does something, Quebec suffers. It is always encroaching on Quebec's areas of jurisdiction. Bill C-46 is no exception, on the contrary. It consolidates the Liberal efforts since 1993, and particularly since 1996, when the Minister of Intergovernmental Affairs arrived. He is trying to ensure nation building at Quebec's expense and in order to get involved in Quebec's responsibilities.

● (1815)

As I said when I started, this is not reality Parliament, it is the sad truth. This proves that, day after day, everything this government does is designed to ensure that Quebec is diminished and reduced to being a province like the others.

I remember what the Minister of Agriculture and Agri-Food said. Quebec agriculture has a distinct character. Quebec has vested rights. What did the Minister of Agriculture and Agri-Food say in response? "It will be treated like any other province."

Clearly, nation building is omnipresent. No one wants to admit it. This leads me back to the motion introduced by my colleague from Trois-Rivières. We asked if Quebec was a nation, and they all said, "No". Even the 25 federal Liberal members answered no, while the National Assembly unanimously answered, "Yes". There is no consistency.

My time is running out. I should conclude my remarks. With all the interruptions, could the Chair inform me of how much time I have remaining?

The Deputy Speaker: Ten minutes.

Mr. Odina Desrochers: Mr. Speaker, 10 minutes is not long, given the circumstances.

An hon. member: It is so short that he is wasting his time instead of using it.

Mr.Odina Desrochers: Mr. Speaker, as for what I am hearing in this House, I will never allow an adversary to crush Quebec once more. Never. That is, I think, perfectly clear.

The purpose in life of the members of the Bloc Quebecois is to defend the interests of Quebec, and in so doing to promote the fact that one day we shall have our own country, Quebec.

Returning to Bill C-46, as hon. members are aware, the Bloc Quebecois was putting pressure on the federal government as long ago as the fall of 2002 to take steps to tighten up the provisions of the Criminal Code—their responsibility— in order to better equip the authorities to deal with corporate fraud.

Everyone will remember the sad events in the U.S., the scandals with Enron and other companies, in which people lost their fortunes, lost every cent they had, because there were no provisions in place, no laws to protect them. We in the Bloc Quebecois therefore called upon the Canadian government to pass legislation in this area. Since the fall of 2002, moreover—and now here we are in the fall of 2003—the bill has not yet been passed. There is a lot of foot-dragging going on, but all we know is that we are being rushed headlong toward the end of this week.

If that does happen, we will be able to talk about the democratic deficit. It will mean that we will barely have sat at all in 2003. Virtually nothing will have been accomplished here because, once again, we are dealing with the two leader phenomenon. With that going on, there is constant tension between the two people involved, and Canada and Quebec are the ones who are paying for it.

Some hon. members: Oh, oh.

Mr. Odina Desrochers: Once again, they are trying to get me off track. I have no problem telling them that Bill C-46 does not offer a response to the problems we are experiencing with people likely to run into situations like those that have occurred in the States.

The only thing that Bill C-46 does is to give the Canadian government more leeway. I am repeating myself over and over again, because that is how parents sometimes have to talk if they want to be heard. If we want to convince the Liberals over there, who have been acting like kids for the past few minutes, then I will have to keep saying the same thing over and over again. I want to convince them that Bill C-46 addresses an area that is under provincial jurisdiction, not federal.

Some hon. members: Oh, oh.

An hon. member: Talk, talk, talk, talk.

● (1820)

Mr. Odina Desrochers: Mr. Speaker, could you check with Environment Canada or the Weather Network if a storm is coming? Usually, when children get agitated like this at home or at school, it is because bad weather is coming.

Judging from the way our Liberal friends are behaving, I would say a storm is coming. One is certainly brewing in cabinet, because an incredible wave of change will follow the return of the member for LaSalle—Émard. This is not a forecast by Environment Canada, but the member for Lotbinière. And I think that all political observers will agree.

An hon. member: If the trend continues.

Mr. Odina Desrochers: If the trend continues. We know that in this House—pardon me but they did provoke me to some extent, and they will pay for it—there is the front row, which I call the row of those on their way out. I think that soon there will be so many ministers without any responsibilities that this row will go all the way to the Prime Minister. They are kept either in the front or in the back. It will be up to the whip, I hope, the new whip, the minister of this or that. No one knows where we are going.

I can tell the hon. members one thing: the Bloc Quebecois knows where it is going with respect to Bill C-46. It reiterates its opposition to this bill because it interferes with provincial jurisdictions. If you want to help Quebec, do so within your jurisdictions, and let us act within ours.

● (1825)

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, I want to thank my colleague for his speech. He has certainly shown that, in each and every bill, we can see that the federal government tries to encroach more and more on provincial jurisdictions.

The same thing goes for this bill, which deals with the whole issue of corporate fraud. I would ask my colleague to tell us if he does not see anything insidious in the fact that the federal government is trying to allow federal prosecutors to play a role in an area under provincial jurisdiction.

We know that the idea of creating a national securities commission has been around for several years. When he was finance minister, the member for LaSalle—Émard raised this issue on several occasions and wanted this project to become a reality. However, he met with all kinds of obstacles, particularly from provincial governments, since they have a system that works.

For the government, is Bill C-46 not—

Hon. Martin Cauchon: Mr. Speaker, I rise on a point of order to bring the opposition members to order. This is an important bill for Canadians. When I listen to them, I hear comments that essentially distort the bill and its objectives.

When they talk about the competitive role—

The Deputy Speaker: Order, please. This is a point of debate rather than a point of order. The House will resume debate on the question and comment. The hon. member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques.

Mr. Paul Crête: Mr. Speaker, I fully agree with you that it is not a point of order. I will close my speech with one question.

Is Bill C-46 not a clear manifestation of the fact that the federal govenment would like to get its paws on the securities commission? What it has not managed to do by the front door, it will manage to do by the back, by involving federal prosecutors. This is a role they ought not to have. The government ought to be respecting the jurisdictions involved here.

Mr. Odina Desrochers: Mr. Speaker, I have said it many times in my speech and I think that my colleague has asked the question again to make sure that the Liberals really understand it.

We are saying that the regulation of financial markets comes under the jurisdiction of Quebec and the provinces, as does the administration of justice.

Certainly, the way the bill is presented, that is with a certain amount of cooperation between the federal and the provincial governments, if we let the federal government intrude even only 1% or 2% in provincial jurisdiction, we will see what happens in four or five years. It will not be 1% or 2% of anymore, but 100%. Once more, we would have been taken in. It would have been a step on the road to what we call nation building.

ADJOURNMENT PROCEEDINGS

[*Translation*]

THE ENVIRONMENT

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, on October 22, I asked the environment minister this question:

> Today a meeting was held with people from the Gaspé and northwestern New Brunswick. The Liberal MPs for Gaspé Peninsula, Îles-de-la-Madeleine and Madawaska all agree on the need for an independent environmental assessment.
>
> Will there or will there not be such an independent assessment for the benefit of the people of the Chaleur Bay area?

The minister's answer was as follows:

> Mr. Speaker, as I have explained several times in the House, this problem falls under provincial jurisdiction.
>
> Yesterday, officials of the Canadian Environmental Assessment Agency received a document from some of the stakeholders, and we are examining it at this time. The hon. member needs to realize, however, that provincial jurisdiction must be respected.

Even if this is the third time the Minister of the Environment has said the same thing in this House, the people of Chaleur Bay do not agree with him and neither do the people from the Gaspé Peninsula and northwestern New Brunswick. He has a responsibility to request an independent environmental impact assessment for the well-being of the people of Chaleur Bay and the well-being of the bay itself. The bay provides a livelihood for workers in the fish plants. It provides a livelihood for Chaleur Bay area farmers and fishers living in the Gaspé Peninsula or in New Brunswick. These people are worried and it is the government's responsibility to reassure them.

People are neither for nor against the bill; they simply want to have an independent assessment. A certain number of things appear in internal provincial government documents that come from the Hazardous Waste Officer Approvals Branch.

● (1830)

[*English*]

Even they are worried about it. They received an internal document that was released through access to information advising the Government of New Brunswick about the problem that could happen. I want to take the opportunity to read one phrase that should scare the people of New Brunswick and the Gaspé coast, especially when the document comes from the hazardous waste officers. It states:

> Since we have no specific hazardous waste regulations in NB [New Brunswick], we are particularly vulnerable and should be suspicious of the motivation that is bringing this company to our province.

We have all the reasons in the world to be worried about this.

[*Translation*]

There is no excuse for the federal government not to get involved in the project and request an assessment. Under sections 34 and 35 of the fisheries legislation, the federal government has the authority to request this independent assessment. We now know that even the federal government—unless it can prove otherwise—and Bennett clients have contaminated lands belonging to the Canadian Forces in Canada's far north.

I would like the minister to prove me wrong. I am asking the minister, or the Parliamentary Secretary to the Minister of the Environment, what the department intends to do. Will it give them this assessment or not?

[*English*]

Mr. Alan Tonks (Parliamentary Secretary to the Minister of the Environment, Lib.): Mr. Speaker, we are very aware of the passion and concern that has been raised by the member for Acadie—Bathurst.

What I will attempt to do is to illustrate the context, once again, with respect to why this application has been made and then to deal specifically with the member's question.

As members will know, Bennett applied under the New Brunswick environmental assessment process. Environment Canada participated on the technical review committee and provided advice to New Brunswick during the provincial environmental assessment.

On January 17, 2003, the hon. Kim Jardine, former minister of the environment for New Brunswick, conditionally released the project from further environmental assessment, and on September 9, 2003, the Government of New Brunswick granted a conditional authorization to construct the project.

Prior to commercial operation of this facility, however, the company must obtain an authorization to operate the facility from the New Brunswick government. The province has indicated that it will only grant the approval to operate after a public review period under the Clean Air Act lasting at least 120 days. The public review period is expected to start in November 2003. I stress that because it is a provincial process.

The member opposite wishes the Minister of the Environment to intervene in this process and require an environmental assessment pursuant to the Canadian Environmental Assessment Act.

Officials in the Canadian Environmental Assessment Agency have investigated the applicability of the act in this case and have advised the Minister of the Environment that there are no federal decisions required with respect to this project that would require an assessment under the act.

Agency officials have also reviewed the applicability of the act in a transboundary context, and this is important. The transboundary provisions of the act provide the Minister of the Environment with the authority to refer a project to a review panel or a mediator where a project may cause significant adverse environmental effects in another country, another province or on federal lands.

On October 21, officials from the Canadian Environmental Assessment Agency and Environmental Canada met with representatives of the coalition opposed to the project at which time a petition was submitted requesting the Minister of the Environment to refer the project to a review panel pursuant to section 46 of the act. The agency has determined that the petition is valid and has initiated an investigation on a priority basis to determine whether there is sufficient evidence to warrant referral of the project to a review panel or a mediator, or another means of conducting an assessment, as provided for in the transboundary provisions.

In conducting its investigation, the agency will consult with scientific experts from other departments, including Environment Canada, Fisheries and Oceans Canada and Health Canada. As a matter of standard practice, the agency will provide an opportunity to the petitioners and the proponent to review and comment on the report produced as a result of the investigation prior to making a recommendation to the minister with respect to the appropriate course of action in this case.

This is very much an action that is in progress. We are looking at the results that will come back at this point from the agency's officials and then the minister will advise the various parties as to what action he is prepared to take under the transboundary provisions of the Environmental Assessment Act.

● (1835)

Mr. Yvon Godin: I understand, Mr. Speaker, but it is very important for the member to remember what I have said. I have a copy of an interoffice memo that was obtained through access to information. It is from the hazardous waste officer, approvals branch. The officer states:

> The precedent of allowing such a project to ahead could make us very vulnerable, as it would be next to impossible to atop any other hazardous waste management company from coming to NB to process waste generated in the north-east US. Once the first one is in with such an unbalance of waste coming in from outside our jurisdiction, we could not stop others as they could then issue NAFTA challenges to contest the province's decision to curb the importation of waste.

It, therefore, is very important that the federal government has some say in it, through NAFTA, through the free trade. If it does not take the responsibility, we will pay the price—

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

Mr. Alan Tonks: Mr. Speaker, I would request that the member make that information available. I have made it clear that the minister has officials of the agency investigating the case as put forward by the petitioners and that consultations will take place, as a result of the information received, with the petitioners and with all parties concerned prior to the minister making a decision under the provisions of the Environmental Assessment Act as it relates to the transboundary issues that have been cited by the hon. member.

I want to conclude by saying that this is a very serious and important issue to the people in Belledune, as the member has illustrated. The minister is taking it seriously and has placed a very high priority on the issue. It will be expedited as soon as possible.

● (1840)

[*Translation*]

AUDITOR GENERAL'S REPORT

Mr. Odina Desrochers (Lotbinière—L'Érable, BQ): Mr. Speaker, I will begin by pointing out that I have been on the Standing Committee on Public Accounts for five years now. It is therefore my pleasure to deal with all reports, remarks and comments by the Auditor General.

As hon. members are aware, two weeks ago certain parts of the report were leaked to the press, and I find this regrettable. Normally, when a report is to be released, it has a specific release date. In this case, that date is November 25. The leaks reported in the *Globe and Mail* of course again referred to amounts that had supposedly been authorized by the Prime Minister. There was mention of $100 million to Bombardier for the Challenger aircraft.

There was reference to the possibility that, during the last election campaign, money had been paid out by the federal government to carry out polls on behalf of the Quebec Liberal Party. That really got my attention, because it took me back to the unfortunate occurrences at the time of the 1995 referendum.

I was present when the big thinker behind that program—what we called the Canadian campaign—said that we were at war. That war later was the excuse for a kind of reward program for the advertising agencies that had contributed to setting up the Canadian pride campaign.

It eventually ended up in the Groupaction affair; that company was found at fault for having published three similar reports. We remember that the Auditor General later asked the RCMP to investigate.

We tried, with the means at our disposal, to establish the links between the Prime Minister's office, Groupaction, and the other companies named in what has been called the sponsorship scandal.

I am on the offensive again today, because I want an explanation. Through these leaks, we are told that, possibly, some money were taken from Canada's treasury to finance studies or polls for the Liberal Party of Quebec; once again it closely resembles what has happened in the past.

I hope that the House will continue to sit and that we will have an opportunity to see the famous Auditor General's report on this matter. In the meantime, however, I would still like to ask the Government of Canada if it has any more information to give us on the subject of the leaks to the *Globe and Mail*, the questions my colleagues have asked, and the question I asked myself on this specific topic.

I would like to know whether there have been further developments, and whether further information has been obtained about the possibility that funds were used to subsidize polls for the Liberal Party of Quebec.

[*English*]

Ms. Judy Sgro (Parliamentary Secretary to the Minister of Public Works and Government Services, Lib.): Mr. Speaker, I am pleased to respond to the hon. member for Lotbinière—L'Érable concerning the Auditor General's report and the public opinion research.

First, it is important to state quite clearly that the member's question relates to unconfirmed stories about a leaked draft report of an officer of this House. Obviously I cannot speak to that. However, I can confirm that the government considers the Auditor General's report to be crucially important and we will act quickly on any recommendations that she makes.

Also it is important to note that throughout the course of the Auditor General's review of sponsorship, advertising and public opinion research, Public Works and Government Services and Communications Canada have cooperated fully and have worked to ensure that she is fully informed in all aspects of these programs.

I can also confirm the government's ongoing commitment to improving these programs. Following a Treasury Board review and a set of recommendations made last year, changes have already been announced to improve and enhance the way that government manages these programs. These changes were guided by the four key principles of value for money, transparency, stewardship and flexibility.

In Treasury Board's conclusions, the public opinion research function was found to be generally well developed and managed. Still, the government consulted with association representatives and public servants and in June 2003 enhancements were announced to increase competition, improve transparency regarding the selection of suppliers and to increase value for money.

Public opinion research is an increasingly vital tool for helping the government meet the needs and expectations of its citizens. With regard to the sponsorship program, Treasury Board recommended revising the program's objective, management and delivery. On April 1, 2003 a new program was launched with improved structure and administration. The program is administered entirely by Communications Canada without the use of third party intermediaries.

A remodelled administration process has clear objectives to ensure transparency, accountability and value for taxpayers' dollars. Also, the new program is national in scope and is designed to communicate with Canada in all provinces and territories. As well, following the recommendations made by Treasury Board, on April 28 of this year, a comprehensive action plan was put in place to renew advertising management practices. Changes will create greater competition for government advertising business and improve the value the government receives for its investments in advertising.

Overall, the internal government capacity in advertising is strengthened with Communications Canada providing support, advice and enhanced training opportunities.

In conclusion, the government is looking forward to the Auditor General's report. It will no doubt give us further means to make sure that past problems are corrected and that safeguards are put in place for the future.

● (1845)

[*Translation*]

Mr. Odina Desrochers: Mr. Speaker, I just hope that we will be able to look at this famous report, which is expected to come out on November 25, and that we will have the time to ask questions to the ministers and people concerned.

There are all kinds of rumours in the Parliament of Canada, that is that we might finish Friday and come back after the convention of the Liberal Party of Canada. I understand that the member opposite has made many comments on the recommendations or perhaps on the corrections that were made.

However, I essentially asked her whether public funds were used to support polls to help the Liberal Party of Quebec. She talked about polls, but did not specifically answer this question.

If this is the case, let me tell you that, on November 25, we will once again vehemently condemn the federal government's intrusion in an exclusively provincial jurisdiction. Indeed, it is Quebec that administers a provincial election.

[*English*]

Ms. Judy Sgro: Mr. Speaker, I have to say that what the member is alluding to in his questions relates specifically to stories about a leaked draft report. Naturally until we actually see the report, it is assumptions that are being made.

I can assure the hon. member that it is very important to us on this side of the House as it is to members on that side of the House to ensure value for money and transparency and that Canadians get value for their money. We will all be working together to ensure whatever changes are needed are made.

[*Translation*]

SOFTWOOD LUMBER

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, on May 26, 2003, I rose in this House to put a question to the Minister of Natural Resources about the need to move to phase 2 in order to deal with the softwood lumber crisis.

He answered, and I quote:

> We are seeing hardships in certain parts of the industry and we have to ensure that we do everything we can to look at the next phase.

That is phase 2. He added:

> Our priority right now is to make sure we have an... agreement with the Americans.

In answer to my supplemental, he said:

> I can assure the hon. member that if we do not get an agreement in the near future we will be looking at other measures.

That was back in May 2003. To follow up on what the minister said, now that we know, several months later, that there will not be a short term agreement and that the softwood lumber crisis could last another year, will the government agree with us and with the industry and the workers that we need to move to phase 2 in order to deal with this crisis? Some businesses need loan guarantees and other types of financial assistance might also be helpful to the softwood lumber industry.

For instance, money could be put into the economic diversification program for softwood lumber. While the crisis is ongoing, this program will end on March 31, 2004, and it will be necessary to keep diversifying the economy that way for one more year at least.

What is most urgently needed, however, is to provide help to businesses and workers. Will the federal government act quickly and take what the Minister of Natural Resources said into account?

In May 2003, the minister said an agreement was expected shortly, but five months later, there is still no agreement. Christmas is coming. There are people listening to us today who do not know whether they will qualify for EI for the whole period they will be unemployed. This period will be longer this year because of the problems on the softwood lumber market.

As regards the industries, they are in the process of choosing between investing in equipment or in increased productivity. Instead of relying on a return on their investment over three, four or five years, as previously forecast, they are no longer strong enough to make it through the crisis, now that they must pay a 27% tariff to the Americans. Many small sawmills have closed down.

Is the federal government finally going to act, implement and announce the second phase of the action plan to deal with the lumber crisis?

● (1850)

[*English*]

Ms. Nancy Karetak-Lindell (Parliamentary Secretary to the Minister of Natural Resources, Lib.): Mr. Speaker, finding a permanent solution to this trade dispute which has been going on for 20 years has been and remains without question a priority for the federal government.

In fact, I am pleased with the progress of the legal challenges to the duties on Canadian softwood lumber imposed by the United States. The WTO recently released its final report on the countervailing duty order in which it found that the U.S. violated international trade rules in its determination that Canadian lumber producers are subsidized. In addition, on September 5, 2003 a NAFTA panel decision found that the United States failed to substantiate its claims that Canadian softwood lumber threatens to injure U.S. producers. If the U.S. cannot sustain its determination, there will be no basis for the imposition of duties against Canada's softwood lumber exports. This decision upholding Canada's position will aid the pursuit of a long term durable solution to the dispute that is in Canada's interest.

While we wait for the United States to rescind its trade actions, I can assure members that the Government of Canada will continue to defend in every way possible Canadian industry, Canadian workers and Canadian communities.

As members are aware, to mitigate the various effects of this trade dispute on the entire industry and workers who depend on the Canadian lumber industry, the Government of Canada announced in 2002 measures representing more than $355 million. Funds were targeted toward assisting workers through training and job sharing programs, investing in research to promote the long term competitiveness of the forest sector, opening new markets for Canadian wood products, and helping to address the mountain pine beetle epidemic in British Columbia, to enumerate a few.

Some very positive results have already been achieved in support of the wood products industry. For example, through our market development efforts a new wood frame construction code will soon be approved in China. This will enable Canadian wood products and technology to be used in residential housing construction in China.

The impact of this is already being felt. Our latest statistics show an increase of approximately 60% from 2001 to 2002 in our wood exports to China. As well, our work in Japan has influenced fire regulations to be amended, allowing for increased use of wood in residential housing.

These are just a few examples illustrating the benefits of the programs we announced last year. We continue to monitor the effectiveness of the other announced programs and will make modifications as necessary. In addition, we have been monitoring the impact this trade dispute has had on the wood products industry and we will continue to do that.

The forest industry has made a great contribution to the Canadian economy for more than a century and we will not abandon it. Working with the provinces, associations and industry, we will continue to assess the repercussions of tariff rates on the Canadian industry and on communities across the country.

[*Translation*]

Mr. Paul Crête: Mr. Speaker, I agree with my colleague; we will win the fight against the Americans. However, it is important that some players still remain, in the end. Even if we win through a judicial decision, if the people at the grassroots, those small businesses in the country thato are the life blood of our regions, no longer exist because they were not strong enough to hold out for those two years, we will have won nothing at all.

Today, the government representative tells me that we must continue in the same direction. I repeat my question: will there be a phase two of this action plan so that we can weather the softwood lumber storm?

I could mention, for example, the workers of Béarn in Abitibi. Members will recall that, when we asked that question, we were a few days away from a byelection in Abitibi. All the parties had made commitments to do everything they could to give a chance to those workers. Today, just like all the other workers, the other plants and the other sectors of that industry, they are waiting for the second phase of the plan to deal with this softwood lumber crisis. Will the government implement some measures so that they can make it through the winter?

● (1855)

[*English*]

Ms. Nancy Karetak-Lindell: Mr. Speaker, as we have stated over the year, we are very responsive to the needs of the people in the lumber industry and we are working with all the stakeholders to make sure that our programs meet their needs. I can assure the hon. member that the government and all who are involved are working very hard on this file.

[*Translation*]

The Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24 (1).

(The House adjourned at 6:56 p.m.)

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