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OFFICIAL REPORT
(HANSARD)

Tuesday, November 30, 2004

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Tuesday, November 30, 2004

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

•(0955)

[*English*]

ORDER IN COUNCIL APPOINTMENTS

Hon. Dominic LeBlanc (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.

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•(1005)

GOVERNMENT RESPONSE TO PETITIONS

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

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COMMITTEES OF THE HOUSE

JUSTICE, HUMAN RIGHTS, PUBLIC SAFETY AND EMERGENCY
PREPAREDNESS

Hon. Paul DeVillers (Simcoe North, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the second report of the Standing Committee on Justice, Human Rights, Public Safety and Emergency Preparedness.

[*Translation*]

The committee reviewed the main estimates for the fiscal year ending March 31, 2005, and submits its report without amendment.

[*English*]

CITIZENSHIP AND IMMIGRATION

Hon. Andrew Telegdi (Kitchener—Waterloo, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the second report of the Standing Committee on Citizenship and

Immigration on supplementary estimates (A) for the fiscal year ending March 31, 2005.

I also have the honour to present, in both official languages, the third report of the Standing Committee on Citizenship and Immigration on citizenship issues entitled, "Updating Canada's Citizenship Laws: Issues to be Addressed". This report was done at the invitation of the minister to help her department in drafting a new modernized Citizenship Act as was promised in the throne speech.

To arrive at its recommendation, the committee reviewed testimony given for the previous three proposed but failed citizenship acts. The committee calls on the government, in drafting the new citizenship act, to respect the following general principles: there must be equal treatment of Canadian born and naturalized citizens; there should be no probationary citizenship status; the legislation should enhance English and French as the official languages of Canada; Citizenship should be seen as a right for those who qualify rather than a privilege; no one should be deprived of Canadian citizenship if doing so would render them stateless; all determinations under the act should be made by an independent decision maker in a judicial process free from political interference; and, rights come with citizenship but also responsibilities.

In conclusion, I will highlight four of the committee's recommendations. First, there can be no question that revocation of citizenship engages section 7 of the Charter of Rights and Freedoms and the new citizenship act must adequately address this important issue.

Second, it would not be appropriate to include a security certificate process for citizenship revocation.

Third, any person born in Canada who lost their citizenship as a child because their parent acquired a nationality of another country should be eligible to resume their citizenship without having to meet residency requirements.

Fourth, there should be extensive public input in drafting both the citizenship oath and the preamble to the new citizenship act.

* * *

[*Translation*]

CRIMINAL CODE

Mr. Richard Marceau (Charlesbourg—Haute-Saint-Charles, BQ) moved for leave to introduce Bill C-303, an act to amend the Criminal Code (child pornography, child prostitution and child corruption).

Routine Proceedings

He said: Mr. Speaker, I am pleased to again introduce a bill I had introduced in the previous session. Its purpose is to provide for a minimum punishment of imprisonment for offences relating to child pornography, child prostitution or child corruption. This is a follow up on the commitment made by the Bloc Québécois during the last election campaign.

I trust that I will have the support of the House to move this bill through as quickly as possible.

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

* * *

● (1010)

[English]

COMMITTEES OF THE HOUSE

FINANCE

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I move that the first report of the Standing Committee on Finance presented on Wednesday, October 20, be concurred in.

I take this rather unusual step to draw the House's attention to the fact that the apparel industry is in crisis and needs the attention of the House of Commons. There is a very simple remedy found within the first report of the finance committee. It gives direction to the Minister of Finance to give relief to this industry in crisis and more specifically, from a self-interest point of view, to the 43 garment manufacturers in the riding of Winnipeg Centre. They have made representations to me that this is in fact an issue of urgency that should be dealt with in this session of Parliament. I also raise this matter because we are fast coming to a deadline where the opportunity to provide this relief will disappear.

It would be wise for me to back up a little to explain specifically what is in this first report of the finance committee and what measures we are asking the Minister of Finance to take on behalf of the garment manufacturers in my riding, and in fact the garment manufacturers in Montreal, Toronto, Vancouver and everywhere that this critical industry is located.

The issue is simple. Currently, there are duty remission orders that are in effect to help the garment industry cope with the pressures of international trade and globalization, and the pressures in recent years. Those duty remission orders have allowed these companies to keep their doors open in spite of overwhelming odds and adversity that this new global marketplace has put on them, and specific actions from this government that I will get into later. These duty remission orders are set to expire on December 31.

On January 1, 2005, these garment manufacturers will no longer enjoy this duty remission situation granted by the government. I can tell members without any hesitation or without any fear of contradiction that as soon as those duty remission orders expire these businesses will topple like dominoes. In my riding, Montreal, Toronto, Vancouver, and everywhere we have a garment industry, these businesses will fail and with them will go Canadian jobs. I do not say this to be romantic or to raise the level of rhetoric. I am stating a fact.

I raise this in the House of Commons today and take the rather unusual step of highjacking the orders of the day because these

garment manufacturers have tried every other avenue of recourse to get through to the Minister of Finance the urgency of their message. They have lobbied the Minister of Finance in every way imaginable. They have asked members of Parliament from every party to lobby the Minister of Finance, which we have dutifully done in the months leading up to this urgency that we find ourselves in now.

However, we are out of time. December 31 is around the corner. Parliament will adjourn in a few weeks and we will not have the extension signed that would extend the duty remission orders that would allow these businesses to stay open. It is on the Minister of Finance's desk, ready to be signed. A unanimous report from the Standing Committee on Finance has directed him to sign it, not once but twice.

In the last Parliament, in April 2004, the Standing Committee on Finance dealt with this issue. It heard the legitimate grievances of the garment industry, acknowledged their concerns and wrote a recommendation in its report saying that the Minister of Finance should sign the extension of the duty remission orders that are due to expire on December 31. Nothing happened. Then we had an election.

The situation got even more urgent in July, August and September, until finally a new Standing Committee on Finance was constituted. Its very first order of business in fact was to revisit this critically important issue because the clock was running out. The finance committee resubmitted a report to the 38th Parliament. I have it right here. I will not bore members with all the details but I will read the first recommendation. It states:

That the federal government immediately extend, for a further seven years, the duty remission orders covering the apparel sector that are set to expire on 31 December 2004.

Our Minister of Finance should take this as a directive. This should be a marching order for our Minister of Finance, not something to be shuffled away. I do not know who he is listening to, but he is not listening to the garment industry. He is not listening to those representing the workers in those garment industry sectors who stand to lose thousands of jobs.

● (1015)

In my riding of Winnipeg Centre 400 jobs have been lost already directly due to the meddling of the government and its failure to sign duty remission orders. That is 400 good paying unionized jobs with benefits. These are not stereotypical sweatshops in some old fashioned garment industry. These are bright, clean, modern workplaces with a day care centre, a cafeteria, and good paying middle income jobs with benefits. They are gone. Imagine what would have to be done to attract 400 jobs like that to a riding. People would pave the streets with gold. We have knowingly and willingly allowed them to disappear from my riding.

That is not the only one. That is just Western Glove. I can talk about Gemini Fashions and Richlu Sportswear. There are 43 of these garment manufacturers in my riding. I can say without any hesitation or rhetoric that they will topple like dominoes if the Minister of Finance does not put pen to paper before December 31.

Routine Proceedings

I apologize to my colleagues for hijacking the order of business today, but this is an emergency. This is urgent. This is real business that the House of Commons should be addressing. This is not some abstract esoteric debate we are having. This is reality.

The garment industry runs on real time, not on government time, and it cannot wait for bureaucrats to have another go at this. Again, I do not know who is advising our Minister of Finance, but it is not sound advice. He should listen to the real authorities on this issue. He should listen to the garment manufacturers who want to keep their jobs in Canada, but are being forced to outsource those jobs because of an unwillingness by the government to recognize the critical important of this industry.

In other industry sectors, it seems, on the basis of a phone call, the chequebook comes out and \$100 million cheques get written. I am not going to criticize any one industry sector or the government intervening to help a sector, but for God's sake help the clothing and apparel sector today because we have a deadline looming.

I raise this with some emotion and passion because my inner city riding in downtown Winnipeg is the third poorest riding in the country. The largest single opportunity for employment is the garment sector. It is a gateway for new Canadians to get into the mainstream economy because the face of the garment sector worker today is largely Filipino, Laotian, Cambodian, or Eritrean. All of the immigrant groups that are settling in my riding more often than not find their first job opportunity in the garment sector. Maybe their children go on to become the nurses, doctors and lawyers in the next generation, but they get their start, and it is a good start, in the garment sector. We cannot provide those jobs without some assistance from the government.

I urge my colleagues to look at the first report from the Standing Committee on Finance. It is only five pages long. It is of critical importance and value. It outlines the extent of these duty remission orders and the dollar value of them. It is not a huge amount of money. Nationwide it is only about \$40 million. One would say that surely the industry could cope and adjust to this relatively small loss, but people have to understand that this is the straw that broke the camel's back.

It has been coping and adjusting with incredible market forces and adversarial situations for a decade or more now, 15 years really, because these duty remission orders were put in place to help the industry cope with the free trade agreement and with NAFTA. Granted, they were interim measures.

I do not believe these duty remission orders should go on forever. They are still interim measures until we can put together an action plan to help the industry cope in some more permanent way, such as, increases in productivity or whatever it is going to take to help that industry survive. In the interim, do not cut it off like this. We are standing at the edge of a precipice and we are about to be pushed over. Build a ramp so these duty remission orders can be phased out perhaps in time, but not this sudden jump.

I can tell everyone that the garment industry has to have lead time. The garment industry already has its next year's production scheduled and has planned nine months ahead. It has to plan in

advance. It has planned with the confidence that the Minister of Finance would listen to it and extend the duty remission orders.

● (1020)

All of these companies and factories that I am talking about have set their 2005 production schedules with the comfort that the duty remission orders would in fact be extended. Yet, month after month goes by and it does not get signed and they cannot get through to the Minister of Finance in any other way.

This is why we are taking this unusual step today. They call, but their phone calls do not get returned. They do not get meetings with the Minister of Finance. They get passed off to some underling, some bureaucrat, who clearly has a bias against this type of duty remission order because they are advising the minister not to sign it in spite of overwhelming evidence of how necessary it is from one coast to the other.

It is not just my riding of Winnipeg Centre that will have catastrophic effects if these duty remission orders are not signed, but it is downtown Montreal, where there is a rich and vibrant garment sector that is hanging on by its fingernails. The riding of Vancouver East, my colleague reminds me, has a vibrant garment manufacturing sector which has also been subjected to overwhelming contrary forces.

It is a tribute, a testimony, to the strength of these Canadian nationalists, who own these companies, that they have managed to keep their jobs in Canada to date. It is almost a miracle, really. All of the evidence or all of the reason and logic would tell them to give up and do their manufacturing offshore, to do their design here and keep their books and accounts here, but do all their manufacturing offshore, because it just does not add up.

However, to their credit they have been creative and resourceful. They have tried to keep those jobs here in Canada. We are not helping them for a lousy \$40 million. I am not saying that to be flippant. I know it is a lot of money. It is \$40 million spread out over the whole industry. "For the want of a nail, the shoe was lost; for the want of a shoe the horse was lost", and so the poem goes. For the want of this small amount of intervention on behalf of the government, we are about to lose this industry. I tell all hon. members, it will not be coming back. It will not be an interim plant closure. Once they are closed, they are gone.

Hon. members can tell from my tone that I am frustrated by this. I am frustrated because there are representatives from virtually every party who have personally and individually tried to reason with the Minister of Finance, first by letter then by phone calls and then by stopping him in the hallways, in the gymnasium, anywhere we can find him. We are begging, pleading, and imploring him to sign the paper that sits on his desk and save an industry.

Routine Proceedings

There is no other single, more important thing he could do to preserve Canadian jobs in this session of Parliament than to sign the duty remission orders that we find here in the first report of the Standing Committee on Finance. If he needed more reason, he should listen to the Senate Standing Committee on Banking, Trade and Commerce because it recommended the same thing. We have two reports from the Standing Committee on Finance, a report from the Senate Committee on Banking, Trade and Commerce, all telling the minister to sign the duty remission orders. What do we get? A deafening silence. What does it take to get through to these people? We have an emergency on our hands.

Perhaps nobody says it better than an actual practitioner in the trade. Gemini Fashions of Canada Limited in my riding just closed a plant with 150 employees. It is a block away from my constituency office.

The owner said, "Dear Minister, Gemini Fashions is a company in Winnipeg with a very proud tradition in Canadian apparel manufacturing. We just had to close our state-of-the-art outerwear manufacturing plant on Notre Dame Avenue in Winnipeg. This facility employed 150 skilled workers. This closure was a direct result of Prime Minister Chrétien's least developed country initiative to allow duty free and quota free imports into Canada from some 48 low cost countries".

That was a unilateral and arbitrary move that the then Prime Minister made without consulting the industry to allow least developed nations to export products into Canada without duty. The problem is that everybody knew. Global corporations simply moved their production to least developed nations and they now manage to get their product into Canada without duty. It was a bad idea. They were advised against it.

●(1025)

The owner of Gemini Fashion points out: "But this action was done without consideration of the Canadian apparel industry and rendered many Canadian manufacturing assets useless and nearly worthless. There has been no effective or meaningful consideration afforded to those most affected by this unilateral action of the Canadian government, and without meaningful consultation in our industry. We cannot turn the clock back now but there is something you can do. You can pass into law the unanimous report of the Standing Committee on Finance completed on March 31-04, enclosed herewith for your reference".

Here we have a garment manufacturer who has just had to close his factory, his family business, and lay off 150 skilled workers, appealing to the minister in a letter in April 2004 to please implement the recommendations of the Standing Committee at that time. That was six months ago. The situation was urgent then. The situation is desperate now, because essentially we have two weeks to go in this Parliament to try to reason with the Minister of Finance, to implore him once again in this more public way to please sign these duty remission orders so that this industry can live to fight another day.

That is what we are asking. We are asking the minister to give the industry a pardon, what could we call it—

An hon. member: A reprieve.

Mr. Pat Martin: Yes, a reprieve. We are asking the minister to show mercy if that is what it takes. If I were allowed I would be doing this on my knees if it would help. I will get down on my knees and beg the minister to sign these duty remission orders because I do not see anything else working. I do not see reason working. I do not see logic working. I do not see political pressure working. I do not see the recommendations from the Standing Committee on Finance working.

When there are unanimous recommendations, why are they not viewed as marching orders? Let me point out that when we have a unanimous report from a standing committee, it includes members from the government side. There are plenty of members from the government side who feel the way I do, because they represent ridings in Montreal and Toronto, and I do not know where else we find Liberals but certainly elsewhere, that may in fact have garment manufacturers in their ridings and they have a moral obligation to represent the interests of those manufacturers. They have a duty to represent the interests of those manufacturers, not just some ideological bias that some bureaucrat in that department has against this particular program.

The program is flawed. I am the first to admit it. Even the garment manufacturers are the first to admit it is not perfect, but I ask the government not to cut them adrift without a safety net, without a safety boat or a lifeline. That is what we are recommending here. There has to be a lifeline extended to this industry so that we still have these Canadian jobs in my riding.

In summary, let me say that the garment industry has been critically important to the diversification of my riding. We look to the garment industry to add to the diversification of industry in Manitoba to make it a healthy economy, whether it is the aerospace industry, the motorcoach industries and the garment industry in my riding. They complement the agrifood industry that Manitoba is known for.

The garment industry is critically important as a gateway industry for new Canadians to find their footing in this new country. They are good jobs, they are Canadian jobs, and the industry is doing all it can to keep those jobs in Canada. I implore my colleagues in the House of Commons today to tell the Minister of Finance to help us keep those jobs Canadian and in Canada.

●(1030)

Mr. Charlie Penson (Peace River, CPC): Mr. Speaker, I listened with a great deal of interest to the hon. member speak about the need for the duty remissions. I am one of those on the Standing Committee on Finance who made the recommendation to the minister to have these remissions put back in place for the garment industry.

I find it passing strange that the market is not allowed to work here. What the member is asking for and what all of us on the committee were asking for was essentially that the government not collect tax against this industry in the form of tariffs or duties.

It raises an obvious question considering how serious the problem is for the garment industry. I think the member made the point very strongly that there are a lot of jobs at stake. It raises the question of why we would we charge these duties to begin with.

Routine Proceedings

I think it is a very strong case for letting the market work in the fashion that only the market can work. We know that there are very low tariffs or duties on most industrial goods now worldwide, especially after the end of the second world war and with the introduction of the General Agreement on Tariffs and Trade and what has evolved into the World Trade Organization. I think tariffs are now in the range of 2% or 3% worldwide.

Agriculture is one big exception to that. A number of people want to have those tariffs reduced as well, to allow the market to function properly in that sector. The textile industry is another. The point made by the member today really illustrates that something gets really out of whack when a member has to stand up and say that our industry needs to be pardoned so we need to make this exemption for it.

Common sense needs to prevail. We should not charge the duties to begin with. We should remove the tariffs. That would be a common sense approach and it has been recognized worldwide by 160 member countries, I think, that are working to try to reduce tariffs worldwide. Does the member not think it would be better in this particular case to just remove those tariffs altogether?

Mr. Pat Martin: Mr. Speaker, I am trying to keep the debate focused on the one specific issue in a very complex industry. I am concerned that if we deviate too far into the broader issue of international tariffs, quotas and duty remissions, et cetera, we will lose sight of what we are asking the Minister of Finance to do today, which is simply to comply with the recommendations of the Standing Committee on Finance as it pertains to extending these duty remission orders.

I would be happy to have a further conversation with the member about the overall general issue of the reduction of duties and tariffs internationally, but I do point out it is frustrating that Canada seems to be willing to do that unilaterally and other countries are not. It leaves us at a disadvantage in the agriculture industry, as one example, when we decide we will no longer subsidize our farmers because all countries should stop subsidizing agriculture but then no one else does. It leaves us vulnerable and weak.

In this case, we are simply asking for a perhaps phased out duty remission regime so that these industries actually are not hit like a ton of bricks on January 1, 2005 and lose their lifeline.

The government should extend the orders for now and negotiate with the industry to phase them out forever, if it likes, but it should not do anything drastic as of January 1 or these plants will close their doors.

Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, I thank the hon. member for initiating this debate. It is one that has gone on in caucus circles for quite a while now. It has also gone on in departmental circles for quite a while now as well. This has not been precipitated just by the report of the finance committee but also by the fact that there is a deadline coming up on December 31.

I appreciate the fact that the member wishes to keep this focused on one item in the finance committee's report. The problem is that as soon as we unpack that little piece of duty remission, it then leads into other items such as tariffs, tariff relief programs and things of that nature because all of them exist in relation to each other.

Just to stay with the member's focus for a moment, if I may, I would like to ask him a series of questions that have been batted around, so to speak, by the minister and others, having to do what is the best thing to do here.

This is about a \$30 million program, \$30 million in duty remissions. It is an historical program. There is really no coherent reason why some people receive duty remissions and some people do not. One manufacturer on one side of the street gets duty remission and another manufacturer on the other side of the street does not. That is not a good way to focus a policy.

It is not particularly good, so the first question has to do with whether he would change the list of people who receive duty remission. Would he have a phase-out of the duty remission in some manner or another? If he did have a phase-out, would he replace it with some other form of program? Because the industry says it does not like the way the programs are working. I appreciate that the focus of the member's speech may well be good politics, but it is not necessarily good public policy.

An hon. member: It's common sense.

Hon. John McKay: With the greatest respect to common sense, we cannot take the first item in the report in isolation from others. He has not focused his speech at all on the second recommendation of the committee with respect to tariffs, so my second and obvious question is, would he also simultaneously do tariffs? If so, what particular tariffs? On inputs? On inputs to inputs?

This is a far more complex question than the hon. member wishes us to believe. I would be interested in his comments. I would like him to tell us which items he thinks should be dealt with under duty remission.

• (1035)

Mr. Pat Martin: Mr. Speaker, I can say that the duty remission orders do not benefit every garment manufacturer, but I can also say that no garment manufacturer is opposed to the idea of extending the duty remission orders to help those companies that they do have an impact on. The industry is unanimous in asking the minister to extend these remission orders even though some manufacturers do not actually stand to gain in any way. They know it is for the well-being of the industry in general.

If the hon. parliamentary secretary were being completely forthright, he would tell those who are listening that this finance committee report has only three very manageable recommendations in it. The first recommends extending the duty remission orders.

The second recommends that the federal government immediately end tariffs on inputs that are not produced domestically. We can support that. My hon. colleague from Peace River would surely be in favour of that. The government should immediately end tariffs on inputs that are not produced domestically. That is reasonable.

The third recommendation is that we undertake a study of temporary measures to help the industry survive once we do phase out these special intervention measures.

Routine Proceedings

We need an action plan to help the industry survive in the long term. In the interim, we need these lifelines to keep the industry alive so it can live to fight another day.

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, I would like to thank my hon. colleague from Winnipeg Centre for raising this important issue in the House today.

It is a very important matter. As we have just heard, it is easy for the government to say, "Oh, this is so complex we cannot deal with it", but as we have just heard from the member for Winnipeg Centre, it is not that complex. This is a straightforward recommendation. The committee has laid out a path for a direction that is reasonable and entirely doable. What is happening here is that the government is throwing up barriers, sitting on its hands and refusing to take action.

I have garment industry operations in my riding of Vancouver East and we consider those jobs to be very important, so I would like to ask the hon. member this question. Why is the federal government refusing to move on this issue?

Mr. Pat Martin: Mr. Speaker, the question of the day is that no one can understand, for the life of them, why the minister is so reluctant to follow through with the recommendations of the finance committee. Reason, logic and all the authorities in the country are saying that this is the right thing to do. However, stubbornly he has dug in his heels and now he has even built walls around his office to where those industry practitioners cannot even get through to register their dissatisfaction.

Someone in the bureaucracy is advising the minister that this is a bad idea but that is one person against the entire garment industry. The people who represent the workers in the garment industry are all saying that it is the right thing to do. That does not add up.

● (1040)

Hon. Roy Cullen (Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, I am glad to enter into the debate on the motion. I feel some authorship of this issue in the sense that back in April, 2004 I had the great honour to chair the House of Commons Standing Committee on Finance. We had hearings on the topics of duty remission and the zero rating of tariffs on textile inputs. We wrote a report and tabled it in the House of Commons.

Subsequent to that, we had a general election in Canada and therefore on the dissolution of Parliament the report died. However the new chair, my colleague for Saint-Léonard—Saint-Michel, and the members of the reconstituted Standing Committee on Finance essentially re-endorsed the report and re-tabled it with one minor exception. They made a wording change in one of the recommendations that had to do with the undertaking of a study on the benefits and cost.

In terms of the recommendation around duty remission and the tariffs, the newly reconstituted Standing Committee on Finance endorsed the previous recommendations and that report was tabled in the House. What the member for Winnipeg Centre is arguing is that the House of Commons should endorse that report and the recommendations that were contained in that report.

I must say that we had some very compelling arguments made to us in the House of Commons Standing Committee on Finance back

in April. What we have here are two different industries, although interrelated, the textile industry and the apparel industry.

If one were to go back to the days of the free trade agreement and NAFTA, everyone, certainly in the province of Quebec and perhaps across Canada, would have said that with the introduction of the FTA and NAFTA the textile industry in Canada was doomed and that it was long gone because it just could not compete with some of the huge textile manufacturers in the United States and around the world.

What we found however is that the textile industry in Canada was able to reorient itself and focus on some core competencies. It basically over time moved away from some of its traditional types of business, which was apparel and apparel related, and moved its industry more into industrial products, making carpets, accessories for cars and anything related to textiles in the industrial market. Therefore the textile industry has been able to survive and prosper.

We also heard that the apparel industry could not survive under FTA or NAFTA, but we have had some big success stories in the apparel industry. A company in Montreal named Peerless Clothing Inc. appeared at our Standing Committee on Finance. We all congratulated the company for the amazing work that it had done. It has been able to carve a niche in the United States market on men's suits and has turned its business into a multi-million business.

However we now have a changing world again. We have a changing world in the sense that there are companies in China, for example, and other parts of Asia where labour costs are very low and they have started to compete in a very big way. In fact the World Trade Organization, members of the House and members of the apparel industry and textile industry support moves by our government and governments around the world to remove some of the tariff protection that currently exists or has existed. They want to see the least developed countries having the opportunity to market their products around the world, which would create jobs, economic opportunities and economic development in the least developed countries of the world.

We heard at our committee that the apparel and the textile industry supported the WTO initiative to lower tariffs generally to provide opportunities for these least developed countries to realize their full potential when it comes to textiles and apparel.

● (1045)

Having said that, that creates some new challenges. We have some cost competitiveness issues where it is very hard for companies in Canada that pay a decent wage to compete against some of these countries in Asia and in Bangladesh and China. Therefore, there are some government programs and initiatives that help these industries.

In the context of the apparel industry, the first one is duty remission. I have been told that we have something like 200 companies in Canada that benefit from the duty remission program, which is a program where companies that manufacture apparel in Canada are able to get a remission on duties on some of the apparel products that they import into Canada.

Routine Proceedings

I believe that program costs the government somewhere in the order of \$26 million to \$30 million a year. Some 200 companies in Canada benefit from that. The list of the companies that benefit was structured sometime in the 1980s. We would have to ponder how companies made it on to the list and how some did not, but generally, as I understand the criteria, if a company manufactured apparel here in Canada it got the duty remission.

Without the government taking any action, that duty remission will expire at the end of December of this year. The apparel industry is saying that it will be caught in a very difficult position if that duty remission order expires and there is no renewal at the end of this calendar year.

One can argue that the apparel industry was told when the duty remission order was renewed seven years ago that it would not be renewed again. One could fault them for not adjusting to the new competitive reality. However, maybe the industry did try to adjust. For example, I know of a company in the Toronto area that is on the duty remission and it received somewhere approaching \$4 million a year. This company manufactures a lot of shirts in Canada and it employs a lot of people.

I do not have any apparel or textile companies in my riding. I became seized with this issue when I was the chair of the Standing Committee on Finance but I became more aware of some of their issues when they appeared in front of the committee. Some of these companies rely on duty remission to remain competitive. The very legitimate question is whether the apparel industry in Canada can be competitive in the medium to long run. I think that is a valid public policy question.

I do not pretend to have the answer to that. I do not know enough to say that maybe they have not been aggressive enough adjusting their costs or enhancing their productivity. I do not know enough to say that categorically. However, by the same token, I do not know enough to say that they have exhausted all the productivity enhancements that they could employ and therefore are still in a position of being non-competitive.

I think we need to examine this. My own personal preference would be to buy a bit of time. I do not think we should be stopping the duty remission cold turkey on January 1. I do think it would have an impact on jobs. I think it would have some economic consequences and consequences for people who are currently employed in these apparel industry factories and manufacturing facilities.

My own recommendation is that the government renews duty remission for seven more years, which is what the finance committee recommended. I understand that the finance committee can make recommendations and the government actually has a very good record of responding to recommendations from the Standing Committee on Finance, but in fairness, the Standing Committee on Finance looks at particular issues. The finance minister and the government have to look at a whole range of competing resource demands to come up with a budget and a fiscal plan.

I would like to see some accommodation on the duty remission. Whether it is renewed for a full seven years at the full rate is a question I think the Minister of Finance should ponder. I am not

privy to all the competing demands on the fiscal resources of the government.

My only point is that I think it would be a mistake to just drop duty remission on January 1. I would like to see the government extend it somehow. It would make a very good study for one of the committees or a joint committee of the House to better come to grips with the textile and apparel industries, how they relate, what their competitive position is in the medium to long term, and what the best way would be for the government to involve itself.

● (1050)

We have programs in the textile industry. One of those programs is called the CANtex program. Industry Canada provided some funding for CANtex a year or two ago to help the textile industry. In fairness, it takes a while for these programs to get up and running, but when I speak to the textile or apparel industries they say that they still have not seen the benefits from that program.

Admittedly, they have their own economic axe to grind and economic interests at stake, but we as politicians have to sift through a lot of information and in our own judgment at some point we have to make decisions on where we stand on certain issues. We cannot always believe one stakeholder or the other or the government.

I have been told that this program has not really caught hold yet and that it does not have a lot of traction. Maybe it needs more time to get going, but from the point of view of the industry, it does not see CANtex as a replacement for duty remission or any of the tariff relief that it is looking for.

Many of my colleagues on this side of the House and members of the other parties who were on the finance committee were seized with this issue, but I would like to mention my colleague from Ahuntsic in Montreal who has been on a crusade on this particular issue. Chabanel Street, which is in her riding, is where a large part of Canada's apparel industry is located and she has been on a crusade about this.

My colleague, the member for Beauce, has been integrally interested in this and pushing for resolution. My colleague from Guelph has been very involved, as have many others on this side. I appreciate the initiative the member for Winnipeg Centre has taken on this but it is an issue that has been discussed and advocated by many colleagues on this side of the House as well. It is not as though this is a new issue. This has been around for a while.

The Parliamentary Secretary to the Minister of Finance talked about its complexity. I understand that complexity should not grind things to a halt but it is complex, particularly if one looks at the interrelationship between textiles and apparel. If we do something for the apparel industry will that be good for textiles? If we do something for textiles will that be good for the apparel industry? Or, will it be good for both? It is not easy.

One of the recommendations in the report from the Standing Committee on Finance was to eliminate the tariffs. Recommendation 2 states:

That the federal government immediately end tariffs on inputs which are not produced domestically. Textile producers seeking continued tariff protection should be required to establish that they sell their products to Canadian apparel manufacturers.

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I heard some of the representatives in the textile industry saying that at any point in time no one can freeze what textiles are produced domestically in Canada. What textiles are being produced domestically in Canada today might not be the same as the list that applies next week. There was discussion that it could be dealt with through regulation, that there would be a list and that any time that changed we could change the list. We also have the textile industry selling raw materials into the apparel industry. Therefore whatever is done on one side starts to impact on the other.

I would like to see the House of Commons do more work on understanding this industry better but in the meantime I would like to see something done on duty remissions. I do not think we should stop it cold turkey. I would like the government to deal with recommendation 2 in some shape or form.

● (1055)

There is a misconception that if the House of Commons concurs in the report of the Standing Committee on Finance, it does not necessarily mean the government is obliged to implement the precise recommendations. It does mean that the House of Commons endorses the report, which would be a clear signal to the government that the House would like something done about it.

Having said that, the government does not have to accept every word of the recommendations. It has a decision to make. It is charged with governing on behalf of all Canadians. It could select some of the items, or some mix of them, and come up with a policy stance that deals with the issues which have been raised in a substantive way and perhaps not necessarily implement every recommendation of the finance committee.

We should be concerned about is this. The apparel industry and the textile industry employs many Canadians. We owe it to them to ensure that we have studied this in depth. I do not think we have done that at this point. Perhaps some of the officials have studied it, but we in the House have not studied it in the depth required. I would like to see a joint committee of the House of Commons look at these industries in more depth. In the meantime, measures can be taken that respond to the recommendations in the report.

I am more familiar with the apparel industry. The apparel industry is strong in Toronto, perhaps not as large as in Montreal. There is a large apparel industry in Winnipeg. If duty remission is stopped cold turkey, there is a real risk that some of these companies will have to look at their options. One option would be to move their facilities to Mexico or to some other country where they could get productivity or cost advantage, for whatever reason. It would be a shame if we lost these facilities and jobs to some other country because we did not act when we should have.

This is an important industry for Canada. If we look at the number of jobs, the apparel industry employs somewhere in the vicinity of 97,000 jobs in Canada. The textile employs something like 47,000 employees. These are important industries for Canada. Jobs in the apparel industry are mainly in Montreal, Toronto, Winnipeg and Vancouver. Jobs in the textile industry are mainly in small cities in rural areas of Quebec and Ontario.

I hope the government acts. I know members on this side of the House have been seized of the issue. I congratulate the member for

Winnipeg Centre for bringing it into the chamber for debate. I hope and encourage the government to act on the recommendations, but not necessarily verbatim, which would be good. However, it should respond in a very aggressive and proactive way to these industries. In the short run, they need the government's help. We need to understand these industries better so we can decide where the resources should be best applied in the future.

● (1100)

Mr. Werner Schmidt (Kelowna—Lake Country, CPC): Mr. Speaker, difficult as it is from time to time to compliment a member of the governing party, I must do that this morning. The ex-chairman of the finance committee has done an excellent job of presenting the case to the House this morning. However, I have a question for him.

He talked about the complexity of the adjustment that needs to be made. I think we all agree there is tremendous complexity. If we change one thing on one side of the organization, then it has implications elsewhere. I agree with that, and it makes good sense. The question I would like to ask him has to do with the overall study of the issue of tariffs and duties in Canada, not only with regard to the apparel and textile industry, but generally speaking.

I believe recommendation three gets into exactly that sort of thing. I agree that the report deals specifically with the apparel and textile industry. However, could the hon. member give us his opinion about examining the whole concept of duties and tariffs as they apply to Canada and its industries?

Also, is the difficulty experienced by the apparel and textile industry primarily about tariffs and duties or, as he intimated in his speech and perhaps even said directly, should the industry have made adjustments? Where is the problem? Is there a problem because the industry has not become competitive in terms of adapting its processes and operations to be more efficient, or is the problem because of the imposition of duties and tariffs, which may have nothing to do with the efficiency of operations of the industry? It seems to me that in the comments of the hon. member there was confusion in these areas. It was almost as if the industry were more responsible for being in difficulty than it was duties and tariffs. Could he perhaps clarify that?

Hon. Roy Cullen: Mr. Speaker, I am quite sure the member from Kelowna was a full member on the finance committee. He certainly was at some of the meetings when we were preparing the report.

I always get a little nervous about big macro studies. My experience with them is that a huge study often leads nowhere. I understand what he has said about looking perhaps at duties and tariffs in the whole global context of the issue within the Government of Canada. Then look at them in the context of the World Trade Organization.

Routine Proceedings

It is a big issue. We do have a changing world though. China was brought into the World Trade Organization and it made certain commitments to move to a market economy. As a result of that, some tariff barriers are coming down and the Chinese economy is growing at an enormous rate. For these purposes, maybe we could use it as a pilot to look at duties as they relate to the apparel and textile industry. If we find there is more meat in there, then maybe it could be expanded. However, I am just worried about this being lost in the shuffle of a major study, where two years from now we are no closer to any answers.

On his other question, I would like to clarify that I do not buy necessarily the notion that the industry has been asleep at the switch. I remember this came up in the context of the rising Canadian dollar. Some were arguing that the Canadian industry fell asleep at the switch, that it should have been making productivity enhancements. Canadian industry generally is always making productivity enhancements. In the context of the apparel industry, maybe there was an expectation that the duty remission would always be there. Maybe it has pushed the limit on the productivity enhancements already implemented. Maybe we are up against the question of whether it can be internationally competitive. I do not know the answers to those questions, but I will not make the assumption that it should have made the adjustments but have not. That is not what I am thinking.

• (1105)

Mr. Joe Comartin (Windsor—Tecumseh, NDP): Mr. Speaker, my question is for the parliamentary secretary on public security. I recognize his background with the finance committee, and I am to some degree puzzled by his position.

If I understand the situation correctly, with regard to the remissions, we are faced with the need for the decision to be made and signed by the end of December this year. We have heard from the parliamentary secretary on revenue that it is a complex issue and they are studying it.

Would the parliamentary secretary on security agree that we do not have time to come to conclusions on some of these other issues, such as who should be covered, whether there should be a phase-out and how it should take place? Because we do not have time in the next couple of weeks before the House adjourns to make those kinds of decisions, the Minister of Finance should sign the remissions documentation that is required to put this into place?

Hon. Roy Cullen: Mr. Speaker, I know the member for Windsor—Tecumseh is the critic on public safety and emergency preparedness. I want to make it clear that I am speaking on behalf of the member for Etobicoke North. As we are in this place longer, we find we have different hats. I am speaking on it because I am interested in the topic, and I was involved as chair of the finance committee.

I am saying this needs further study, but only in the sense of how the government could best deploy resources in the medium and long term. We need some short term decisions. The government is seized with that based on input from other members on this side of the House.

On duty remission, as I said, we need to do something before the end of December. I would like to see that rolled out beyond December. A cold turkey stop on January 1 is not appropriate. Jobs

are at risk and the government should deal with duty remission before it expires at the end of December.

Mr. Rahim Jaffer (Edmonton—Strathcona, CPC): Mr. Speaker, I, too, would like to echo my congratulations to the former chair of the finance committee. When we brought these recommendations forward, he was very helpful in ensuring that we worded them in a way that was acceptable to all the committee, which then further led to unanimous consent of the committee.

I know the hon. member said it, but it is important to continue to press the issue of extending the remissions. I almost fell off my chair when I saw an NDP member in the House rising to call on the government to reduce tariffs or taxes on industry. I do not know if it is because of the visit of President Bush today. Maybe it is having an influence on the NDP. However, it is good to see that party calling for a reduction. The member from Winnipeg was not there during the initial meetings of the finance committee on this matter.

It is important that we look at the issue and note that there is a timely situation here. When the remissions were first introduced in 1997, the current Prime Minister was the then finance minister. The commitment he made at the time was that the government would introduce the remissions, but it would ensure a review of the overall tariff structure on the industry and work with the industry to reduce any challenges it might have as it was restructuring.

I hope the parliamentary secretary, who is now in charge of a different portfolio, will continue to press the finance minister to address the issue of remissions. However, I hope we will be able to work with the industry in restructuring. We should do that in a timely way, not wait for another seven years.

Hon. Roy Cullen: Mr. Speaker, the member for Edmonton—Strathcona was a member of the finance committee, and he spoke out very forcefully for some action with respect to the apparel industry and textiles in particular.

I am not a big fan of studying things to death. We need to study this industry to better understand it so, in moving forward, we can make a clear decision of how the resources of the government could best be used to work with these industries to ensure they can survive, grow and prosper.

In the short run we should not stop the duty remission on December 31. The government should find a way to renew it partially, maybe not for the whole seven years, so we can buy a bit of time to better understand the interrelationship of these programs and duties and duty remissions. Then we can put it in a package that would make sense in moving forward.

• (1110)

Mr. Rahim Jaffer (Edmonton—Strathcona, CPC): Mr. Speaker, I would like to start by saying that we in the Conservative Party support this motion for concurrence. This motion moves concurrence in the first report of the standing committee, as we have been debating this morning, “Duty Remission and the Zero-Rating of Tariffs on Textile Inputs: The Canadian Apparel Industry”.

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I want to share some background on this because, as the revenue and customs critic, I was quite involved at the time we actually pushed this report forward. This issue first came to the finance committee during the third session of the 37th Parliament when we heard from witnesses on amendments to Bill C-21, an act to amend the customs tariffs. As I mentioned, I was in charge of this at the time. The issue was that the duty remissions which underpin Canada's apparel industry are set to expire on December 31, as we have heard.

Bill C-21 also did not look at the overall tariff structure or textile imports into Canada. That is why we decided to continue on. We said that we would deal with the remission issue but then would ensure that we reviewed the overall tariffs to see what we could do as a committee to work with the industry, and then finally we would look at another problem within the industry, one that dealt with gender biases.

That is what I will do. I will quickly read over the recommendations. We have been focusing on the first one quite heavily this morning, but I think the other two are just as important.

The first recommendation states:

That the federal government immediately extend, for a further seven years, the duty-remission orders covering the apparel sector that are set to expire on 31 December 2004.

Recommendation two states:

That the federal government immediately end tariffs on inputs which are not produced domestically. Textile producers seeking continued tariff protection should be required to establish that they sell their products to Canadian apparel manufacturers.

Finally, the third recommendation states:

That the federal government immediately undertake a study of temporary adaptation measures to enhance competitiveness, as well as the benefits and costs of eliminating tariffs on imports of fabric for use in the Canadian apparel sector, the types and quantities of products produced by the Canadian textile industry and the practice of tariff differentiation on fabrics based on their end-use. The results of this study should be tabled in Parliament no later than January 31, 2005.

That is what the original report said. From what I understand, there may have been a recommendation on or an amendment to that particular date.

Mr. Speaker, I just want to remind you that I will be splitting my time with the member for Cambridge.

All those recommendations, as we can see, are very clear. I think they were agreed to by all members, as I have mentioned, and a lot of thought went into structuring them in such a way that they would not cause problems for the finance department, especially in regard to extending those duty remissions in the meantime.

The remission orders have been around for quite some time. They were first introduced around 1997. There are remission orders for various textiles. Specifically, there was a new shirt remission order that provided shirtmakers with transitional assistance to help them remain in the shirt business in Canada. Similar remissions are also being considered for manufacturers of outerwear apparel and women's blouses and shirts. Shirting fabric and outerwear fabric are sub-sectors that are currently receiving assistance under existing remissions. This means that the duties on those particular areas of fabric will be reduced.

Duty remissions will enable Canadian manufacturers to complement the products they manufacture in Canada so that they would help to continue to encourage our industry to grow and flourish here in Canada. That will also help the textile apparel manufacturers in these import-sensitive sectors to adjust to the same kind of increased competition faced by shirtmakers. This recommendation calls for the extension of these remission orders for the next seven years. This was an easy decision for the committee to make and was reached unanimously, as I mentioned.

The surprising thing about it, as I mentioned in a question to the parliamentary secretary, is that there has not been any action by the government even though many representatives of the finance department themselves said that this issue needs to be dealt with and that we were getting closer to the end of the deadline. Why was there not greater attention paid to what other help is required to keep our industry competitive? Why was there not greater attention paid to the tax structure and the tariff structure?

My colleague from Peace River raised the idea of whether we should even be placing tariffs on these particular products here in Canada, seeing that many of the companies are importing these products that are not produced here. It seems to put them at very much of a competitive disadvantage with all these other competitors around the world. If the government had taken action at the time, maybe we could have moved this industry forward and we would not on the eve of this deadline be faced with this very important motion here in the House.

In the words of the committee:

—remission orders are, by their very nature, an incomplete and ad hoc method of addressing the needs of the entire Canadian apparel sector with respect to input costs: some textiles and sub-sectors are covered, while others are not. Moreover, we note the comments made by witnesses that the 31 December 2004 expiration date of the duty-remission orders is fast approaching, and companies need to make procurement and employment decisions in the immediate future. Consequently, it is vital that the federal government take immediate action to, at a minimum, maintain the current system.

●(1115)

Hopefully that cannot be impressed upon the government too much. I hope that message will get to the finance minister and that action will be taken immediately.

In my remaining time, I would like to focus on the last two recommendations.

The second part of the report details the mishmash of bureaucracy that government employs to deal with determining what is Canadian-made fabric and what is not. Simply, this recommendation calls for a streamlined process to determine if a fabric is made in Canada or not. If it is not, then it should not be entitled to tariff protection, as this raises the cost of importing it into the country. If it is, then it is necessary to see that the fabric is being put toward Canadian uses and not just being produced because of outdated tariff protections. This initiative is estimated to save the apparel industry approximately \$9 million a year in unnecessary duties.

Routine Proceedings

As I have said, extending this would specifically help Canadian companies with their inputs. Some of these products are not available in Canada. Clearly that is something of which we should be cognizant. If we are not producing these products at home, we should lower those tariffs because it would give Canadian companies the opportunity to access those particular products. A good example of this that was brought out in the committee was the idea of lycra or other poly-synthetics that are not produced here. Importing these products is very expensive.

Finally, the third recommendation dealt with the end use of fabrics when they are imported into Canada, especially the built-in gender bias that I spoke about. When textile importers bring in a fabric, they must declare what the end use of that fabric will be. For instance, if silk is imported to produce ties for men, the tariffs are not high; they fall under a preferential tariff. However, if silk is imported to produce women's blouses, it is subject to higher duties and tariffs. Therefore, women's blouses are more expensive because the fabric costs more to bring into the country.

It is really bizarre in this day and age that this sort of differential exists. We in the Conservative Party find it really unreasonable for the Liberals to be promoting this sort of gender bias in today's society. It does not make any sense. Gender bias could be eliminated with that simple recommendation.

In the little time I have left, I want to impress upon the House, as I did during the period of questions and comments, that this issue has unfortunately been dragging on for far too long. This affects our industry from coast to coast.

The committee received a number of submissions in the past. It studied the issue a great deal in the past as well. It is not like this has not been lingering around, especially when it comes to the extension of the duty remissions. I think it is clear. There was unanimous support on the committee. There seems to be unanimous support in the House, from what we have heard from the previous chair of the committee and members of the NDP. I am sure we will hear that from the Bloc as well. It seems that there should be some indication from the Minister of Finance that this particular act of extending the remission orders will be put in place.

This has really left the industry in a bit of a lurch. I have to impress this upon members. I was talking to some of the members of the industry. They are making plans for next year. They are trying to be competitive and want to continue to employ Canadians, but they are trying to deal with an industry structure that is very outdated and not responsive to the challenges they are facing.

I agree with the parliamentary secretary when he says it is up to the finance minister, that the finance minister does not have to adopt all the recommendations in this report. That is fine. We will deal with those other recommendations very soon, I am sure, but clearly we have to extend those remission orders so that our industry can feel safe about continuing to operate in this country, continuing to employ Canadians and still remaining competitive.

I will impress again on the Minister of Finance that he should not wait another seven years to deal with this issue. Let us address the tariff structure. Let us ensure that our industries remains competitive here in Canada. Let us not drag our feet on this any longer.

● (1120)

Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, I thank the hon. member for his thoughtful speech, which is very reflective of his thoughtful contributions to the finance committee when he sat on it. I appreciate that the member appreciates probably more than most the complexity of this issue and I want to get his sense of what his recommendation to the minister would be.

Essentially on the duty remission part we can simply let it lapse, in which case duty remissions come off at the end of this year. We could extend for a period of time. If so, what would be his recommendation in terms of a period of time? Or we could do a phase-out of either the people who are on the current list or the amount of the remission. In other words, we could scale it down from \$30 million down to \$20 million and then down to \$10 million, for example, or something of that nature. I would be interested in the member's response on those three options.

Just to make it a little bit more complicated for the hon. member, would he do something as dramatic, so to speak, as implementing recommendation 2, which is the complete elimination of tariffs on textiles? That is in the order of a \$75 million to \$90 million item.

The first is a \$30 million item. The other is a \$90 million item. Would the member do those as independent silos, which appears to be the position being taken by the mover of the motion, or would the member do it in a phased, staged way while looking at the consequences of tariff reduction simultaneously? I appreciate that this is a fairly complex question. It may even be a little bit unfair, but it may give the House some feel for why this is something of a fairly complex issue and not necessarily something on which it is easy to criticize that the government has been dragging its feet.

Mr. Rahim Jaffer: Mr. Speaker, I do appreciate the thoughtful question from the parliamentary secretary. I tried to approach the issue in two ways when we dealt with it at committee. The hon. member was present and we had a huge debate.

What the member is asking for specifically also was addressed by the industry. Can it remain competitive with this particular regime? Also, should we be phasing out the tariffs over time or should we do it over a certain time? How long should the duty remission exist?

Basically the feedback we received from the industry was that it could remain competitive if this were not in place, but obviously not overnight. This is the argument we are making. That remission order needs to be extended.

I cannot answer on how long it should be extended for, because clearly there are certain things we can do in order to deal with allowing for the industry to become more competitive. That is, where we do have trading partners, we can deal specifically with these tariffs that are charged on these types of products and start negotiating through the WTO and others, such as the Free Trade Area of the Americas, with the countries that are not dealing with reducing the overall tariffs.

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The government can actually lead on that and try to lead the argument to reduce the overall tariffs. If that could happen more quickly, then we would not need this remission order in place for very long. Clearly our industries can compete once we address those issues of tariffs. Ideally, I would like to see them phased out quickly as long as we can do something on the flip side and deal with the overall tariff regime.

I know that initially we are calling for the extension of the remission order, so that will deal with the initial \$30 million that the parliamentary secretary mentioned. We are willing to deal with that right away.

As for eliminating the rest of the tariffs, I am willing to open up that debate and look at ways to be able to phase it in. I know that it would be difficult to do it overnight, just as it would be difficult to eliminate the remission orders overnight. I would be willing to debate that and see how we could possibly phase it in, as I said, for the best interests of the industry.

• (1125)

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Speaker, my question for my colleague is in response to a comment he made earlier as well with regard to being surprised that the NDP members would say that they are not in favour of tariffs. I know that comments were made earlier by another Conservative colleague with regard to how we have to let the marketplace indicate how processes should evolve.

I wonder what my colleague's thoughts are on this issue we are dealing with today on the importance of having it resolved before the end of the year so that the industry is not jeopardized. As well, there were his comments on whether or not as a country we continually allow our resources and our jobs to go out of the country for the sake of globalization and letting the market set the standard, without ensuring that labour laws, human rights laws and all those types of processes are in place. I would like to hear his comments on that.

Mr. Rahim Jaffer: Mr. Speaker, that is a tough question to answer in the short period of time that I have, but I appreciate the question.

As I stressed in my presentation, we need to address the duty remission orders immediately. In fact, we raised it in April of this year in committee because we did not want to leave it until the end of this deadline that we are facing. We still have no indication from the finance minister if the department is going to extend these remission orders.

Clearly, I feel it is very important and that is one of the reasons we addressed it in April. I hope we will get some indication, after today's debate, from the Department of Finance and the minister that this will happen.

Regarding the other question that the member asked, it is clear that one of the reasons of addressing the issue of tariffs and dealing with this particular industry, which has been around for a very long time in this country, is to ensure that it remains competitive, employs Canadians and stays here at home. One of the fears that we have, by not addressing the issue of tariffs, is that these industries will leave.

Mr. Gary Goodyear (Cambridge, CPC): Mr. Speaker, I support the motion that is before the House this morning. The unfortunate

truth is that this motion is required to be before the House because the government has failed to act. It has failed to act in a timely fashion despite repeated requests, despite ample time, and despite instructions to do so by the House and the Senate.

Duty remissions which assist the Canadian apparel industry to solve previous problems created by unfair tariffs are set to expire December 31, 2004. This issue has been before the House many times. The government has shown a complete lack of interest requiring this action by the House today. The government has failed to act. I cannot tell if that is a result of a lack of interest, a complete inability to grasp the complexity of this issue, or incompetence, or maybe it is a bit of all of the above.

It certainly lends credence to the old adage that if this government owned McDonald's, a Big Mac would take three weeks to prepare. Frankly, the motion that is before the House this morning is simple. It is a simple fix to a simple problem. It is a fix that was unanimously supported, discussed and voted on by an all party committee. The finance committee made three relatively brilliant recommendations to what appears to be a debacle from past issues raised by the government and past attempts to fix mistakes.

What is this minister doing? The Minister of Finance is discussing it with his senior staff considering other things and looking at other solutions. That is great and indeed necessary, but these people need help now. The minister has taken it upon himself to go in a different direction. What for? He has his marching orders. He has been instructed by the House and by the Senate. If there are other solutions, and there will have to be to fix this package of bungled bureaucracy in government, then we can look at those too. No question about that, but please, deal with this issue today.

The amount of bureaucracy in this area is equally astounding as it is in all areas that the government touches. If it is not a study, or in the case of this present regime, an investigation or an inquiry, the government spends far too many tax dollars on programs that just do not seem to be necessary. Members will recall that this is the government that spends \$20,000 to hand out \$3,500. This entire tariff program is wrought with the same kind of bureaucracy.

Does it make any sense to anyone that if we were to import silk and claim we were going to use it to make a tie, we would pay a lot less than if we said we were going to use it to make a woman's blouse? Gender inequity is appearing everywhere in the government. Perhaps the minister intends to fix this bungling too and so he should, but that can wait. This cannot. This same solution was put forth by the Prime Minister who was then the Minister of Finance in 1997 and it had no global impact and no negative effect.

Routine Proceedings

When owners of John Forsyth in my riding of Cambridge called me a few months ago, they said the issue had been going on for far too long and the deadline was fast approaching. They were at a loss to tell me how such a seemingly simple solution was not solved or implemented especially since the member in my riding at the time was from that side of the House. How is it that half of the factories are in ridings from that side of the House? How is it that it always seems to be the opposition that has to get the job done?

I offered to meet with the people from John Forsyth immediately. In fact, I offered to meet with them the very next day because I took this issue very seriously. I have since met with the owners, the manager and the workers personally. When I entered John Forsyth plant in Cambridge, above the rhythm of finely tuned sewing machines and expensive machines that precision cut over 100 sheets of fabric at one pass, I saw an industry that has remained on the cutting edge, not to use a pun. This industry, whether it is Hathaway in Guelph or Miller Shirts in Montreal, has done its very best to stay competitive.

I also saw bulletin boards with pictures of picnics and celebrations of these workers and a corkboard with hundreds of pins identifying the locations of the different countries from which these hard working Canadians came from. The most visually impacting thing that I saw was the people themselves and a management team which showed deep concern for its people. I saw an owner who was gravely worried, not only for his own future but for the workers that he had come to know. I saw 200 workers behind which were families with children, homes with mortgages, and educations waiting to be undertaken.

• (1130)

I saw Canadians with jobs. I saw people with worry, indeed many with tears. I also saw a careless government that has allowed these people to teeter on the edge of collapse and to go needlessly week after week while the minister sits, thinks, discusses it and appears to be doing nothing.

I have asked the minister by letter, by phone, by e-mail and in the House on numerous occasions, and still no action. I wrote a letter to every single member whose ridings had these very factories in them. I informed them of the problem and the simplicity of this particular solution. I asked all of them, Liberals, NDP, Bloc and of course my own Conservative members, to join me to pressure the minister into doing the correct thing, not in a few weeks forcing these people to suffer longer and longer, not in a few weeks debilitating the managers and owners of these companies from planning and forecasting, but now.

In my riding there are 200 workers and their families are in shambles because of the government's inability or refusal to act. Rather than flying around the country campaigning, perhaps the Prime Minister should have stayed home and addressed the inadequacies of his ministerial departments. Rather than standing in the House a few weeks ago, bragging and taking credit for jobs the finance minister claims his government created, any logical thinking person would give at least equal attention to the jobs we already have.

Let us talk about the minister singing his own praises. On November 5 in response to my question regarding this issue in the

House, the minister bragged that the government had created thousands of jobs. The fact is that last year, of the jobs created, only close to 40% were in the public sector which is paid for by our taxes. Of those jobs that were created in the private sector that he bragged about, some 60,000 of them were classified as self-employed, which is defined as earning one penny or more.

Further, statistics during that same period the minister was bragging about creating jobs, unemployment went up by 10,000 people, 6,000 in the manufacturing sector. These were jobs we had and were lost. This is exactly why we are here today. We are here once again to speak to the government's inability to step up and step off its high horse, to stay in touch with Canadians, and emphasize its inability to come up with ideas that do not create more collateral damage than they are designed to fix.

We care on this side of the House for all Canadians, new and existing, those with and without degrees. Those we care about are with and without jobs. For the community of Cambridge and of course the entire country as a whole, I support this motion.

• (1135)

[*Translation*]

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, I will be splitting my time with the hon. member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup.

It is a pleasure for me to take part in this debate. The Bloc Québécois will be supporting the motion of the hon. member for Winnipeg Centre. We feel that the government's attitude toward this motion and toward the report from the Standing Committee on Finance is totally incomprehensible.

Moreover, the speech by the member for Etobicoke North has not fully convinced me. In general terms, he is telling us that the committee adopted this report unanimously but that now the government is not obliged to apply it in its entirety. That is true, but the House could at least use it to encourage the government to act.

This position is all the more incomprehensible because the problem is unavoidable. We all know that, following on a decision made 10 years ago by the GATT and the WTO, on December 31, quotas will be disappearing and tariffs will start to decrease. This will pose a serious problem for our apparel industry and has already become a problem for the textile industry.

The report before us was a unanimous report. I was sitting on the Standing Committee on Finance at the time when it adopted this report, in April 2004. The Liberals voted in favour of the report, as did the New Democratic Party and the Conservative Party. This is even more incomprehensible, the problem is so impossible to ignore that, just this afternoon, the Subcommittee on International Trade, Trade Disputes and Investment will be looking into the issue.

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We had the contribution of a committee that had been unable to table its report because an election had been called, which was a first step toward resolving a problem that cannot be ignored. Liberalization of trade will have, and indeed has already had, an impact in the textile and apparel industry.

The apparel sector is already benefiting from the effect of the decision, which we supported, to unilaterally eliminate tariffs on apparel from 40 of the world's poorest countries. This tariff reduction on apparel from less developed countries has had an impact. According to testimonies heard at the time at committee, in 2003, imports from countries like Bangladesh or Cambodia increased dramatically.

Nevertheless, I would like to come back to the substance of the issue. We support the motion put forward by the hon. member from the NDP, but we cannot understand the government's position. We have to look back at the recommendations made by the committee at the time. As hon. members will see, these recommendations make good common sense in the current situation. They are inadequate—and everyone will agree on that—because the problem is much deeper and more structural. They do however represent unavoidable steps in resolving the structural problems facing the textile and apparel industry.

The first recommendation was that the federal government immediately extend, for a further seven years, the duty-remission orders covering the apparel sector that are set to expire on December 31, 2004. What does this mean? The member for Berthier—Maskinongé and I had a chance to visit Empire Shirt, the oldest shirt maker in Canada. It has been making shirts for more than 100 years, and the situation became very clear to us. On the volumes that garment importers and manufacturers were importing in 1995, the federal government decided to remit the customs duties to them.

They, in turn, were able to invest that money to keep their plant competitive. As a result, the company that has been around for more than a hundred years still has a hundred or so employees. If it had not had access to these duty remissions, the company probably would have either closed or be on the brink of closure, and the removal of quotas on December 31 likely would have been a death sentence.

Nonetheless, thanks to these duty remissions, this company was able to invest, improve its technology and also make bids including some imported shirts and some made in Louiseville. As a result, it got contracts not only in Quebec, but throughout Canada and the United States. These contracts came from public companies, police forces, and retail or fast food chains.

The duty remissions were granted by the government in 1995. The whole list of remissions is included in the document. This company—like many companies, probably—adapted to the new rules of the game.

• (1140)

The question, then, is this: Why would the government let these duty remissions end on December 31, even though the tariffs are not disappearing? On December 31, the quotas for imported clothing from China, India and other places will fall, while the other less

developed countries were already covered by the unilateral decision made several years ago. The tariffs will not disappear overnight.

Thus, my company, Empire Shirt in Louiseville, will continue to pay duties. Perhaps these duties will be reduced over three, five or seven years. I do not have the details; I will have them this afternoon when we meet departmental officials. Having paid these duties, such businesses can expect remission of duties for quantities on which the federal government has already granted them. If not, the businesses will not only have to face the challenge of the borders being opened in terms of quotas, but also will have to pay duty on imports of shirts or clothes, without any remission. At that point, of course, their competitiveness is in danger.

I have told the House about one case, but I am convinced that in the industry as a whole these duty remissions are one way to help companies face the new situation.

That was the first recommendation. I am convinced that we all now agree it is only common sense.

The second recommendation is:

That the federal government immediately end tariffs on inputs which are not produced domestically. Textile producers seeking continued tariff protection should be required to establish that they sell their products to Canadian apparel manufacturers.

I have an example of this. A textile product is manufactured in China and sold to a company in Bangladesh. The shirt or other garment manufactured in Bangladesh enters Canada without customs duties because such duties were unilaterally eliminated. As I mentioned, the Bloc Québécois agrees with this. On the other hand, what is incomprehensible is that a Canadian or Quebec manufacturer importing the same textile—the same cloth—from China, will pay the duties. Not only have we unilaterally agreed to drop customs tariffs on clothing coming from Bangladesh, but what is more, we penalize our Canadian and Quebec manufacturers making the same type of garment. It is hard to imagine someone being more masochistic than that. We have seen, though, that this is not the only area where masochism seems to be the rule.

This recommendation does not propose to completely liberalize the textile sector. On the contrary, it asks the federal government to immediately end tariffs on inputs which are not produced domestically, so as to give our producers a chance to compete with products that come from third world countries.

Again, we were in agreement with the unilateral abolition of these tariffs. We are simply asking that, in the case of textiles inputs not produced in Canada, the government immediately end tariffs, so as to give our producers a level playing field to allow them to compete with foreign products.

The third recommendation reads as follows:

That the federal government immediately undertake a study of temporary adaptation measures to enhance competitiveness, as well as the benefits and costs of eliminating tariffs on imports of fabric for use in the Canadian apparel sector, the types and quantities of products produced by the Canadian textile industry, and the practice of tariff differentiation on fabrics based on their end use. The results of this study should be tabled—

Routine Proceedings

I agree with the former Chair of the Standing Committee on Finance that the two recommendations are a necessary but insufficient basis to solve the problem in our apparel and textile industry so that it can be competitive. What are proposed are adaptation measures.

There is currently a great deal of research and development going on in the apparel and textile industry, but these efforts are not recognized by the federal government the way they are in other industries, such as aerospace and automobile. In fact, this is just a matter of fairness.

• (1145)

[English]

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, my colleague from the Bloc Québécois has raised many fine points. We share the same view that the policies of the government make even more necessary the extension of the duty remission orders.

I am glad that he raised the least developed countries issue. In 2003 the Liberal government, without much consultation with the industry in Quebec or in the rest of Canada, introduced the least developed countries provisions which allow 48 eligible countries to import their products duty free. The manufacturers in Canada still have to pay duty on the raw product to the extent of, in many cases, 18% to 25% duty.

This puts unbelievable competitive stresses on the Canadian and Quebec manufacturers. It gives an advantage to those products manufactured in the least developed countries, even if the owners of those factories in the least developed countries may be global multinational companies. Would my colleague from the Bloc agree? Also, would he agree with me that the least developed countries provisions were absolute folly and in fact had contrary effects to the industry and give justification to extending the duty remission orders?

[Translation]

Mr. Pierre Paquette: Mr. Speaker, as I mentioned, we supported that measure. In fact, a number of developed countries made a commitment to the UN to unilaterally liberalize their market for the 40 least developed countries. However, we should all recognize that this measure has had an impact on employment and on the industry.

Therefore, just imagine what will happen on December 31 if there are no support measures for the apparel industry and for the textile industry. The situation could indeed become catastrophic. I believe the federal government has a responsibility. In fact, it recognized this by setting up an employment adjustment committee, albeit too late and without adequate means.

We must now repair the damage done and ensure that the apparel industry, like the textile industry, will get some support from the government to enhance its competitiveness and face foreign competition, particularly from third world countries.

I just want to mention some figures. According to the president of the Canadian Apparel Foundation, imports from Cambodia have increased by 328% since the liberalization of the market, in 2003, to \$83 million, while those from Bangladesh increased by 115%, to

\$3 million. The 40 least developed countries only account for 3% of the Canadian market.

So, I agree that this measure has had an impact, but it is nothing compared to the one that the lifting of quotas, on December 31, will have on the apparel and textile industry.

I fully agree with the hon. member that the federal government has a responsibility that it has failed to assume to help this industry adjust, enhance its competitiveness, do research and development, and provide manpower training, which are the ways we will ensure the future for our industry.

• (1150)

[English]

Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, the hon. member was on the finance committee when this report was written. He made a very thoughtful contribution as well to the work of the committee. At this point I am actually even missing him and his contribution at the committee, as unbelievable as that might be.

He did focus somewhat on the second recommendation, the immediate end to tariffs on inputs. We have CANtex, a program which generates about \$26 million in direct assistance to the textile industry, but simultaneously the industry pays about \$15 million in duties. It seems that the right hand is not necessarily talking to the left hand.

I would be interested in his comments as to whether, on the second recommendation, independent of the issue relating to the first recommendation, he thinks the government should proceed with that recommendation. If it does proceed, should it also keep in place the support programs for the textile industry?

[Translation]

Mr. Pierre Paquette: Mr. Speaker, I thank the parliamentary secretary for his kind words. We must not throw the baby out with the bath water. The federal government's intervention to help the apparel and textile industry must be multi-faceted.

In my view, duty remission is still a necessary support. We are talking about a great deal of money, \$13 million a year for the shirts alone. In a sector where we know the profit margin is relatively low, \$13 million is a lot of money. It is probably money that is needed for investment. I think there is room for several types of aid.

I will conclude by saying that, in terms of textiles, according to what we are told, Canadian textile inputs in apparel do not exceed 30%. In other words, 70% of the industry is in other areas and that is where we need to help our textile industry.

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, what a fine name for a riding. I rise today to speak to the debate on this motion and to congratulate the hon. member who presented it.

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Reference was made to the report prepared by the Standing Committee on Finance in April 2004, in which a heartfelt cry was made to say that, in the apparel industry, as in the textile industry in Canada—but the report specifically talks about the apparel industry—there are some real structural changes that are the result of the GATT agreements. On December 31, the quotas will be eliminated and the tariffs will start to decrease. This industry will have to overcome an extraordinary and very difficult challenge, which it is already facing right now.

Knowing that these things are in place has an impact on investment choices. The apparel industry is the tenth largest manufacturing sector in Canada, with more than 93,000 employees working in 3,900 establishments. It accounts for 2% of Canada's total manufacturing gross domestic product, 4% of manufacturing investment and 4.4% of total manufacturing employment.

This is an important field and also one where newcomers to the country often get their first job. People who work in this industry often have not had much formal schooling, but they develop expertise on the job, and now are likely to find themselves with no future.

The report asks whether, in preparation for the coming storm, certain measures could not be put in place. This is the outcome of consultations with the industry.

The first of these would be the remission of duties. It would be an exemption from customs duties, in whole or in part, from import charges or taxes on imported products.

Remission orders have been issued for a variety of products: tailored collar shirts; outerwear greige fabric; shirting fabrics; outerwear; blouses shirts and co-ordinates; apparel fabrics. All sorts of specific types of garments or fabrics have been allowed remissions in the past, particularly at the time agreements like the free trade agreement were adopted.

Now we have a new era, one that will start on December 31, 2004. The industry is asking for a least a chance to prepare so that it can come through this properly. Extending the remissions by several years so that it can continue to earn revenue on these products would help the industry out.

As my colleague has said, this is just part of a far more general program the government must take action on.

Today the House is going to send a message to the government that a far more structured intervention is required than there is at present, if only in connection with the third recommendation in the report.

The third recommendation states that the federal government must immediately undertake a study of temporary adaptation measures to enhance competitiveness as well as the benefits and costs of eliminating legislation on imports of fabric for use in the Canadian apparel sector. These are things that ought to have been done a long time ago, but we realize they were not done properly.

I am aware, particularly in my capacity as Industry critic, that there has been a kind of laissez-faire attitude in the Department of Industry on this, which is the source of the government's inaction.

The federal government, in its strategies for various international trade sectors, has made choices. It has accepted that some sectors must be sacrificed. The spirit which prevailed in the determination of these sectors is still active, but there are sectors that deserve to be specially supported.

The parliamentary secretary was telling the House about the CANtex program. Yes, it is interesting, but the amount of money involved in it is inadequate. In addition, there are concrete, short-term measures that should be taken, and that are not being taken, such as the measures in the report we have before us.

Would it not be appropriate for the members of this House to agree to ask the government to reply to the report? The parliamentary secretary had a question, namely, whether we were in favour of recommendation No. 2. Certainly, this is a field involving many complex choices. We must look at the consequences of our actions.

● (1155)

Nevertheless, the recommendation that has been made is logical in one way. It gives our garment industry access to textiles without it being penalized, while the rest of the world is given entry without tariffs into the Canadian market. The current situation is unacceptable. People producing garments in Canada cannot have the same advantages as people who produce garments outside the country. Something about that needs to be corrected.

Should we get into the specific details of the recommendation? With regard to imported textiles, we must be very clear that there is no question of their competing with textiles produced within the country. In my opinion, such things can be specified.

Nevertheless, today, the garment and textile industries are feeling abandoned by the federal government, which has engaged in a laissez-faire policy that is not properly applied to this sector and will have very negative consequences on the jobs involved.

Even in an economy like ours, which is working well at the moment—in North America and all over the planet, there is growth—there are sensitive sectors like this, which often have a major impact on communities.

It has become apparent that in the distribution of industries in the textile and apparel sectors, entire municipalities have been dependent to some extent on the continuity of employment by a business, and sectors in some big cities, such as Montreal, are also dependent. Thus, it is important that measures be taken by the federal government.

We have accepted the fact that there will be a free market. We have seen the benefits it can have for developing countries. We have accepted all that and that is what we want. We are prepared to work in that direction.

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What we find unacceptable is that the federal government is making its own manufacturers less competitive than their foreign counterparts when it comes to selling products on Quebec and Canadian markets. That is what we find unacceptable.

The Bloc Québécois supports this report and wants it to be adopted by the House and to have the government respond to it as soon as possible. In any event, the federal government should—in this sector and in others—announce its industry strategy as soon as possible so that the industry knows what to expect—and not just piecemeal programs.

In my opinion, that is the message hon. members in this House must send by adopting this report.

• (1200)

[*English*]

Hon. Bill Blaikie (Elmwood—Transcona, NDP): Mr. Speaker, I want to put a question to the hon. member who just spoke, but before I do I will preface it by saying that I was a member of the committee that produced the unanimous report that the Minister of Finance is now ignoring, refusing to sign these duty remission orders and, for that matter, to move on other aspects of what was recommended unanimously by the committee.

I wonder if the member would care to comment, if he has not already and for that matter even if he has already, on the strange position we find ourselves in today. We are in a Parliament where the new Prime Minister has made a big deal out of trying to address the democratic deficit and giving members of Parliament more say in the formulation of government policy, and here we have a perfect example of what a Prime Minister who was serious about dealing with the democratic deficit would do. A Prime Minister who was serious about this would respect the unanimous recommendation of a committee on this particular subject.

I know it is of particular importance to the member for Winnipeg Centre but also to myself as another MP from Winnipeg. Jobs are at stake in Winnipeg. It is not only an employment issue but it is also a democratic issue for this Parliament.

I wonder if the member would care to comment on how odd he may find it that we have to be doing what we are doing here today, holding up what would otherwise have happened today in the House of Commons, in order to try to get a government, that says it wants more democracy in this place and wants to extend more respect for the opinions of members of Parliament, to actually live up to its rhetoric about dealing with the democratic deficit. Why will the government not respect the unanimous recommendations in the committee's report?

[*Translation*]

Mr. Paul Crête: Mr. Speaker, I thank my hon. colleague for his question. I will give him an example to illustrate why I think the government is behaving the way it is.

Three years ago, a unanimous report on employment insurance was adopted. At the time, we had, across the way, a majority government, which acted as if it did not have to take this report into account. Today, I get the impression that we are confronted with a holdover from a government that has not yet got the message that the people of Canada have chosen to have a minority government. This

means that they want their opinion to be conveyed through Parliament. That is what we are doing today by asking that this report be concurred in.

The federal government has not yet made peace with the idea that it has to take this state of affairs into account and that, when a will is expressed through Parliament, it has to be taken into account. I hope that, today, we will find significant support in this House, not only among opposition parties, but also on the government side, to ensure that the government will at least be required to respond to the committee's recommendations.

In April 2004, we were very aware of the problems to come. We had an election campaign. After the election, the government did not act, it did not implement the relevant measures. It is therefore perfectly logical to try again, to ensure that it will act; the matter has to follow its course.

The apparel industry in Quebec and Canada, which long provided a livelihood for many, is going through major changes. If we want this industry to continue and R and D efforts to produce results like the CANtex program, to which the hon. parliamentary secretary referred earlier, businesses have to be able to operate in the meantime. That is what we want, and what we have called for.

I think that this is a great opportunity for the government to show that it has indeed heard the expression of the will of the people of Canada to have a minority government, which will have to take into account the support for positions taken in Parliament. If this report is eventually concurred in, the government will feel compelled to evaluate it and to make recommendations as soon as possible, because organized and structured action is urgently required in this sector. At present, there is no indication that the current federal government is taking any action.

• (1205)

Hon. Robert Thibault (Parliamentary Secretary to the Minister of Health, Lib.): I am delighted to have this opportunity to discuss the motion.

[*English*]

I appreciate this opportunity to respond to questions concerning the first report of the Standing Committee on Finance entitled "Duty Remission and the Zero-rating of Tariffs on Textile Inputs".

My hon. colleagues are no doubt aware that the Standing Committee on Finance agreed on October 19 to reissue the fourth report from the 37th Parliament in the current session of Parliament and to present it in the House with a request for a global response from government.

The report raises some important questions of interest to the Canadian textile and apparel industry. I can assure the House that it is a priority of this government to proceed as expeditiously as possible with its consideration of the committee's recommendations.

The Canadian textile industry is one of Canada's oldest manufacturing industries. It has evolved through innovation and modernization to become a key player in the provision of specialized fibres and textiles in a highly competitive international market.

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Established over 150 years ago in small communities that offered a stable labour supply and rivers ideally suited for water generated power and dye and finishing, the industry was initially based on the manufacture of yarns and fabrics for natural fibres.

Currently the industry is located mainly in Quebec and Ontario. It is heavily capital intensive and uses natural and man-made fibres and yarns. It supplies over 150 industrial and other customers in Canada and worldwide.

While this industry, as I mentioned, is currently mostly in Quebec and Ontario, it is not exclusively. Windsor Wear still operates in Windsor, Nova Scotia. We still have operations in Truro, Nova Scotia. Regrettably, we lost two operations that were in my riding, Dominion Textile which operated for over 150 years, and Britex, which I believe operated for 40 years. We have another one, Bonda, which still operates, but not at the level that it once did.

That these three examples from my riding, very old and very good companies, were able to disappear speaks to the fragility of this industry. It is important that we take all measures possible to protect this industry and give it the chance of success.

We have to seriously look at what the market is doing over time, what industry is doing over time and how we can make sure it is there through some short term or maybe punctual examples of assistance or aid that we can give, such as what is being proposed here.

I look forward to seeing the minister's response and what actions are taken. I was a member of the committee that supported these motions originally. If there are other actions that are just as good or better, it would be important to review them. However, I am looking forward to the response.

As noted by the Canadian Textiles Institute, Canada's textile manufacturing industry has transformed itself in the last 22 to 25 years through substantially sustained capital investments. The result is an industry that is modern, efficient and increasingly capital intensive. It is a major user of high technology and a provider of quality jobs for thousands of Canadians.

In doing so this sector has clearly illustrated the role that progressive federal economic policies have played over the course of the last decade in encouraging the innovation and investment necessary for Canadian industries to compete in the 21st century global economy. However, we must never forget what I previously said about those industries that did not make it and where we may have been able to implement other measures that would have assisted. We have to look at every way we can assist the ones that might find themselves in similar situations in the future.

The report by the standing committee reflects comments made by witnesses from the apparel industry regarding the status of current tariffs and duties. I remind the House that the six duty remission orders for textiles and apparel noted in the committee report were implemented in the late 1990s.

Those companies that are eligible under these orders can import certain textiles and apparel products without having to pay duties on them. The orders were designed as a transitional measure to help textile and apparel manufacturers adjust to an increasingly

competitive trade environment. These six orders are set to expire on December 31 of this year.

The government recognizes that Canadian textile and apparel industries are facing a competitive international environment. Export competition from low wage developing countries, such as China, Bangladesh and India, will increase in 2005 when all countries remove their quotas on textiles and apparel. The agreement to eliminate these quotas was made in 1994 under the auspices of the World Trade Organization.

● (1210)

The standing committee report has recommended the immediate extension of these remission orders in order to compensate for greater competition from low wage developing countries. It also calls for the elimination of tariffs on textiles not made in Canada and for a study to be conducted on the benefits and costs of changing the current tariffs on imports of fabric.

I would like to assure all hon. members that the government will consider the recommendations of the Standing Committee on Finance. It will continue to do what it can to help these important industries.

That said, I would be remiss not to mention the progress the government has already made working with the apparel and textile industry in Canada. We have already committed to continue to work toward an integrated North American market for Canadian apparel and textile products and to consider any proposals made jointly by the apparel and textile industries for new market developments through an outward processing initiative. We have committed to continue to protect against illegal transshipment of imported apparel and textile products and to use existing tools as appropriate to respond to industry complaints regarding injurious import surges.

I was listening to the member of the New Democratic Party. It would seem reasonable to me to assume that the NDP would agree with the motions that have been made on the actions taken to assist developing countries and the people most at risk. We must make sure that these are not contravened, that people do not get around what we want to do for assistance, to hurt our industry. That requires vigilance. We have to see if we are doing enough in that area.

We have committed to work through the employment insurance program to continue to meet the needs of workers adjusting to changes in the industry and to ensure, through ongoing support for human resource sector councils, that employees obtain the skills they need to respond to the challenges of a rapidly changing labour market.

The Canadian apparel and textile industries program was created on June 27, 2002 to increase the international competitiveness of the apparel and textile industry in Canada. It does so by supporting the application of new technology, better marketing strategies, identifying niche markets and diversifying products.

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Many of the Canadian apparel and textile companies already compete successfully in international markets. By identifying and promoting the strategies and best practices of these companies, the Canadian apparel and textile industries program will help other companies acquire the tools they need to build and sustain a competitive advantage.

Britex which was in my riding was an example of such a company: niche market, high technology, very good workforce, but a large capital investment that it had to sustain. We will come to that later. We should use the example of Britex so that no other companies and no other communities suffer what that community has suffered. People who had worked nowhere else and who depended on that business to provide for their families have seen it disappear. Hopefully, initiatives will mean that there will be a reprise or a takeover of some of those assets to continue operations within those communities.

Another point is we have committed to making the remaining \$6.5 million in funding from the company component of the Canadian apparel and textile industries program more readily available to companies when they take initiatives in advance of the removal of the apparel and textile quotas by January 1, 2005, if that is to happen. We ask the minister to consider that carefully and to consider carefully the recommendations of the report.

We have committed to identify and reduce tariffs on imported textile inputs used by the Canadian apparel industry so as to improve the industry's cost competitiveness. This initiative will amount to an approximate value of \$26.7 million to the apparel industry over the next three years. These tariff reductions will generate an ongoing reduction in duties paid beyond the first three years.

We have committed to improve the competitiveness of Canadian textile companies through a new three year \$26.7 million textiles production efficiency initiative. This program is currently being implemented by Industry Canada.

A further point is to continue to work through the national initiatives component of the Canadian apparel and textile industries program to address the technology support, branding, trade development and e-commerce needs of the apparel and textile industries.

All of these together respond to what was raised by the member of the Bloc Québécois on what we should be doing to modernize our industry and to ensure its competitiveness as well as that of our workforce and its security.

These initiatives and investments are still key to the future success of these industries in the global trading environment and their continuing contribution to the health of the Canadian economy. Therefore, it is also important to mention some of the steps the government has taken that have contributed to the dramatic rebirth of these sectors as competitive high tech innovators.

• (1215)

A competitive tax system is critical to fostering business investment in Canada. Investment supports economic growth and job creation. The Canadian textile and apparel industry has demonstrated clearly that with more and better equipment embodying the latest technology workers are more productive. Increased

investment and higher labour productivity in turn leads to increased employment, higher wages and a higher standard of living.

The importance of improving the competitiveness of the tax system has been underscored in recent years by reductions in corporate tax rates in many of our major trading partners. The Government of Canada is presently taking measures to strengthen the Canadian tax advantage for entrepreneurs and businesses. These measures build on the five year tax reduction plan introduced in 2000, the largest tax cut in the country's history aimed at promoting investment and entrepreneurship within the country.

Supporting our businesses through tax reductions and other measures remains paramount to establishing a world-class marketplace. The Government of Canada actively promotes entrepreneurship through its competitive tax system aimed at supporting businesses of all kinds, small, medium and of large.

Budget 2004 identified small businesses as a key source of innovation and job creation and announced measures to help support this essential sector of our economy. The new capital loss carry forward period has been extended to 10 years, making it easier to weather the first and most difficult years of business. The government is also working with business, under an government electronic tendering system, to improve and reduce the costs of applying for government procurement opportunities.

Finally, the government is teaching businesses how to reduce the paper burden and get it right the first time to avoid duplication. For larger businesses with incomes in excess of the small business deduction limit, the five year tax plan reduces the 28% general corporate income tax rate down to 21% in 2004.

I would like to remind the House that Canadian businesses have a federal-provincial corporate tax rate more than two percentage points lower than the average U.S. state federal rate. Canadian businesses can look forward to the elimination of the federal tax completely by 2008. Compared to the U.S. equivalent, Canada also provides small businesses with significantly lower corporate tax rates than the U.S. on income above \$50,000 U.S. or approximately \$60,000 Canadian.

One area where the tax system has an important impact on new investment, particularly in capital intensive sectors like the textile industry, is the treatment of capital assets. Businesses use capital assets over a number of years. The capital cost allowance system determines how much of the cost of a capital asset a business may deduct in a particular year. CCA deductions are generally determined by assigning a rate of class of assets, and then applying the rate to the non-depreciated balance in the class to determine the allowable deduction for that year.

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As a general principle, capital cost allowance rates should reflect the useful life of assets and thus provide adequate recognition of capital cost over time. The alignment of CCA rates with the useful life of assets can enhance productivity and standards of living through a more efficient allocation of investments across classes of assets.

In need of a segue perhaps, in the 2004 budget the government announced two changes to CCA rates, which have improved the environment for investment in Canada. First, we have made it easier for businesses to purchase computer equipment by increasing the CCA rate for computer equipment to 45% from 30%. Second, we have raised the rate for broadband, Internet and other data network infrastructure to 30% from the previous 20%.

As we know, using improved technology, increases productivity and competitiveness. This translates into greater demand for goods and services and for more new jobs, in other words, greater competitive advantage. These changes will allow firms to write off these investments more quickly, thereby ensuring that the tax system provides an appropriate environment for investment. The attractive environment for business investment in Canada has resulted in the Canadian textile industry investing over \$300 million annually in state of the art textile equipment and facilities. Over the last decade, that represents \$3.1 billion in investments in our country.

●(1220)

These capital expenditures contributed to an increase in labour productivity in this sector in the 1990s. While Canada is not a textile machine manufacturing country, textile machinery embodying the latest technological improvements produced worldwide is readily available to domestic manufacturers that must continuously reinvest to remain internationally competitive.

The hon. members may be assured that the concerns of the textile and apparel industries are very much on the government's agenda right now. In fact, the Minister of Finance recently met with a number of representatives from the apparel industry. Our government recognizes that increased competition from abroad represents a serious challenge for Canadian textile and apparel industries. For this reason, we are working closely with these industries to assist them in adjusting to the globalization of the textile and apparel markets.

The government's commitment is to support entrepreneurship and businesses through the pursuit of a competitive tax system alongside clear strategies for gaining the competitive advantages evidenced by the priority placed upon the apparel and textile industries in Canada. Our response to the finance committee report will no doubt reinforce our efforts to ensure that these industries remain world leaders.

I spoke of the energies that we spent in the programs that we have developed to work hand in hand with the industry to ensure its competitiveness in the future. We must also remember where it has not worked. We must remember where there has been a loss of industry. I remember when Domtex, Dominion Textile, went out of business in Yarmouth. It was an incredible loss to the community of some 500 jobs. We must ensure that we reduce the possibility of that ever happening in other places.

Britex developed its competitiveness, its high technology product and delivered worldwide to other manufacturers. People who had

invested their whole lives in that industry lost their jobs. It was devastating to those communities. Bonda Textiles has found its competitiveness reduced compared to imports internationally.

No government program can guarantee the success of any industry or business. However, we must ensure that we bring them as close as possible or give them the potential to survive. Therefore, I think the minister will look seriously at the recommendations of the committee, and I will encourage him to do that. I was part and parcel in the drafting of those recommendations. I would encourage him to implement those or something that would be even better for the industry.

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Speaker, I would like to try to sort out exactly what my hon. colleague feels is the right thing to do. He mentioned the seriousness of job losses, the importance of supporting the industry and putting in place proper processes. We and our colleague are calling exactly for that, however, time is running out. We need a decision now. The deadline is December 31.

Over the last number of years, I have watched the Liberal government procrastinate on trade agreement after trade agreement. We ended up with the whole softwood lumber issue because the government did not come up with a plan to address it before we ended up in crisis. We do not want that same thing to happen in the garment industry. We do not want all those people without jobs. The government has to act now.

Does my colleague support the motion? We absolutely believe there need to be long term plans, but right now the finance minister has to sign on the dotted line not only to ensure that we have a plan in place for later, but also to ensure that the industry does not suffer. What is his plan? Does he intend to support the motion? Does he intend to ensure that he gets the government to sign on to this?

●(1225)

Hon. Robert Thibault: Mr. Speaker, as I mention, I was part of the committee that drafted those recommendations. Based on the information I had at the time, I thought that was a very reasonable approach.

As part of the parliamentary process, we presented the report, to which the minister will respond. I encourage him to do this or something that is better for the industry. That is also a reasonable approach.

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Speaker, opposition members talk about the garment industry. As much as we are support it becoming innovative, we forget one thing. For a garment to be produced, we need to have yarn. That segment of the industry has been totally forgotten by my colleagues. Yes, the LDC initiative is good. However, I am concerned that shops will be set up in the least developed countries and that in essence will eliminate what we have today.

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My comments are related to not just innovating. In my view certain government offices, such as EDC, do not support this industry when it comes to exporting. I found out that they had increased their charges fivefold. No wonder my colleague from West Nova was so passionate when he talked about how Dominion and Britex disappeared, the heart of the community.

Some of our facilities, which are modern state of the art yarn manufacturers, are being impeded. As mentioned earlier by my colleague from Churchill, we have to get to the trade table. One table we are not at is the CAFTA table, Central America Free Trade Agreement. The Americans are there and are beating us out. They do not want subsidies. They simply want our government to be at the table to sign on the dotted line so they can compete.

Hon. Robert Thibault: Mr. Speaker, the hon. member as well the member for Ahuntsic have been very instrumental in bringing this forward at caucus and ensuring that the minister is apprised of the situation. We have encourage and implored him, and he has been receptive. He has been meeting with the industry. He is getting to understand it. He has received the report of the committee, as has the whole House. He is apprised of its recommendations. We encourage him to put those recommendations in place, or things that are even better.

Look at the international situation. We have been encouraging least developed countries and emerging markets, and the apparel industry has agreed with that. However, the fear is the system will be abused. We do not want to see that happen. We want to be good global neighbours, but we have to protect our industries and those jobs within Canada.

[*Translation*]

Hon. Eleni Bakopanos (Parliamentary Secretary to the Minister of Social Development (Social Economy), Lib.): Mr. Speaker, I will be supporting the motion also. I have had occasion to work with both of these industries. Although there is some competition between the two as far as government action is concerned, as the parliamentary secretary has said, the government has already taken several initiatives. We have not been sitting on our hands. I feel it is important to note that the government has acted.

It is, moreover, also true that I was opposed to the initiative for the developing countries. Not because I was opposed to the initiative, but I wanted to see measures in place to protect our workers as well.

I have a question for the parliamentary secretary. I do not think there is only the one solution to this problem, since there are several aspects to it. The government has some tools available as far as older workers are concerned. A program is already in place for them. I believe we all need to work together to encourage the minister to add a new older worker program. We know that there will be fewer workers in this industry, obviously, as the technology advances. This is an industry that is already high-tech.

I am aware that some of my colleagues have been active in this matter, particularly the hon. members for Scarborough Centre, Brome—Missisquoi and Beauce. When the latter was economic development minister, he invested a great deal to ensure that there was a program for these industries. In rural Quebec, as in other parts of Canada, these industries are the largest employers.

I have something to say to the parliamentary secretary. We have all worked together and we will continue to do so. The minister himself has provided an opportunity for a positive response to the recommendations of the Standing Committee on Finance. I believe we should provide workers with a new program for older workers, while continuing to develop new markets for this industry. Today, industry representatives are appearing before the Subcommittee on International Trade, Trade Disputes and Investment. They are there to confirm that they require assistance to seek new markets. It is also important to see that this moves forward more quickly.

This is not the only initiative; there must be a more comprehensive one as well. Thus, we must ensure, on an industry level, that we believe in this industry and in its future. I have always said that this industry has a future. Perhaps it will not be the same industry it was in the past, but it really does have a future. I think this House is unanimous in saying that we must give this industry some tools so it can continue to survive.

I would ask the question of whether there are other initiatives. The parliamentary secretary has spoken at length about the tax structure we have established, not only for this industry, but for a number of others. But should we go farther? My colleague was a member of the Standing Committee on Finance and heard what the industry representatives said. Are there other aspects we have not considered? There are the workers, the new markets, a different way of finding new tools. Are there other actions we ought to be taking?

● (1230)

Hon. Robert Thibault: Mr. Speaker, I thank the hon. member for her excellent question.

We have to review all government envelopes to determine how we can help these communities. We recognize that, even as the industry is modernizing its equipment and as investing—to the tune of \$3.1 billion—in its equipment is being encouraged, there are people who are being displaced or whose jobs are disappearing. This is tough, and we have to assist them in either taking an early retirement or retraining for a new job.

We have also worked with the communities in other programs. I can think of, among others, the actions undertaken by the minister responsible for Canada Economic Development. In my case, in Nova Scotia, we lost Dominion Textile and, along with it, many jobs, but new ones were developed. We now have a spinning operation for rope and nets, and we manufacture for the fishing industry products that we used to import from Spain. Now, we are manufacturing them within the region.

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We also produce webbing for the automotive industry, which we sell to manufacturers in Ontario, Quebec, the U.S. and other parts of the world. This is produced in our small town, our small community of Yarmouth. Because we have the expertise, this business got started. We have excellent workers. This particular project involved the Regional Development Authority, the town, the province, Human Resources Development Canada and, above all, regional development programs such as ACOA, which are familiar with the local community and can respond very quickly.

We have to look into all these sectors to find all the answers, because there is not just one answer. That is why I encourage the minister to respond to the report, even improving on it, should he come up with something better than what the committee recommended.

[*English*]

Mr. James Rajotte (Edmonton—Leduc, CPC): Mr. Speaker, we welcome the motion and I thank the member for bringing it forward. As his colleague just said, it is very timely.

The member who just spoke said that it was very timely but that we had to look at all aspects. However I fail to understand why the government has not acted on the three recommendations which, as I understand it, were unanimous. Government members supported it and it was reported by the member who is now the Parliamentary Secretary for the Minister of Public Safety who did an incredible job. I do not understand why the government is not implementing it.

I want to state that we do support the implementation of these recommendations and, just for the record, I will read them into the record for the benefit of people who are following this debate.

The first recommendation reads:

That the federal government immediately extend, for a further seven years, the duty—remission orders covering the apparel sector that are set to expire on 31 December 2004.

That obviously makes one understand the necessity of acting upon this recommendation right now.

The second recommendation reads:

That the federal government immediately end tariffs on inputs which are not produced domestically. Textile producers seeking continued tariff protection should be required to establish that they sell their products to Canadian apparel manufacturers.

Again, that recommendation was supported by the Conservative Party.

The third recommendation, which is more of a broad recommendation, reads:

That the federal government immediately undertake a study of temporary adaptation measures to enhance competitiveness, as well as the benefits and costs of eliminating tariffs on imports of fabric for use in the Canadian apparel sector, the types and quantities of products produced by the Canadian textile industry and the practice of tariff differentiation on fabrics based on their end-use. The results of this study should be tabled in Parliament no later than 31 January 2005.

That indicates why the immediacy and why the timeliness of this specific motion. It is because of the importance of this industry and the fact that this industry does need these issues addressed very quickly. This report was tabled in the House in April, 2004 and it still has not been acted upon. The Minister of Finance says that he is meeting with the sector, which is a good thing, but the government

should be acting on a report that its own members supported. The reason that it should act is because of the importance of the industry.

The apparel industry is the 10th largest manufacturing sector in Canada. It has more than 93,000 employees working in over 3,900 establishments that account for 2% of Canada's total manufacturing gross domestic product, 4% of the manufacturing investment and 4.4% of total manufacturing employment.

The industry critic for our party has gone across the country and has met with different manufacturing councils and the Manufacturing Council of Edmonton. What these people have said, over and over again, is that the federal government simply has to recognize the challenges facing their industries and their manufacturing industry in particular. As we went around the table in the room in Edmonton, on average these companies had been in existence in the Edmonton region for about 45 to 47 years. That means they have put roots down in the community and are investing in their businesses in the communities. They have a real stake in how the country is run, both economically and in government. We need to recognize that and ensure there is a climate surrounding these industries that enables them to grow and to thrive.

I do want to use the opportunity of the motion to raise some other challenges facing the apparel industry. The industry raised a lot of concerns with us prior to the election. In response to those concerns, we wrote the then minister of industry on May 21, 2004 but we did not get a response, which one can understand with the election. However we hope the department will respond to this issue.

What the letter addressed were some of the other issues facing the industry beyond the duty remission orders. One of the specific issues the industry raised had to do with the government's program for the import of garments from least developed nations. I wanted to identify this for the record because the industry supports this initiative. This initiative is for the federal government to provide duty free and quota free entry for imports of textiles and clothing from 48 least developed countries.

The industry supports the intent and the goal of that program and it thinks the initiative is sound, but it feels that the manner in which the government has implemented the program is unfair and has caused serious harm to its industry. The program has not just helped the truly poorest of nations, which the industry supports, but has in fact provided a comparative advantage to nations that have a large manufacturing sector.

I should at this time, Mr. Speaker, inform you that I will be splitting my time with the member for Kildonan—St. Paul.

On the LDC issue, under the rules of origin, up to 75% of the X factory price of garments made in the least developed country can be of non-LDC materials from general preferential tariff countries. The problem is that these countries include China, Korea and India. As we well know, those countries are turning into economic powerhouses and will become our main competitors.

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•(1235)

When I was in Beijing in November 2002, I noticed more cranes than one could imagine, at least 20 cranes on either side of the street. Beijing has a very dynamic and growing economy and it is competitive, and in our party's view it should not be in the same category as the least developed nations.

We believe it is unfair for countries like China, Korea and India, which have huge and sophisticated textile and clothing industries, to be receiving assistance from Canada against our own industries.

The rules of origin deprive the LDCs of any incentive for foreign investors to establish textile manufacturing facilities in our country, investment that would lead to long term employment and advancement opportunities for the people who need it the most. This does not actually accomplish the program's goal, which was to establish some manufacturing facilities in the poorest nations so they could then raise themselves out of poverty.

The rules also relegate the LDCs to clothing assembly, and only as long as they remain the cheapest source of labour in the world by paying the lowest wages in the world, and that is unfair. This is not the objective of the program either. What happens is that an assembly will be set up there with the lowest wages but once the wages get a bit higher it can then be transferred to a nation that has lower wages. The lowest common denominator is obviously not the objective of the program.

We asked the minister in May 2004 to amend the LDCs rules of origin to require that products made in LDC countries would be eligible for benefits under the program only if they were made from LDC or Canadian inputs. In addition, we recommended that an appropriate and effective least developed country specific safeguard mechanism be instituted to deal with import surges.

We asked the government to respond to that in May but it has not yet responded. The biggest concern raised by member of the NDP was the fact that the industry needed a response and that the unanimous report with three solid recommendations should be implemented now.

The third recommendation hinted at some broader issues facing the textile industry. One dealt with least developed countries. However there are a couple of other issues that we think the government can act upon, for instance, dealing with the U.S. government and insisting that all NAFTA partners not be excluded from trade deals that are being negotiated with third countries. I think that is a fair and reasonable request by this industry, and fair under the rubric of the NAFTA agreement. I hope the Prime Minister raises that today with the president in stressing the importance of this industry.

Another recommendation was the implementation of an outward processing program for Canadian textile companies to actively try to export and support this industry and to take a sensible approach to textile tariff policy that does not damage the industry, which is what the committee recommended.

I hope the government will act upon this committee report.

I will digress a bit from this topic. It strikes me as odd, in this minority government, that the government does not act upon

committee reports that have been fully supported. This example of the report dealing with the textile industry was supported in April 2004 and the Government of Canada can and should act upon it.

However there are other issues. The industry committee prepared a report well over two years ago on foreign investment restrictions for telecommunications companies and cable companies. It was supported by the Liberals at the time and by the two legacy parties of the Conservative Party. There are 135 Liberals and 99 Conservatives in this place, which is more than enough to pass any motion.

I encourage the government, in the spirit of a minority government and in a spirit of this dynamic Parliament, to work with other parties on as many reasonable issues like this as it can. I strongly encourage the government to act immediately. This industry needs action and it needs answers now, not after December 31 when these tariffs run out. I encourage the Minister of Finance to act on the recommendations proposed by the finance committee.

•(1240)

•(1245)

Mrs. Joy Smith (Kildonan—St. Paul, CPC): Mr. Speaker, could the member elaborate a little more fully on the impact this might have on the workers in the garment industry, if this is not passed quickly and if action is not taken quickly?

Mr. James Rajotte: Mr. Speaker, there are nearly 100,000 employees across Canada in this industry and they have been waiting for a response from the government for months. The committee tabled its report in April.

The fact is that combined with the least developed countries initiative that has been implemented in a wrong manner, frankly, the industry has told us that it will be severely harmed by this. If the government does not act on this, we could very well see the loss of a major part of this industry and the loss of a large number of jobs. That is why the government must act immediately to implement this.

Mr. Charlie Penson (Peace River, CPC): Mr. Speaker, the member for Edmonton—Leduc and I have worked on the industry committee for quite some time. We understand how the tariff and the duty system works. What has been missing in this debate today is the fact that this duty that the industry is asking to have remitted is really just a tax on the industry. It is collected by the Canadian government because we have high tariffs on a lot of the products coming in.

One way of dealing with this would be through duty remissions. We all agree that is the most immediate thing that has to happen. However, in the long term, would it not be better to work with other like-minded countries at the World Trade Organization and reduce the tariffs on these kinds of industries so that we do not have the artificial barriers, and let the market take its course?

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I would also ask the member for Edmonton—Leduc, is it necessary to make adjustments like we did in the free trade agreement with the United States for some of the industries that were hurt? Would that not be a better approach? Could we reduce the tariffs, phase them out, and make the adjustments to allow those industries to eventually make their own choices?

Mr. James Rajotte: Mr. Speaker, the short answer to that is an obvious yes. Principally, any time we can get tariffs down on a global scale, it has been proven time and time again that Canadian industries, Canadian workers, and Canadian companies succeed and thrive. That is the ultimate goal. I want to thank the member for reminding us of that, because he is right.

This is an interim measure to correct something in terms of our own public policy at the domestic level, but the long term goal must be to reduce these tariffs on a global scale. In the meeting with me, that is what the industry certainly emphasized and I should point that out. The industry said to me that as long as it could compete fairly on a global level, it does not need any government intervention or protection, and that is the ultimate goal.

Going back to NAFTA, the free trade agreement, a lot of people predicted that this industry would not survive. In fact, it has survived, but there are some government policies in place that if we were to amend, it would thrive and succeed even more.

Mrs. Joy Smith (Kildonan—St. Paul, CPC): Mr. Speaker, I would like to put some comments on the record that I feel are very important. The member for Edmonton—Leduc did a great panorama and detailed synopsis of the reasons why it is very prudent in this day and age, right now in November 2004, to ensure that these recommendations are pushed through and action is taken.

I want to go over one aspect that has not been touched on at great length. As members know, duty remissions, which underpin Canada's apparel industry, are set to expire December 31, 2004. As a result of this, employment decisions have to be made. The apparel industry is the 10th largest manufacturing sector in Canada and because of this point, we can see quite readily how this is going to impact on families all across our nation.

More than 93,000 employees, working in approximately 4,000 establishments, are employed and are counting on this employment to bring bread to the table. The apparel industry accounts for 2% of Canada's total manufacturing GDP and 4% of manufacturing investment, as well as 4.4% of total manufacturing employment. So this is a very critical issue.

The president of the Canada Apparel Federation told the committee that this industry draws on a large range of skills, including technology employment suitable for some entrance to the Canadian labour force. In urban areas, where the industry is concentrated, entry level jobs enable these apparel companies to play an important role in socializing new entrants into the Canadian workforce. These entry level workers develop their language, their work skills, and confidence that allows them to move into more skilled jobs here in Canada.

This infringes on what I believe to be a very important statement that we make to the immigrants of our country. I just signed 58 letters in Kildonan—St. Paul for new immigrants to my riding who are very thrilled to be in the country. I must say that none of them are

in the exotic dancing industry. Having said that, these are people who are employed in the garment industry. These are people who are looking forward to advancement in Canada and the kinds of decisions that are made in the halls of the House reflect on the everyday lives of new immigrants to Canada.

We have to look at what is happening right now. We are coming close to the Christmas season. If we look at the statistical studies across Canada during Christmas time, even though it is a joyful time for many people, it is not so joyful for those people who are looking at losing their jobs because of the slowness of the government on this issue. It is not so joyful to those families who are wondering if they can afford to have Christmas dinner.

With all due respect, the Prime Minister has been away on a world tour and we hear on a daily basis how he drops into one country on one day, climbs on the jet and drops into another country on another day, and makes wonderful photo ops and wonderful press releases, all having to do with what he feels his treasured words do to these countries. I would like to bring forward that it is more prudent in this day and age for the Prime Minister to be here in Canada at this time when we have critical legislation and decisions that have to be made that impact on Canadians and on immigrants coming to our country in a major way.

We on this side of the House stay in touch with Canadians. We care about what happens to them. I am very much in support of this motion. As we look at this more closely, I would implore members opposite to ensure that they address this issue in a very speedy manner so that families, who are waiting to hear what is going to be happening to their jobs and how it is going to impact on their families, will be able to rest assured that they will have employment.

• (1250)

• (1255)

Mr. Werner Schmidt (Kelowna—Lake Country, CPC): Mr. Speaker, first of all, I would like to congratulate the member for Kildonan—St. Paul on her first election to this House.

It is nice to hear the compassionate tone in the speech that she gave. I am particularly impressed by the fact that she is emphasizing the impact of this resolution if it were not passed and what the impact would be on unemployment. The member has also emphasized the impact it would have on families. The time has come for us in this House to recognize that whatever we do here impacts families directly or indirectly. In this case, it could have a very direct impact on families.

At this time of year, when we are getting ready for Christmas and where we are getting ready to put together those things that really matter to families, could the member talk a little bit about that as well?

We have heard a lot about the particular motion that is now before the House. It is very significant. The hon. member for Edmonton—Leduc put together a kaleidoscope of all the things that must be done. The Parliamentary Secretary to the Minister of Finance indicated the complexity of this issue. However, no one so far has really emphasized the significance and the impact that it would have on families.

I wonder if the hon. member for Kildonan—St. Paul might be able to address that question and expand a little further on what she alluded to in her speech.

Mrs. Joy Smith: Mr. Speaker, quite simply, here in the House of Commons we often forget about the fact that what is really important is what happens to our families in Canada. This is all about jobs and quality of life. We must keep that very important point at the head of the agenda that we have here in the House. Retaining these jobs and working quickly on this motion would do much to help that.

Hon. Eleni Bakopanos (Parliamentary Secretary to the Minister of Social Development (Social Economy), Lib.): Mr. Speaker, in the two minutes I have left, I will repeat that I am in support of the motion by the hon. member for Winnipeg Centre. I appreciate that we have all party support on this. Now we all have to work together, of course, to convince the Minister of Finance to do the right thing.

The issue of the employees, which other hon. members have raised today, has been of concern to me. As I said earlier, we introduced a program for older workers because we need to work with the provinces, for instance, and I will give one very specific example in my riding. Most of it is high tech now. This industry is not labour intensive but high tech, yet especially on the apparel side there are still newly arrived immigrants who are working in this industry.

We need to have two programs, then, one for those who can no longer be recycled. In my opinion, the PATA program introduced by this government has to be introduced earlier, as I have said. At the same time, as the industry becomes more high tech, we have to look at what other types of programs we are going to introduce for those workers who are newly arrived in this country and may not have the skills. I actually have raised this issue with the minister of labour of Quebec. We must have programs.

I will give members another example. In regard to the high tech part of it, a lot of the business people in my riding need trained personnel. There used to be one high tech program, especially in the needle trade. Unfortunately none of the students finishing high school and who may not want to go to professional schools are actually entering this program. We have to encourage this and work with the textile resource institute to get young people to actually find a future in this industry. It is nice to have these machines, but if no one can program them then there is no future.

What I want to say in the last few seconds I have left is that I have worked with this industry for a long time, as have the government, the Minister of Finance and the former ministers of finance. The reason the former minister of finance, now the Prime Minister, put in the seven year period in terms of the duty remission was to help this industry. We have to do the same thing again, in my opinion.

I also want to say that on November 22 I had the pleasure of announcing, along with the Minister responsible for the Economic Development Agency of Canada, the CANTex program to help the textile industry. There are things happening and there are things we have to do, but we have to do more. It has to be a multi-faceted approach.

It also has to be an approach to open new markets, as I said. In terms of what is going to be in front of the committee on

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international trade today, the apparel and textile industries will be presenting some recommendations to see how we can help those two industries find new markets for our products. We have very good and competitive products. In my opinion, we have to be more protectionist, like the Americans, of our industry and we have to encourage a north-south type of market, perhaps, instead of looking to Europe or Asia where we are not competitive at all.

We have to assist the ministers, especially the Minister of Human Resources and Skills Development, to reallocate new sources of funding for those senior workers who will lose their jobs because this industry is becoming more technologically advanced. At the same time, as I have said, we have to look at what other tools the industry needs in order for us to be able to assist it.

My time is up. I support the hon. member's motion. I will continue to work with my colleagues from the Beauce and Scarborough Centre and the minister involved.

• (1300)

The Acting Speaker (Mr. Marcel Proulx): It being one o'clock, pursuant to order made on Monday, November 29, the House will now proceed to the consideration of private members' business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

[English]

CITIZENSHIP ACT

Mr. John Reynolds (West Vancouver—Sunshine Coast—Sea to Sky Country, CPC) moved that Bill S-2, an act to amend the Citizenship Act, be read the second time and referred to a committee.

He said: Mr. Speaker, this bill is a non-partisan effort on the part of many people to correct an historic injustice. This is an all party effort to restore rightful Canadian citizenship to a group that has collectively come to be called "the lost Canadians".

It applies to Canadians who were born between 1947 and 1977 and who lost their Canadian citizenship through no conscious decision or action of their own.

It applies to my good friend, Don Chapman, who lost his citizenship as a child when his father moved to the United States for economic reasons. Don's family has lived in Canada for 200 years. His father was born here, fought in World War II for Canada and was only welcomed by the Department of Citizenship and Immigration when he returned to Canada to be laid to rest.

Don Chapman has a home in my constituency. He is a good and solid citizen who hopes to retire in Canada on his corporate American pension. A good part of his father's estate has been given to Canadian universities and to charities.

This is also a story of a federal department, citizenship and immigration, that has run amok and roughshod over the wishes of Parliament, its political masters, and over the rights of the Canadian-born individuals we call the lost Canadians.

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It is there in the Department of Citizenship and Immigration where the real resistance is to recognizing and returning the lost Canadian children to their birthright.

In that department, decisions are made to allow known war criminals and fugitives from justice and those accused of genocide to land and claim the protection of the charter of rights.

It is in that department where we can find the fiercest resistance to allowing the lost Canadian children to reclaim their birthright and their Canadian citizenship.

It is that department that the citizenship and immigration committee of this House should be closely investigating to determine why there is such willingness to thwart the will of Parliament.

Many Canadians who were born in hospitals on the other side of the line, in the nearest hospital, might not realize they could be deemed non-Canadian by the Department of Citizenship and Immigration. However, in certain areas in Canada there are individuals who are quietly having their citizenship handed to them by that very same department. These people were born in the United States because there were American hospitals that were closer to their parents' homes than the nearest Canadian hospitals.

Why does the Department of Citizenship and Immigration play favourites? Is that the assumed role of the bureaucracy, to decide who is a Canadian and who is not?

The citizenship and immigration department argues that these lost Canadians might return and take advantage, that is, not the Canadians who are getting their citizenship papers slipped to them quietly by the department, but others like Don Chapman.

Don Chapman will retire as a pilot for a major American airline. A large part of his father's estate was left to Canadian universities and charities. And yet citizenship and immigration hints that he, along with other lost Canadians, might become a burden on society?

If there is anything burdensome in Canada, it is the bureaucrats in that department who thwart the will of Parliament and make decisions as to who will make good Canadians and who will not.

Canadians are also mystified as to how a foreign-born stripper can be fast-tracked by the immigration minister after working on the minister's election campaign, while a Canadian-born, outstanding individual like Don Chapman, like so many others, gets the cold shoulder.

Should Mr. Chapman have flown to Toronto to work on the campaign of the minister? Would that have endeared him to her sufficiently enough for her to order her bureaucrats to give him back his Canadian citizenship? She should hang her head in shame and then offer her resignation.

Then there is Magali Castro-Gyr, born in Montreal, with two Canadian parents. Her father took out American citizenship while Magali's mother refused, choosing for her and her children to remain Canadian. At least that is what Magali's mother thought. In 2000, her parents returned. Her father regained his Canadian citizenship, but not Magali. Her passport expired and, after a huge battle, she was ordered to leave Canada.

At the last minute, the Department of Citizenship and Immigration offered her citizenship, but only if she signed a gag order that she would never tell anyone, not even Parliament, what it had done to her.

If we told people that story without naming names, they would automatically think of some third world dictatorship. When we tell them it happened here in Canada, they are horrified to learn that the Department of Citizenship and Immigration is willing to do anything, even cheapen our citizenship, to thwart Parliament and cover its hind end. Maybe what is needed at CIC is a heavy-duty broom and a big shovel.

Sheila Walsh was abducted as a 9 year old Canadian child 40 years ago and taken to England. After years of searching, she found her father living here in Canada. He died waiting for his daughter to regain her citizenship. That is all he wanted after fighting and giving his life for Canada in the trenches.

It was Paul Martin Senior who visited war graves in Europe and noted how Canadians born in Sherbrooke or Vancouver or even Ottawa were classified on their headstones as British subjects. That is how the 1947 Canadian Citizenship Act came into being. That was the creative spark for the legislation.

• (1305)

It was good legislation, done by the Prime Minister's father, to make sure that we all became Canadian citizens instead of being British subjects. The problem with it back then was that it stated that married women, children, lunatics and idiots—this is in the bill—would be classified under the same disability for their national status.

It seems to me that the present Prime Minister might now want to consider legislation to correct that horrible blunder of so many years ago. I hope that his party will support this bill. In this case, we could say that the errors of the father should be visited by the son.

This is a non-partisan and all party effort to correct a historic wrong. It is not going to open the floodgates to the undesirables. That is already happening thanks to the policies of this and previous governments and the mismanagement of citizenship and immigration.

The bill is not and should not be interpreted or spun as a matter of confidence. It should be accepted and adopted unanimously by the House as a matter of conscience.

It is time to bring these lost Canadians home. It is time to tell the world we no longer believe that married women and children are mere chattels of the husband and the father. It is time to tell the world that Canada no longer believes that married women, children, lunatics and idiots are all categorized as somehow being lesser human beings.

It is time for this Parliament to welcome the lost Canadian children home.

I want to congratulate the chairman and members of the citizenship and immigration committee, who had the foresight when they saw the bill in the Senate, and I will get to that in second, to bring the witnesses down to the committee when Parliament started and look at this idea before we even got the bill into the House. I know they passed a motion to support these people in getting their citizenship back, so I want to congratulate the chairman and members of the committee for the good job they did.

I was somewhat astounded when the Parliamentary Secretary to the Minister of Citizenship and Immigration made her comments about how the government could not support the bill. I thought that, if anybody, a person who was an immigrant to the country and became a Canadian citizen would understand that thrill of being a Canadian citizen, and especially if one was born here. I had hoped that she would make a speech on that but she did not. That is unfortunate, but I think the majority of members will support it. I have spoken to members on the other side of the House who are going to vote with us on the bill. I am sure it is going to pass this time.

Finally, I want to thank Senator Kinsella and all the senators in the other house who voted this bill in unanimously. It went through the Senate and all their committees, unanimously behind changing this law, which is long overdue.

I can think of nothing worse than losing one's citizenship involuntarily. If one is born in this country, one should retain Canadian citizenship; and this is since 1977. I know there are many members of the House whose spouses are American citizens but are also Canadian citizens. I am one of them. My spouse was born here but had parents who were Americans and she has the right to have dual citizenship. That is fair. That is the way it should be.

By the passage of the bill, which I hope will happen very quickly, we can right a wrong done to many people in the country and we can all smile a little bit knowing we have done a good job in 2004 to correct this injustice.

• (1310)

Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, it is a pleasure to speak to this bill. Before I address the substance of the bill, and I agree that the bill is non-partisan, I am going to take exception with what the hon. member said about the case of the foreign stripper. I profoundly disagree with his reasoning on that issue. I have not had an opportunity, but I am going to take it now to say something about this issue.

I have never met this individual nor have I seen her, and I do not know her husband either. This is an individual who came from another country and is married to a Canadian. I have to ask myself the question: If the woman had been a Canadian citizen and married a man who came from Romania to be a bodyguard in the same strip joint, would this debate be taking place in exactly the same manner? To ask ourselves the question is to answer it. It is quite clear that it would not have happened.

Perhaps that is a little harder for the minister to say. Because she is a woman, the first thing someone is going to say is that the minister is using that particular way to get herself out of trouble. I have nothing to do with this debate and I am not a minister at all. However, that is the first thing that struck me. Every time the issue

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was raised, it was the profession of the woman that became the issue as opposed to the cause.

I want to comment on this business of having a meeting in her campaign headquarters. Everyone here who is an incumbent member of Parliament knows perfectly well, and even those who were candidates for the first time, that during the campaign constituents flood our headquarters. They do not know the difference between a headquarters and a constituency office. They show up at headquarters with their employment insurance cheque wanting assistance, and so on and so forth. Do we kick them out? Obviously not—

An hon. members: Stay on the subject of the bill.

Hon. Don Boudria: It is the subject. It was in the speech of the hon. member who spoke and I am responding to that.

[*Translation*]

Now, I want to deal with the issue as such, and it is a pleasure for me to do so.

The hon. member raised a very good point as regards children born of a Canadian father and a foreign mother. It seems extremely unfair to me that, currently, the child of a Canadian father and a foreign mother is a Canadian—we are talking about pre-1977 cases—while the child of a Canadian mother and a foreign father is not. From a biological point of view, it is easy to see that this is ridiculous. If anything, it should at least be the contrary. There would then be some semblance of fairness. In fact, some religious denominations—such as the Jewish religion—are based on the principle that the only parent who can always be recognized is, by definition, the mother. It seems to me that there is an element of unfairness in the existing legislation. I mentioned it on several occasions and it should be corrected.

I want to mention the case of a constituent of mine. A child was abducted in my riding. That child was my daughter's friend when she was in school, in junior kindergarten. Her name was Tina Lynn Malette. She is no longer a child, she is now an adult. The child was born in 1978, but that is a coincidence. Imagine a child born one year earlier.

Her father was Tunisian, while her mother was Canadian. The child, who was living in my riding, was abducted by the father on a Sunday afternoon, when he was using his visiting rights. That child was taken to Tunisia and remained there against her will until the age of 18. She is now living in Canada.

Several attempts were made to get her out. A committee was set up. It included some parliamentarians like me, and Max Keeping, from the television station CJOH, in Ottawa, was our honorary president. We collected funds, hired lawyers and did everything we could to get that child back. However, we did not succeed, because according to certain laws of a religious nature in that country, the rights of the father were basically the only ones that counted.

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All this to say that, one day, the child was able to come back to Canada after running away from her home, when she was 18, and going to our embassy in Tunisia. Incidentally, I met the official who helped her make it back to Canada. Whenever I see him, I thank him for his help. But that is not the point. Imagine if that child had been born a year earlier. She would not have had the right to come back. She would have had to apply for citizenship, because her father was a Tunisian living in Canada with her mother, a Canadian by the name of Evelyn Malette, in my riding.

So, there is no one in the whole bureaucracy who can convince me that this works. In my opinion, it does not work.

Therefore the bill should be referred to committee for study. I will share a few worries nonetheless. Some will tell us—and we will be hearing this—that there should be a procedure, for example, for people who have been imprisoned in the United States for 20 years or so and who ask, on the day they get out to come back to Canada, a country they have never seen, because they lived here when they were one or two or three years old. That is possible. Perhaps in the parliamentary committee certain amendments will be needed to make corrections.

That does not mean that the bill in general is bad. I think that it has identified a situation that ought to be corrected. In that respect, I agree with the hon. member who sponsored the bill, but I do not agree with his comments about the minister.

Now, for those who say that there is a need to protect those who come from abroad, and perhaps to protect those who were imprisoned right until they decided to return to Canada, there, too, is a problem.

• (1315)

This is my question, right away. Let us take the case of two different individuals, one born January 1, 1977 and the other January 1, 1978. How is it that all this security clearance is needed? They might be friends, they might have been released from prison on the same day, they might have been partners in crime. One of them will require all this security check, and the other nothing at all. I will need to hear an explanation in committee if I am going to understand how Canada is safer for admitting one of these individuals without question, and the other with a security clearance.

Finally, I am curious to know what exactly is meant by this security requirement. “Inadmissible on grounds of security” is a very broad criterion in the Immigration Act as it now stands.

I know of a case. There is a man in my riding who is in his fifties. He came here from Europe, but I will not specify the country because this could identify him, as there are not that many immigrants in my riding.

This person comes here from Europe. He worked for a number of years on a farm in my riding and then applied to change his visa worker status to landed immigrant status, and is refused. He is told that this is because of a criminal record: shoplifting when he was a student. Thirty years later, this person, now probably a grandfather, is inadmissible as a permanent resident of Canada. Let us not lose sight of the fact that he is already living here. I have some reservations about these procedures.

Yes, there may be reason in committee to tighten up certain things in the bill. We must not, however, claim that there are not injustices at the present time. I believe that there are injustices, for all the reasons I have set out in my speech.

• (1320)

[English]

Hon. Hedy Fry (Parliamentary Secretary to the Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I am delighted to have the opportunity to rise in the House today to speak to Bill S-2, an act to amend the Citizenship Act. As everyone knows, this private member's bill was introduced in the Senate. It is now being sponsored by the hon. member for West Vancouver—Sunshine Coast—Sea to Sky Country.

I am glad to speak to the bill because it is a very important. When we speak to issues of citizenship, immigration, refugee status, visitors visas and all the things that come under the rubric of citizenship and immigration, we need to be aware of all the facts and not be moved by emotions. Many things are at stake. There are many pluses and minuses. I want to bring forward some of the facts and some of those pluses and minuses in this debate, so people can make informed decisions as opposed to emotional ones.

The issues raised in the legislation have garnered a considerable amount of attention and a fair amount of misunderstanding. It is important today to engage in this discussion based on facts.

Bill S-2 would amend section 16 of the current Citizenship Act. It would allow certain individuals who gave up their Canadian citizenship to become citizens of another country, whether as minors or not, to automatically resume their Canadian citizenship without delay. The current act requires this group of individuals to undergo both criminal and security checks. They must have lived in Canada, as permanent residents, for one year to show their commitment to Canada.

However, many other things have been waived in the act for these people. For instance, while most people have to live in the country for three years to become eligible for citizenship, under the new legislation only one year of residency would be required. Under the current act, most people who come to Canada to become citizens are required to undergo medical checks and may be ruled inadmissible because of medical problems. Under Bill S-2, this would not be allowed. In other words, there would be no medical inadmissibility, regardless of how chronically ill they were.

Under the current system, a point system is involved whenever people want to come to Canada. Do they have a job in Canada? Do they have knowledge of English and French? Do they have knowledge of Canada and its laws? Do they understand what it means to be a citizen of Canada? Do they believe in Canadian values, et cetera? People are awarded points based on their answers. That has been waived for this group of people.

These people may have lived in Canada for 50 years or in another country. They might have gone to another country when they were three years old. Their parents took away their citizenship so they could become citizens of another country. Under Bill S-2, all the previous requirements would be removed with the exception of one thing. Security and criminal checks would be done. That is a reasonable thing to do in today's circumstances when we have all sorts of problems with which we have to deal. The only they would require is at least one year of permanent residency in Canada.

Many people believe citizenship is an automatic right because of birth. This is debatable, and many countries are now currently debating this. Some might have been born here, but gave up their citizenship to live in other countries. They have allegiance to other countries. They have worked hard, paid taxes and voted in other countries. However, because they were born in Canada, they assume that they can suddenly become Canadians again because of some period of osmosis. I am not saying this is right or wrong. Instead of dealing with certain things in a knee-jerk manner and in a manner in which we tend not to stop and think, we need to ask ourselves some very important questions about commitment to Canada and what that means. What does it mean to be Canadian?

All these things are in the current Citizenship Act, and they are worthy of debate. Do we agree or do we not agree? I do not know. We should talk about it. We should discuss it in a reasonable manner and in a manner that is objective and in the best interests of Canada. What do we believe citizenship is? Is it merely a right or is it also a responsibility? Are certain things required to be a Canadian or do we automatically assume that being born here allows individuals to become Canadians? I do not know the answers. I put them to the House because, as members of Parliament, we should discuss them. We are the ones who approve certain acts, like the Citizenship Act and the Immigration Act.

• (1325)

When we discuss these things, we need to constantly relook at some of our presumptions and some of the things we did 10 years ago. We need to ask ourselves if we still believe in those things. What do our constituents say? Should we discuss these ideas? A reasonable House is one in which people continue to look at what we have taken for granted, whether it old legislation or one that was written many years ago. We need to ask, ourselves if it pertains to the environment in which we now live. What do our constituents think? What do we feel and believe?

Good, open and honest debate is really important. When someone asks a question, it does not necessarily mean it is a ridiculous thing. Questions should be asked. As people who believe in constant learning and being able to revisit the things we believe in, we should always be questioning ourselves. We should look at new environments and ways in which we think. We should always re-evaluate and do that in a spirit of good humour and mutual respect. In our democracy is one very core Canadian value, one in which most Canadians believe, and that is we should respectfully disagree, discuss, debate and talk about things. This is important.

To make fun of, or to ridicule, or to put down a person for asking an ordinary question, smacks very much of intolerance of people who think differently from us or from others. That is not good in a

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democratic society, especially in the House of Commons. We are supposed to be learned people, either because of intellectual ability or academics, or because we talk to our constituents regularly and we learn from them.

I was a physician. Every year I learned something new from my patients. They taught me a lot about the things. I learned a lot in medical school and I thought many things were a given. However, when I talked to my patients and listened to them, I suddenly realized more things went on in lives and minds of people, things about which I did not know. We must be open to listening and to learning.

At the moment, we are very clear on what the Citizenship Act says. The bill will amend that act. We have heard another hon. member suggest that there may be some things we should consider. Again, in the spirit of intellectual debate, I am ask these questions because I would like the hon. members to think about them.

Should it be important to look at criminality? What if someone has a strong criminal record in another country in which they have lived for 40 years? Do we want such a person in our country? We say we do not want Canadians to have certain records. Do we want to think about that? Should we be doing criminal checks? In this day of border security and looking at the alliances of people with certain groups, do we need to look into that? I put forward these questions.

Before people can receive Canadian citizenship, those people who purport that they automatically absorbed Canadianism because they were born here 50 years ago, is that too much to ask them to live in Canada for a year, put down roots here and show their commitment to our country? I do not know. I hope we would debate this and at the end of the day, reason and objectivity will win.

• (1330)

[*Translation*]

Ms. Meili Faille (Vaudreuil-Soulanges, BQ): Mr. Speaker, I want to say a few words today about the motion presented by our colleague, the hon. member for West Vancouver—Sunshine Coast—Sea to Sky Country. The Citizenship Act as we know it is incomplete. The purpose of Bill S-2 is to correct it.

The reason we are in this House today discussing this issue is that in the first legislation, in 1947, a gaping hole was created when dual citizenship was not allowed. In 1977, when Parliament wanted to improve the situation by allowing dual citizenship, it fixed only half the problem.

Now it is time for Parliament to give an equal chance to everyone who is part of the Canadian family, or at least those who were denied an equal chance by this unclear legislation.

The purpose of Bill S-2 is to correct the situation whereby a person lost their Canadian citizenship during their childhood because one of their parents acquired another citizenship or renounced their Canadian citizenship. In other words, the child in question was not given the choice as an adult of keeping their Canadian citizenship or adopting another one.

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Hon. members should know that, for children born after 1977, this situation is no longer a problem because Canada has been accepting dual citizenship since then, if the laws in the other countries permit it. However, the legislative gap still exists for people born between 1947 and 1977. Bill S-2 gives everyone the same rights and since it is an egalitarian measure, the Bloc Québécois cannot oppose it.

Article 8 of the Convention on the Rights of the Child reads as follows:

1. States Parties undertake to respect the right of the child to preserve his or her identity, including nationality—

Thus, anyone who shares the values of the United Nations has to be in favour of this bill.

Much of the testimony heard when this bill was first introduced was similar to the testimony heard by a recent parliamentary committee on this issue referred to as the “lost Canadians” issue.

Everyone agrees. A major oversight in the 1977 legislation caused an ordeal for many people, and it is high time for Parliament to recognize its mistakes and correct them.

Let us hope that all the members of this House will take this opportunity to correct an injustice to those who were born here, in Canada. They are fully entitled to this right to citizenship, and I hope that the members opposite will recognize that they have no choice but to support it. That is what the members on this side of the House will be doing. We are ready to put right errors from the past.

Some may say that we can each think what we want, but I would ask the House to consider all these people who are continuing to be the victims of this retrograde legislation, which victimizes two categories of people in particular: women, and children.

In 2004, we still have legislation that victimizes women. Sections 17 and 18 in part III of the 1947 act have the effect of subjugating the rights of women and children to that of their husband or father. I remind the hon. members that this provision is still in effect for those born before 1977. Consequently, there are Canadians who automatically lost their Canadian citizenship when their husband or parent became a citizen of another country or changed nationality.

I want to make it clear that, even today, without Bill S-2, there are stateless persons in Canada. Some children stopped being Canadians without automatically gaining citizenship in another country. They had to reach the age of majority to apply for new citizenship, or to go through the immigration process, here in Canada, to become Canadians again. That is to say, they lost all their rights as citizens, in other words, Canada repudiated them.

In fact, the government was already aware of these anomalies. This is why it amended this legislation in 1977. However, the amendment was not retroactive, which meant that what was good for some was no longer good for others, with the result that there are still many lost Canadians.

Fortunately, some members took note of these mistakes and decided to correct them. This is why the Bloc Québécois is asking all members of the House to support this motion, and it is our hope that each and everyone will work to correct past mistakes.

Again, it is not by choice that these people lost their citizenship, it is because of the implementation of the act. We are asking the House to allow everyone to make a conscious choice and have the opportunity to do as he or she wants, make his or her own decisions, so that any Canadian citizen who stops being a Canadian does so by choice, and not because of someone else's decisions or actions.

● (1335)

I also know that there is no limit to virtue and that, when it comes to correcting past mistakes, we can surpass ourselves. Therefore, I invite first the leader of this government to support this amendment to the act and to ask his party to also support the motion.

Correcting past mistakes, showing compassion for all those whose rights were denied for so long, implementing a solution for all these lost Canadians, several of whom are now deceased, and paying this posthumous honour to them undoubtedly require a tremendous effort. However, as I said, there is no limit to virtue and I am convinced that everyone here in this House is capable of such an effort, beginning with the Prime Minister.

This legal error affects only those born in Canada, however. If there are two cases, and one person is born outside the country and the other inside, only the Canadian-born person experiences the lost Canadian problem. This is not an immigration problem, but a citizenship problem. When Canadians give birth outside this country, the baby is Canadian. But if the parents of babies born here change nationality, the children have to follow the change of their parents, without any power to decide themselves or to revoke the decision if—I remind hon. members of this point—they were born between 1947 and 1977, and not later. Why two different laws? It is absurd that these children have to go through all the red tape of immigration, when they are not immigrants, as the legislation of 1977 recognizes. They are Canadians. What have they done wrong? Been born too soon. Why is it that what applies to an individual born after a very recent point in time, does not apply to one born prior to that point?

It is not that you have not understood this issue, Mr. Speaker, but rather that it makes no sense. That is all. This is why we suggest that the House support motion S-2 without reservation, in order to restore common sense to Canada's legislation, as was done partially in 1977.

It is a matter of citizenship, common sense as it applies to citizenship. So, as a sovereigntist, I can defend it. It is not a matter of how or what should be implied, it is just a matter of having citizenship legislation that is consistent for everyone. Today, we must admit, it is not. This simple motion, S-2, would put things back into perspective and correct what this Parliament has not yet been able to remedy.

Citizenship, be it Canadian, American or French, is too important to be subjected to inconsistent legislation. That is why I strongly encourage this House to unconditionally support Motion S-2, which we have before us.

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[English]

Mr. Bill Siksay (Burnaby—Douglas, NDP): Mr. Speaker, I am very pleased to speak in support of Bill S-2, an act to amend the Citizenship Act, which was passed in the other place, but which has been sponsored here by the member for West Vancouver—Sunshine Coast—Sea to Sky Country. I thank the member for doing that and for his work on this issue in the past. I know it has been very important to him. I commend him for his work.

A little while ago we heard the parliamentary secretary suggest that those of us who support this legislation are acting out of a sense of emotionalism. I am emotional about this issue. This is an issue of fundamental justice. It is something that should have been corrected many years ago to extend justice to Canadians who have lost their citizenship through no fault of their own. I want to get upset about that. I think it is embarrassing, I think it is outrageous, I think it is utterly unacceptable that this has continued for so long. I am disappointed that the parliamentary secretary does not understand that. There is no excuse for not having addressed this issue by now.

The parliamentary secretary also talked about all of the ways that the lost Canadians had been accommodated in the meantime and the waivers that were available to them. The only waiver that is available to them is the waiver that denies them Canadian citizenship. That is not acceptable. We need to undo that as soon as possible. It is long overdue. If I am emotional about it, I am proud of that because it is something that needs to be done.

The bill deals with the situation of the so-called lost Canadians. These people lost their Canadian citizenship, not through any action of their own, but because their father or their responsible parent became a citizen of another country between 1947 and 1977. I want to stress it was through no action of their own. They did not do anything to change their citizenship status.

In that period if a person's father became a citizen of another country that person automatically lost his or her Canadian citizenship. What made this outrageous step possible was section 18(1) of the 1947 Citizenship Act which reads:

Where the responsible parent of a minor child ceases to be a Canadian citizen under section 15, 16 [which deals with acquisition of another nationality], or 17 [which deals with the renunciation where dual nationality], the child thereupon ceases to be a Canadian citizen if he is or thereupon becomes, under the law of any country other than Canada, a national or citizen of that country.

This situation meant that even if a child's mother retained her Canadian citizenship, the child would lose his or hers. This is an unacceptable situation.

Many people were not aware of this situation. They only discovered it, much to their surprise and shock, many years later, years that they had spent under the assumption that they were Canadians.

This situation was corrected by revisions to the Citizenship Act in 1977, but it was not made retroactive. What a terrible oversight that was. As a member of Parliament I hope I never participate in that kind of legislative oversight. We had the chance to fix it and we did not back in 1977.

This situation has been made even stranger by a court decision that said that children born to a Canadian mother outside of Canada

in the period 1947 to 1977 are Canadian citizens, even if the father became a citizen of another country. That still leaves children born in Canada to Canadian parents out of Canadian citizenship if the father took out citizenship in another country in the period from 1947 to 1977.

We could have a situation where a family that had children in Canada, emigrated to another country, the father took out citizenship and then they subsequently had children in that other country. The children born in that other country are now eligible to be Canadian citizens, whereas the children actually born in Canada are not. That is an outrageous situation.

How can it be that children born in Canada to Canadian parents cannot be Canadian citizens? This is surely something that demands our attention and our emotional attention as well.

This issue has been before the House before. It has also been the subject of discussion at the Standing Committee on Citizenship and Immigration in previous Parliaments and in the current Parliament.

I want to acknowledge the hard work of Mr. Don Chapman and Mr. Charles Bosdet on this important issue. They have organized many lost Canadians and publicized their situation very effectively. They appeared before the Standing Committee on Citizenship and Immigration earlier this month and told their stories yet again. They also shared the stories of many others who faced similar circumstances.

A number of us were struck by the fact that the presentation they made to the committee just a few weeks ago was almost exactly the same as the presentation they made a number of years ago to the committee, almost word for word in some cases. Clearly, the situation has not changed. The issue was urgent then, and it remains urgent now.

• (1340)

The impatience of Mr. Chapman and Mr. Bosdet, their frustration with this situation and with the fact that they have had to appear so many times to ask for this basic justice was palpable in that meeting, as was their passion for Canada and Canadian citizenship.

The parliamentary secretary tried to ask broader questions. I do not think she did it effectively, but she tried to ask broader questions about Canadian citizenship. I think she would have done well to listen to both Mr. Chapman and Mr. Bosdet, who were very clear about what Canadian citizenship means to them. They were very clear about their connection and history as Canadians. They would do anything to have that restored immediately. To say that these people do not feel a connection to the country of their birth and their citizenship is completely unacceptable and outrageous.

They also presented many stories of the uneven application of the existing provisions. There are many stories about how some of the lost Canadians managed to reclaim their citizenship due to the easy intervention of a citizenship official, probably in contravention of the existing law, but certainly in appreciation of the ridiculousness of the situation. There has been a very uneven application of the existing legislation with its flaws.

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This matter has come up at the Standing Committee on Citizenship and Immigration. Earlier today the member for Kitchener—Waterloo, the chair of the standing committee, tabled a report in the House about a number of issues that the committee has looked at regarding citizenship. I commend it to the attention of all members.

In it there is a section on the lost Canadians since this is an issue that has been before the committee in the past and has certainly been before us in our work in this Parliament as well. The committee made a very clear recommendation in the report regarding the lost Canadians.

I want to quote the recommendation the committee made: “The committee recommends that any person born in Canada who lost their Canadian citizenship as a child because their parent acquired the nationality of another country should be eligible to resume their citizenship without first becoming a permanent resident and without having to meet a residency requirement”.

The committee was very clear that this needs to go ahead directly without any special requirements because we believe that they are indeed Canadian citizens.

The remedies offered by the government just do not satisfy. Currently people who lost their citizenship in this way are automatically eligible for permanent resident status, but they must meet health, criminality, security and financial requirements and they must pay processing and landing fees. Those requirements, given the circumstances, are not acceptable.

There is no way people should have to wait the period. There is no way they should have to become permanent residents again. There is certainly no way that they should be required to pay landing and processing fees for resuming their citizenship in an appropriate way. The question of security has come up and that is dealt with in this legislation. Where there are major security issues, the cabinet still has the ability to deal with this matter.

• (1345)

I believe that citizenship must be restored to anyone who lost it under those circumstances. I believe they must be seen as people who have never lost their citizenship. It would be unfair and unjust to require them to engage in the permanent resident process or to have to live in Canada for a year prior to having their citizenship restored. These folks are Canadians and there should be no question about their status. The circumstances under which they were stripped of their Canadian citizenship were unjust and unfair. We must right this wrong without further delay. I agree with the member for West Vancouver—Sunshine Coast—Sea to Sky Country when he said that the lost Canadians must be welcomed home.

Mrs. Diane Ablonczy (Calgary—Nose Hill, CPC): Mr. Speaker, I, too, rise in support of my colleague's private member's bill to respond to the concerns of people who, through no fault of their own and no choice of their own, have been stripped of their Canadian citizenship for no reason.

Let us imagine a 20 or 30 year old having to apply for a passport because he or she has decided to travel abroad, perhaps for the first time, only to find out, after filing the application, that he or she is not a Canadian citizen. The person was born in Canada and probably

lived here the whole time and yet some functionary tells the person that he or she is not a citizen because one of his or her parents left the country during a certain period of time, take out citizenship in another country and thereby, through no choice of the person who wants to travel and with no knowledge or consent, the person is no longer a Canadian.

This is a story that has been told to members of Parliament by more than one Canadian who was distraught. Some of these people have never left the country, only a parent did. When some of these people were small children they lived outside the country for a short period of time but they came back to the country, went to school, paid their taxes, raised their own families and then were told that they were no longer citizens. Some of these people are virtually stateless because they have no connection to the country where a parent went and changed their citizenship during a period of time.

If this had happened post-1977 there would have been no consequences. People would not have been stripped of their Canadian citizenship without consent because of the actions of a controlling parent. However those people who were unlucky enough to have this happen before 1977 were stripped of their Canadian citizenship without their knowledge or consent.

My colleague's bill is simple. It would redress this situation and restore full Canadian citizenship to those individuals who have been stripped of their citizenship. Members on all sides of the House have risen to say that this manifest injustice must be corrected, which is why the bill is before us today.

However, what happened? The spokesperson for the minister, the parliamentary secretary, said that the government did not know if it wanted to go ahead with this. What possible reason could the Minister of Citizenship and Immigration have for not wanting to correct an injustice that has been so poignantly pointed out to members of the House in committee, in person and in many forums around the country when we travel?

I would simply say that we have heard enough of the nonsense of finding some specious reason to delay correcting this injustice. We are a country of justice and fairness and a country that affirms the value of citizenship. I call on the House to support my colleague's bill today and to make sure that this injustice is corrected now and not later.

• (1350)

Hon. Andrew Telegdi (Kitchener—Waterloo, Lib.): Mr. Speaker, I am pleased that the issue of citizenship arouses passion among members of the House. Citizenship is something very emotional. It is not just an intellectual exercise. It is something that is very much a part of our being. Certainly, in my case it has taken me on very interesting journeys.

As was mentioned by the critic for the New Democratic Party, I had the privilege of tabling a bill in the House today on the issue of a new citizenship act. We had great cooperation from members of all parties, the Conservatives, the Bloc, the New Democrats and members of my party.

Some of the comments I made this morning are very pertinent to this debate. One of my comments was that citizenship should be seen as a right for those who qualify rather than a privilege. We are talking about a right.

When it came to the issue of the lost Canadians, the committee was very strong in its recommendation. It recommended that any persons born in Canada who lost their Canadian citizenship as a child because their parent acquired a nationality of another country should be eligible to resume their citizenship without first becoming a permanent resident or without having to meet a residency requirement. The committee said that because what happened in a historical perspective was simply wrong.

It was mentioned before that what we are trying to do is to right a wrong. I am so gratified to see the near unanimous support that this concept has.

The bill was debated in the Senate and was passed twice unanimously by all the senators. The majority of members in the Senate are Liberals and yet the bill passed twice unanimously.

In previous studies of the Citizenship Act a number of proposed citizenship amendments failed: Bill C-63, Bill C-16 and Bill C-18. We heard testimony continually on those three bills and the feeling in committee in all cases was that this issue should be addressed.

I can give a fairly simple example to show how ridiculous the bill was. We have persons who were born in Canada between 1945 and 1977. If they were a minor and their father took out citizenship in another country these people automatically lost their citizenship.

I came to Canada in 1957. My wife had our daughter in 1986. Given the year my daughter was born, had I left the country after having become a Canadian citizen and gone elsewhere, let us say Hungary, she would be a Canadian citizen without having to have set one foot into Canada. Furthermore, my grandchild would also be a Canadian citizen.

Surely we can understand the frustrations of the lost Canadians. Surely we can understand their passion for wanting their citizenship back. Surely we can understand the feeling Canadians have that we want to right a wrong.

It was mentioned that Mr. Don Chapman put his case forward to the committee time and time again. He sought every opportunity to do that because he is very passionately a Canadian, never ceased to be a Canadian and still considers himself a Canadian. What we want to do is right that wrong. Charles Bosdet is in the same kind of situation of having his citizenship unjustly taken away from him and wanting it back.

• (1355)

However something good is on the horizon. The report that we tabled in the House was done at the request of the Minister of Citizenship and Immigration. It was done so we could produce a new citizenship act that would get through the House of Commons. I commend the minister for asking for the committee's input. The committee was very strong on a number of issues but none stronger than on the issue of lost Canadians. The message is very clear. We want this fixed and we want to fix it quickly.

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The minister has said that she will bring the bill back to us some time in February of next year and we as a committee look forward to making sure that the injustices that exist in the current act will be addressed.

I want to salute my colleague from West Vancouver—Sunshine Coast who I saw at the committee many times. Even though we are on different political parties, we are all on the same side of the issue when it comes to Canadian citizenship.

• (1400)

[*Translation*]

The Acting Speaker (Mr. Marcel Proulx): The time provided for the consideration of private members' business has now expired. Pursuant to Standing Order 93, the order is dropped to the bottom of the order of precedence on the order paper.

STATEMENTS BY MEMBERS

[*English*]

HUMAN RIGHTS

Hon. David Kilgour (Edmonton—Mill Woods—Beaumont, Lib.): Mr. Speaker, all individuals have basic human rights. One of these rights is free speech.

Tenzin Delek, a Tibetan monk, spoke freely about what he believed in. He maintained that he only spoke out to promote non-violent and compassionate behaviour, yet he was charged by Chinese authorities in Sichuan for allegedly “causing explosions” and “inciting separation”. He was given a closed trial in which he was denied due process, including inadequate representation. He was judged guilty before even going to trial.

As stated by Radio Free Asia, countries including the United States have called for “the need to provide clear and convincing evidence of guilt in all capital cases and noted widespread international concern over Tenzin Delek's case”.

Canada, as a long term supporter of human rights and democracy, should urge the Chinese authorities to stop the execution of Tenzin Delek Rinpoche and to review his sentence. He and other political prisoners in China deserve a fair trial.

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LOUISE PARGETER

Mrs. Diane Ablonczy (Calgary—Nose Hill, CPC): Mr. Speaker, today I met with friends and family of Louise Pargeter. Louise, a parole officer in Yellowknife, was murdered on October 6, 2004. She was killed while conducting a home visit to a parolee whose release was far from justifiable.

Louise was a compassionate person whose actions were defined by an unconditional love of community. She was an extraordinary partner, mother and friend who touched many lives. I want to express my sincere condolences to her loved ones.

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Parole officers are dependent on our system to protect them from risk and harm. Louise's tragic death raises serious concerns about how Correctional Service Canada conducts its operations. The system clearly did not do enough to provide a safe working environment for this parole officer.

I call on the government to make it a much higher priority to provide meaningful protection for dedicated officers like Louise Pargeter who work to safeguard society from convicted criminals.

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[*Translation*]

CANADA-U.S. TRADE

Hon. Raymond Simard (Saint Boniface, Lib.): Mr. Speaker, the visit of the President of the United States of America today gives us an opportunity to recall the vitality of our trade relations with our partners and neighbours to the south.

During the 1990s, Canadian exports to the United States more than tripled. They reached \$359 billion in 2000, compared to \$108 billion in 1989.

Canada's total exports amount to \$400 billion a year; demand by our American partners accounts for nearly 85% of these exports.

Today, one in three jobs in Canada is directly related to exports to the U.S. market. That shows how intimately our economic health is linked to that of our neighbours and friends in the United States.

For decades, the mutual friendship between Canadians and Americans has been a guarantee of prosperity. Let us hope that this friendship, based on the democratic values of respect for rights and freedoms, continues for a long time.

* * *

BELL-ALLARD MINE

Mr. Yvon Lévesque (Abitibi—Baie-James—Nunavik—Eeyou, BQ): Mr. Speaker, following the closing of the Bell-Allard mine, the people of the town of Matagami showed remarkable solidarity and determination, when they marched on November 19.

The mine closing resulted in job losses for one-third of the workforce of this 2,000 inhabitant town. But the people of Matagami will not lose heart and will do what they have to maintain their quality of life.

The economic vitality of Matagami is greatly dependent on mining. The federal government must improve its flow-through share system to make it as generous as that provided by the Government of Quebec.

Such an improvement would stimulate mining exploration and contribute to shorter waiting times between the closing of one mine and the opening of another, which would be of great benefit to Matagami.

Hang on, Matagami.

● (1405)

[*English*]

COMPUTERS FOR SCHOOLS PROGRAM

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Speaker, I recently had the opportunity to present the 200,000th computer to John McCrae Senior Public School in my constituency on behalf of the Ontario computers for schools program.

The Ontario computers for schools program, in which our government through Industry Canada participated, ensures that we become the most connected and indeed the smartest country in the world. The computers for schools program was co-founded in 1993 by Industry Canada and the private sector. Computers are donated by governments and businesses for refurbishment. These computers are then donated to schools and libraries across the country, helping our youth to become computer literate and preparing them for the future.

In addition, I am also proud to inform the House that this 200,000th computer was refurbished by Youth at Risk from Bendale Business & Technical Institute, which is also located in my riding of Scarborough Centre.

As we have moved from a resource based economy to a knowledge based economy, the computers for schools program represents a tremendous addition to the technology inventory of our education system by increasing computer access for students. Congratulations to our—

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

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CANADIAN FORCES

Mr. Paul Forseth (New Westminster—Coquitlam, CPC): Mr. Speaker, I rise to honour a local hero of New Westminster, British Columbia. Chief Warrant Officer Fredrick Scott Stewart, C.D., served at Camp Drvar, Bosnia, with the 1st Princess Patricia's Canadian Light Infantry Battle Group from September 2002 to the end of March 2003.

Mr. Stewart was the liaison officer for the town of Bos Grahovo, and he said the natural countryside was beautiful. Many residents were very appreciative and would ask him why a Canadian would travel so far and put himself at risk. Mr. Stewart, who is now a New Westminster city police officer, answered with pride, "Because we are Canadians and it is what we do. We help our neighbours".

Mr. Stewart also commented on how well received Canadians were, but that there remain dangerous and evil elements too willing to kill for selfish purposes. In typical Canadian modesty, Mr. Stewart says that the real heroes were his wife and daughter who let him serve.

I wish to pay tribute to the thousands of Canadian heroes like Scott Stewart who risk it all for others for the benefit of mankind. We honour and remember them.

CANADA-U.S. RELATIONS

Hon. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, I rise in the House today to recognize the strong relationship between Canada and the United States. Our unique bond is based, among others, upon our shared values of democracy and of human rights and freedoms. Our close relationship can also be exemplified through trade.

Trade and cooperation between Canada and the United States have produced tremendous benefits and economic prosperity for individuals on both sides of the border. Approximately \$1.8 billion worth of goods and services cross the Canada-U.S. border every day. In 2003 alone, two way trade in goods and services surpassed \$441.5 billion, making the Canada-U.S. trading relationship the largest in the world.

Canada's friendship with the United States has brought to both our countries great new wealth and prosperity. May this unique bond between our two nations continue to prosper in the years ahead.

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[Translation]

BUDGET SURPLUS

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, the federal government's obsession with applying the whole annual surplus toward debt servicing is having known undesirable effects, like making the poor poorer.

This obsession also has other serious economic implications. It is irresponsible to invest the whole amount in debt servicing when important sectors of our economy cannot afford to compete internationally anymore.

If part of the surplus went to government programs at least, we could go back on the offensive. The technology partnerships program needs to be replenished to ensure the development of new products and technologies that meet market needs.

The federal government needs an industrial strategy providing for the use of part of its annual surpluses. At stake is the future of our manufacturing companies and thousands of jobs that depend on them.

* * *

[English]

WELLAND CANAL

Mr. John Maloney (Welland, Lib.): Mr. Speaker, it is with great pleasure that I rise in the House today to recognize that November 30, 2004 marks the 175th anniversary of the Welland Canal, a world renowned waterway that runs through my riding. In Canada's earliest years, water transport of goods was essential in opening Canada's trade routes to the world. The Welland Canal was one of these routes from the heartland of the Great Lakes to foreign ports in far off lands.

The canal, originally built in 1829 to bypass Niagara Falls, has been refined to become a Canadian engineering feat, linking Lake Erie and Lake Ontario. The canal today is 43 kilometres long and contains eight locks that lift or lower ships a total of 325 feet across the Niagara Escarpment. Since the canal's opening, it has witnessed

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over 100,000 ship transits and movement of billions of tonnes of cargo. It is an integral part of the St. Lawrence Seaway's network of waterways, which coincidentally celebrates its 50th anniversary this year. The Welland Canal has helped shape the geographic, cultural, and economic landscape of Niagara while bringing much growth in commerce for Canada.

I would like to congratulate all those connected with the Welland Canal, including all those who contributed to its construction and operation, and shipping companies and the crews of all the ships who transit this waterway in an environmentally friendly way.

* * *

• (1410)

JOHN EVANS KNOWLES

Mr. Joe Preston (Elgin—Middlesex—London, CPC): Mr. Speaker, on behalf of the member of Parliament for Haldimand—Norfolk, it gives me great pleasure to rise in the House and honour John Evans Knowles, a former member of Parliament from Norfolk who is celebrating his 90th birthday today.

Mr. Evans Knowles was a teacher, a farmer and a former warden who represented the Norfolk riding from 1957 to 1962. It was a different era then and Evans joked that MPs who did not have much to say got the most accomplished.

Evans commuted by train weekly and although his schedule was strenuous, he believed the people he represented would be unhappy if he moved to Ottawa during his term of office. Evans recalls his maiden speech where he spoke with great pride about the riding of Norfolk. Through his efforts, the Canadian tobacco industry progressed and his induction into the tobacco wall of fame ranks as his major achievement as a member of Parliament for Norfolk.

On this day, please join me in wishing J. Evans Knowles a happy 90th birthday.

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[Translation]

HUGUETTE PLOURDE

Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.): Mr. Speaker, I would like to acknowledge the dedication of someone who is very involved in my riding of Madawaska—Restigouche.

Recently, Huguette Plourde of Saint-Léonard received the Racine provincial and regional award as intervener of the year in the field of cultural development.

The Racine award in the intervener of the year category is awarded to professionals or volunteers from a member organization who stand out for their exceptional dedication to cultural development within their community. The recipient of the provincial title of intervener of the year is selected from among the recipients from each region.

Huguette Plourde is actively involved in the Association culturelle du Haut-Saint-Jean and works tirelessly to promote cultural development.

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Obviously, any individual who is as involved as Ms. Plourde plays a key role in the development of our communities and deserves our most heartfelt congratulations and our support.

This is why I wanted to acknowledge in this House today the valiant efforts of Huguette Plourde.

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[English]

TOMMY DOUGLAS

Hon. Ed Broadbent (Ottawa Centre, NDP): Mr. Speaker, there are few human beings whose particular mix in qualities make us all stand and say "This is greatness". Such was the incredible Tommy Douglas.

First for the people of Saskatchewan, then for all Canadians, he brought to public life integrity, courage, humour and most of all, to use a phrase appropriate to his generation, a passionate commitment to the common man.

More than any other he led in transforming a nation. Tommy showed how political power in a democracy should be used, not to keep the people down but to raise them up. His political firsts were many, among them: workers' rights, pensions, and of course health care as a right of citizenship.

As premier and then here as leader of the New Democratic Party, his respect for the dignity of others brought him the affection of his political opponents. It earned him the admiration of all Canadians. Last night, on the CBC, a grateful nation paid homage to his greatness.

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CANADA-U.S. RELATIONS

Mr. Jeff Watson (Essex, CPC): Mr. Speaker, the people of Essex extend a warm welcome to George Bush, President of our friend and greatest trading partner, the United States. We look for solutions to problems at the Essex-Windsor border, the busiest crossing in the world with \$1 million per minute of trade.

This Liberal government has mismanaged our critical trade relationship, jeopardizing Canadian jobs with anti-American insults, lax marijuana laws and a Prime Minister who has failed to build border infrastructure and get our borders opened to Canadian exports.

The people of Essex have paid a steep price as a result: major seed contracts, lost; suppliers to local businesses, lost; auto jobs, lost; and major investments in our region, lost. The Prime Minister must seize upon the visit of President Bush to make amends and set a new course for healthy relations with the U.S.

If he will not, then let him step aside and a Conservative government will do it for him.

● (1415)

[Translation]

VISIT OF U.S. PRESIDENT

Ms. Monique Guay (Rivière-du-Nord, BQ): Mr. Speaker, we welcome U.S. President George W. Bush and his wife to Ottawa and wish him a successful term of office following his re-election.

Winning freedom and building peace represent the essence of humanity. The people of Quebec denounce and strongly condemn terrorism as well as attacks on human rights in any form, but we are also firmly opposed to the unnecessary use of weapons and the militarization of space.

We hope that the President's visit will pave the way for the resolution of the Canada-U.S. disputes concerning softwood lumber and the mad cow crisis, among others. Tens of thousands of families across Quebec and Canada are suffering and paying the price for these disputes every day.

The American people are our neighbours as well as our natural allies, and the people of Quebec reiterate their friendship for them.

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[English]

CANADA-U.S. RELATIONS

Mr. Myron Thompson (Wild Rose, CPC): Mr. Speaker, today is a great day in the relationship between two good friends, the United States and Canada.

Although Mr. Bush may encounter many protesters today, I am confident that he realizes they do not represent the views of all Canadians. I also hope that the protesters understand that our democracy allows them the freedom to protest. Before the U.S. coalition brought democracy to countries such as Afghanistan, a protest like this would have never been tolerated there.

I know the President understands that democracy often comes at a cost and is paid for by the members of our military. My family is extremely proud of my youngest son, Dennis, who is currently serving in the U.S. Army and has just recently returned from Iraq.

I stand with many Canadian military parents who have children serving in the Canadian, U.S., Australian and British militaries. I want them to know I share in their sacrifice and support them 100%.

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SIKH COMMUNITY

Mr. Gary Carr (Halton, Lib.): Mr. Speaker, I rise today in this House to convey my heartfelt greetings and good wishes to the members of the Sikh community on the auspicious occasion of Gurburab, which the community celebrated this past weekend across Canada. It marks the celebration of Guru Nanak Dev Ji's birthday. He was the founder of the Sikh religion and one of the greatest spiritual teachers known to humanity.

He preached that all religions were a different path leading to the same destination and therefore deserved the respect of all. His message reached all sectors of society and thus became the foundation upon which Sikhdom developed. The teaching of the guru served as an inspiration not only to Sikhs but to all humankind.

This historic event in the Sikh religion draws families and friends together in a spirit of goodwill, peace and preserving our community's legacy of cultural diversity upon which Canada is founded.

I ask the Sikh community across Canada to please accept my best wishes along with those of my parliamentary colleagues for a most meaningful celebration.

ORAL QUESTION PERIOD

[English]

NATIONAL DEFENCE

Mr. Peter MacKay (Central Nova, CPC): Mr. Speaker, Thomas Axworthy, former aide to former prime minister Pierre Trudeau, says that “while Americans continue to like us, they no longer respect us”.

Among other things, Canada shares with the United States the defence of North America and a commitment to fight terrorism. Yet Mr. Axworthy notes that the government's under-spending on the military has now reached a crisis level and that within five years we will have no usable armed forces left.

How does the government expect Canada to positively influence our American neighbours when we continually fail to pull our weight in continental and world affairs?

Hon. Bill Graham (Minister of National Defence, Lib.): Mr. Speaker, I can only wish that the hon. member and all hon. members had been in the room with us just a couple of hours ago with President Bush. He looked across the table and said to me, when we were talking about the defence of North America and what we were doing around the world, “Your troops are among the most admired in the world. Our generals admire them. We work with them. We absolutely want more of you”.

They do not want that sort of rhetoric. They want more real assets, not words.

* * *

AGRICULTURE

Mr. Peter MacKay (Central Nova, CPC): Mr. Speaker, no one is disputing that, least of all the Conservative Party of Canada. We have to support our armed forces.

The American border has been closed now to Canadian cattle for over 18 months. Farmers are desperate. The best assurance program that the government can give would be to announce a firm date when the border will be open.

On Sunday the Minister of Foreign Affairs told us that President Bush would be proposing a timetable with clear commitments to open the border. Later, the minister's aides tried to retract that commitment.

Could the Prime Minister affirm whether there is in fact a fixed timetable to reopen the Canadian border so that cattle can get in to the United States?

Oral Questions

● (1420)

Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, there was no retraction. The reality is that a week ago the Americans announced that the rule had moved from the USDA to the OMB. The OMB process is one that has a time-specific timeline on it of 90 days. It is that clock that has begun to run. We were pleased to see that particular progress. I was pleased to hear the President today make a commitment to move that process along as expeditiously as possible.

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[Translation]

SOFTWOOD LUMBER

Mr. Peter MacKay (Central Nova, CPC): Mr. Speaker, in spite of the WTO and NAFTA decisions in our favour on the softwood issue, the Liberal government has failed to get the borders reopened. John Manley said that a good relationship is essential in order to resolve disputes.

Did the Prime Minister succeed in convincing Mr. Bush to put an end to protectionism?

[English]

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, let me reassure the hon. member that the Prime Minister and the President had a very good set of meetings this morning. I was honoured to be present at two of those meetings.

Let me reassure the hon. member that this is in fact a very positive relationship. It is a strong relationship. Each of us as ministers works with our counterparts to deliver on our shared objectives. Let me reassure the hon. member that the Canada-U.S. relationship is not only unique, it is strong, and we are proud of our relationship with our friends.

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CANADA-U.S. RELATIONS

Ms. Belinda Stronach (Newmarket—Aurora, CPC): Mr. Speaker, my question is for the Minister of International Trade. Yesterday at the standing committee the Minister of Foreign Affairs suggested that he did not need face time in Washington to build that critical relationship. He actually suggested that some dinners at international meetings, some telephone calls and BlackBerry messages would suffice.

The BSE border closure has cost Canadian industries \$5 billion, and almost \$4 billion in softwood money lies threatened by the Byrd amendment. Obviously BlackBerry messages are not good enough. Beyond the President's visit today, what are the minister's plans to build a more productive political relationship with the U.S.?

Hon. Jim Peterson (Minister of International Trade, Lib.): Mr. Speaker, first of all, the Prime Minister announced on April 29 that we would open an advocacy secretariat in Washington. That secretariat is now open.

Oral Questions

Second, we have the enhanced representation initiative of the Government of Canada. We have opened seven new consulates in the United States and have upgraded two in status. I attended at the Miami opening two weeks ago. In addition, we have appointed 20 honorary consuls. We take this relationship very seriously.

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SOFTWOOD LUMBER

Ms. Belinda Stronach (Newmarket—Aurora, CPC): Mr. Speaker, the U.S. President is making his first official visit to Canada only after four years in office. This is nothing for the government to crow about.

On the Byrd amendment, consulting Canadian business will not help to repeal it. Had the Liberal government implemented a high level political strategy for the U.S. a long time ago, we might not even be facing Byrd.

The European Union and six other countries are in the same boat with us on Byrd. Could the Minister of International Trade tell Canadian softwood producers why he is not taking the lead in organizing ministers from these other like-minded countries to push as a group for the repeal of Byrd?

Hon. Jim Peterson (Minister of International Trade, Lib.): Mr. Speaker, we have of course been in very close touch with the 10 other members of the WTO that have taken action against the United States in terms of Byrd.

It is absolutely essential that the United States respect its international trade obligations under the WTO and repeal the Byrd amendment. We will continue to make that our preferred route as opposed to retaliation.

If it does not, however, we will be forced to retaliate and shall.

* * *

[*Translation*]

AGRICULTURE AND AGRI-FOOD

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the mad cow crisis has been with us for 18 months now. The producers of Quebec are desperate because the federal measures do not meet their needs, and the Minister of Agriculture and Agri-Food has only just realized that there is a specific problem with cull cattle. It is about time.

Since the border will be opening up only in six months at best, does the minister realize that, if Quebec producers are going to survive, special federal assistance is needed right now to deal with the specific problems of cull?

• (1425)

[*English*]

Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.): First of all, Mr. Speaker, this minister realized the issue with Quebec producers long before it came to the attention of the hon. member.

If the hon. member had been following this particular issue, he would have seen the \$366 million under business risk management that has flowed to the Province of Quebec. If the member had been

following the situation, he would have realized that the BSE repositioning package of September 10 is providing assistance to Quebec producers. We will continue to work with Quebec producers to help them with the current situation.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, we were told a few months ago that the plan was perfect. Now they are looking for another because they realized that it was not.

Assuming the minister was right in telling us that he was aware of the problem long before we were, I have one very simple question for him. If he knew for so long, why did he do nothing?

[*English*]

Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.): Yes, Mr. Speaker, \$366 million, and that is doing nothing according to the Bloc, because they are in opposition and always will be in opposition.

On this side we have made real investments with real dollars to assist Quebec producers through this situation. We have not depended on empty rhetoric. We have depended on real programs that are flowing to Quebec producers this very day.

[*Translation*]

Ms. Denise Poirier-Rivard (Châteauguay—Saint-Constant, BQ): Mr. Speaker, Mr. Michael McCain, a leader in the food industry, recently declared with reference to the mad cow crisis that it was high time the Canadian government took a leadership role and set up regional zones with the full cooperation and support of the industry.

Will the Minister of Agriculture and Agri-Food admit that if animal health monitoring practices had been regionalized, as we have been asking for a very long time, Quebec's farmers would not have had to sustain huge losses because of one solitary case of mad cow in Alberta?

[*English*]

Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the idea of utilizing regional zones in certain commodities and with certain livestock may make some sense, but clearly when we see the reaction from our trading partners in respect of BSE there is little doubt that the impact would have been felt nationally.

[*Translation*]

Ms. Denise Poirier-Rivard (Châteauguay—Saint-Constant, BQ): Mr. Speaker, the Minister of Foreign Affairs has suggested that the American border will open to Canadian beef gradually over a six month period.

Does the Minister of Agriculture and Agri-Food understand that the farmers of Quebec cannot sustain financial losses for yet another six long months, and that he must, urgently, announce a special aid package for cull cattle?

The farmers are calling out for help and they need it right now.

*Oral Questions**[English]*

Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, as was mentioned in a previous question, the fact that the rule change moved into the OMB and began a clock that is counting down from 90 days, and now is somewhere in the order of 82 or 83 days, is progress.

The hon. member has put forward some very constructive and concise questions in respect of dealing with Quebec producers. There are particular issues in that respect. We have been engaged in conversations with the industry and with the Government of Quebec. In addition to all of the assistance we have provided in the past, we will continue to work with them.

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TEXTILE AND CLOTHING INDUSTRY

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

Thousands of jobs in Canada's garment industry are at risk right now because the minister has not signed off on an extension of the duty remissions for imported fabrics. All it takes is the stroke of a pen and thousands of jobs could be protected right now. We will provide him with the pen if he will sign today. This would protect jobs in Winnipeg, in Vancouver, in Toronto, in Montreal, all across the country.

Why will the minister not act? Will he tell us today that he will sign off on this extension?

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, long before the hon. gentleman's question, I have indicated both in the House and outside that the government will be dealing with this issue before the expiry of the existing situation at the end of this year. I would also point out to him that the government has been thoroughly engaged in looking for the right kinds of solutions to this problem.

Over the last two years we have invested over \$100 million in the search for solutions for the apparel and textile industry. We continue to try to get the configuration that will best suit all dimensions of the industry. We are doing that on the recommendation of the Liberal government caucus.

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• (1430)

PRIVACY

Mr. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, so much for fixing the democratic deficit. There is a unanimous report from the House of Commons committee relevant to the issue and the minister will not act. It is very clear.

[Translation]

I would now like to ask the President of the Treasury Board a question about the Patriot Act and the protection of personal information. We know that CIBC customer files are subject to the Patriot Act.

What we do not know, and this is my question for the minister, is how many Canadian men and women are currently being investigated?

[English]

Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, there was indeed an unfortunate incident regarding the Canadian Imperial Bank of Commerce that will be investigated by the Privacy Commissioner upon receipt of a complaint.

* * *

CITIZENSHIP AND IMMIGRATION

Mrs. Diane Ablonczy (Calgary—Nose Hill, CPC): Mr. Speaker, ever since it was revealed that the immigration minister fast tracked one of her campaign workers to the head of the line, the fairness and integrity of Canada's immigration system has been called into question. Helping the minister get re-elected gave this lucky person a payoff of preferential treatment.

Why is the minister being allowed to continue making sensitive decisions when she has already blackened our country's reputation for fairness?

Hon. Judy Sgro (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I am very proud of the work I do as Minister of Citizenship and Immigration and I intend to continue doing that.

We have referred the report to the Ethics Commissioner. We will await a response.

Mrs. Diane Ablonczy (Calgary—Nose Hill, CPC): Mr. Speaker, the minister gave her campaign worker far more sympathetic and generous treatment than normal and the thousands who are waiting in line know this from bitter experience. Yet the minister expects them to believe that her decisions are not politically motivated.

She has been asked to back up this claim by tabling the distribution of permits she issued over the last 12 months by riding. Will she try to hide this information or will she table it today?

Hon. Judy Sgro (York West, Lib.): Mr. Speaker, there was a question tabled yesterday. I will respond to that question as soon as I have had a few more hours to get that information and respond. I will be glad to share it with anyone who wants to see it.

I might remind the member that 10 or 12 days before the election, she requested ministerial intervention. I did that ministerial intervention for the hon. critic strictly on merit and humanitarian and compassionate grounds.

Mrs. Nina Grewal (Fleetwood—Port Kells, CPC): Mr. Speaker, the immigration minister grants work permits to campaign workers while legitimate applicants for funerals, marriages, or even life-saving transplants are declined. Doctors drive cabs, engineers wash windows and nurses sit home while strippers get fast tracked.

The minister appears to consider Liberal credentials more valuable than educational training. Immigrants and the 700,000 waiting for years to enter the country are insulted and outraged.

Will this disgraced minister step down immediately?

Oral Questions

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, the Prime Minister and I have both made plain that there is a process in place. The Ethics Commissioner is reviewing this matter. We see absolutely no reason for the opposition to continue this hounding of the Minister of Citizenship and Immigration.

The Ethics Commissioner is an independent officer of Parliament. He will report to Parliament. Obviously his report will be made public. Why do we not all await the results of his investigation?

Mrs. Nina Grewal (Fleetwood—Port Kells, CPC): Mr. Speaker, Canadians are angry with the conduct of the immigration minister.

In Surrey a person with a Ph.D. had to wait for four years before being granted status. A naturopath in Toronto was refused a work permit despite having done her training in Canada.

My constituents are outraged that a stripper who worked on the minister's campaign has jumped the queue while there is a backlog of 700,000 applicants who follow the rules and wait patiently.

Will the minister who has compromised the integrity of the system do the honourable thing and resign?

Hon. Judy Sgro (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, let me remind Parliament and the new member that it is Parliament that decides how many people come to Canada each year. That report is tabled on the first of November. Last year we welcomed 223,000 people to this great country of ours. It probably will be about 235,000.

Canada has a world renowned immigration system. I am proud of the system. I look forward to meeting with all of the people in the House and Canadians as we move forward to develop a 21st century immigration system.

* * *

• (1435)

[Translation]

THE ENVIRONMENT

Mr. Michel Gauthier (Roberval—Lac-Saint-Jean, BQ): Mr. Speaker, in the context of President Bush's visit, in addition to the Prime Minister's refusal to address the missile defence shield with the President, there is another equally important issue that will be covered in a shroud of silence: the Kyoto protocol.

Considering that even Russia has ratified the Kyoto protocol, why does the Prime Minister not use this visit by President Bush to encourage the Americans to ratify the Kyoto protocol to decrease greenhouse gas emissions in the atmosphere?

Hon. Stéphane Dion (Minister of the Environment, Lib.): Mr. Speaker, for the first time in a long time, the U.S. government agreed last week to sign an agreement with all the Arctic countries to establish a joint policy on climate change. The Americans are excellent partners when it comes to the issue of climate change. However, they have a problem with the Kyoto protocol, whereas we are moving forward with it. We will work with the Americans on a post-Kyoto strategy.

Mr. Michel Gauthier (Roberval—Lac-Saint-Jean, BQ): Mr. Speaker, I want to believe what the minister is saying, but if the

Americans are so keen on talking about climate change that is what the Kyoto protocol is all about.

Will the government agree that if the Prime Minister at least raised the subject with President Bush it would be a show of good faith where the Kyoto protocol is concerned? Does silence not indicate a lack of conviction about Kyoto?

Hon. Stéphane Dion (Minister of the Environment, Lib.): Mr. Speaker, I do not know where the hon. member gets his information, but we have talked about the Kyoto protocol. One thing is certain: the Americans are doing a great deal of research, which will be very useful in helping the planet fight the harmful effects of climate change. Just yesterday I signed an agreement with Vice Admiral Lautenbacher on integrating our weather forecasting systems. The Americans are key to a solution to this problem. If there is a country that can lead them to an international agreement, it is Canada and we will do our part.

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VISIT OF THE U.S. PRESIDENT

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, President Bush's visit and the impressive security system that comes with it are creating major inconveniences to businesses and services located within the security perimeter in the Hull sector of the City of Gatineau.

Does the federal government intend to offer monetary compensation to these businesses, which, through no fault of their own, are suffering large losses because of the security system set up for President Bush's visit?

[English]

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, we work very closely with local governments when visitors such as the President of the United States come to the nation's capital.

If in fact there are extraordinary, justifiable security related costs, then certainly we will sit down and talk to the City of Ottawa and the City of Gatineau about those extraordinary, justifiable security related expenses.

[Translation]

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, there are also many employees who are losing a day's work because of the security zone.

Does the government intend to offer compensation to these employees for the losses related to this forced holiday?

[English]

Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, in the same vein as the Deputy Prime Minister answered, we will evaluate the situation, look at the concerns that are raised and any losses that have occurred, and come to a conclusion.

JUSTICE

Mr. Russ Hiebert (South Surrey—White Rock—Cloverdale, CPC): Mr. Speaker, judges have been handing out slaps on the wrist for some of the most serious criminal offences.

Now we find out that the odds of going to jail for getting caught growing marijuana are less than one in a hundred. The Liberal pot bill, Bill C-17, will change nothing. The courts will continue to function as a revolving door.

Yesterday the justice minister said he would consider mandatory minimum sentences. Will the justice minister impose minimum prison terms on grow operators?

Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, our cannabis reform bill introduces four new offences to combat the grow ops as well as to combat grow ops in relation to organized crime. We have a serious response to the grow op issue.

Mr. Russ Hiebert (South Surrey—White Rock—Cloverdale, CPC): Mr. Speaker, to paraphrase a Vancouver Liberal MP, joints are being burned on the lawns in front of Parliament as we speak.

The U.S. Ambassador speaking for the President has said, “Why, when we are trying to take pressure off of the border, would Canada pass a law that would put pressure on the border?” Border problems are already costing jobs in my riding and across Canada.

Will the Prime Minister inform the President today that he will put jobs ahead of joints and withdraw this bill?

Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, we are providing jobs and combating joints.

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●(1440)

TEXTILE AND CLOTHING INDUSTRY

Mr. Gord Brown (Leeds—Grenville, CPC): Mr. Speaker, the finance minister has failed to reinstate exemptions from duties for the textile and apparel industry. His inaction is leading to the loss of hundreds of jobs in Canada. I have already asked this question in the House, but jobs in Prescott, Ontario in my riding of Leeds—Grenville are in jeopardy.

Duty remissions for the industry will expire at the end of the year. All the minister has to do is sign the order. Time is running out. I have a pen right here, minister. You could even borrow it.

The Speaker: I am sure the minister is interested to hear that, but I think he would rather hear it through me. The hon. member will want to direct his remarks as always to the Chair and refrain from that kind of statement.

The hon. Minister of Finance.

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, as I indicated many weeks ago in response to representations from members of the Liberal government caucus, this issue will be dealt with. It will be dealt with before the end of this year.

I am pleased to tell the House that the solutions we are looking at, beyond the simplistic notions that some in the opposition have

Oral Questions

espoused, could in fact extend to increasing the value of our support to the apparel and textile industry very substantially.

* * *

OIL AND GAS INDUSTRY

Mr. Jim Prentice (Calgary Centre-North, CPC): Mr. Speaker, the government's refusal to act on northern deregulation threatens the Mackenzie Valley pipeline.

The current scheme in the north has been called both complex and unpredictable. As a result, confusing regulations imperil the pipeline along with progress for aboriginals and the environment.

In September the government's own smart regulation adviser lambasted the government. The regulatory framework in the north is broken. That is the fault of the government.

Why is the government threatening the Mackenzie Valley pipeline and the health of the environment by refusing to respond?

Hon. Andy Scott (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, I am pleased to advise the House that even last Friday we spent all day with the industries from the north working on these various issues. I am working together with the President of the Treasury Board on smart regulations specifically to deal with the regulatory regime in the north for the Mackenzie Valley pipeline.

* * *

INTERNATIONAL TRADE

Mr. Lloyd St. Amand (Brant, Lib.): Mr. Speaker, the United States of America is by far our largest trading partner. Nearly \$1.8 billion in two-way trade crosses the Canada-U.S. border every day. Eighty-six per cent of our exports are to the U.S. and 96% of our trade with the U.S. is dispute free, but trade irritants from softwood lumber to Byrd continue to dominate the headlines.

What is the trade minister going to do further our trade relationship with the United States?

Hon. Jim Peterson (Minister of International Trade, Lib.): Mr. Speaker, I want to thank the hon. member for Brant for this very important question.

In addition to our enhanced representation initiative, as I announced in Miami on November 15, I will be leading frequent advocacy delegations to the United States in order to meet with senators, congressmen, governors and other key decision makers.

I want at this time to invite members from all parties to join with us in enhancing the person to person relationships that we have to build with key American decision makers.

*Oral Questions***THE ENVIRONMENT**

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, I would like to present some cold, hard numbers to the minister. The number of litres spilled from the *Terra Nova* rig last week was 165,000. The size of the oil slick, which has been caused by that spill, is nine kilometres long by one kilometre wide. The number of seabirds that will be killed by that pollution is 10,000.

Seven years ago a panel told the government how difficult it would be to clean up a spill like this. The numbers are in. Will the government confirm not to take such a tragic route on the west coast of British Columbia?

•(1445)

Hon. R. John Efford (Minister of Natural Resources, Lib.): Mr. Speaker, if we followed the direction of the hon. member, we would not transport any oil or gas by any means whatsoever in Canada. Let us put some context into what happened.

This is the first oil spill off Newfoundland and Labrador. Over 500 million barrels of oil have been pumped and shipped to the United States and into Canada for further processing. Precautions are taken. We will learn from what happened and put further precautions in place.

The hon. member mentioned 10,000 birds. That is not factual.

* * *

ABORIGINAL AFFAIRS

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Speaker, the government has devoted millions in resources, not to help aboriginal people, but to deny them justice. In spite of great sounding rhetoric by the Prime Minister and others in cabinet, there appears to be no mandate for resolving land and compensation claims.

How does the finance minister justify spending millions, if not billions, on lawyers just to delay land claims and other settlements?

Hon. Andy Scott (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, it is quite the contrary. Even as we speak a number of settlements are very close to coming to conclusion. In the provinces of Quebec and British Columbia and in the north, many claims are coming to a resolution. The hon. member is not correct in saying that we are not making progress.

* * *

HEALTH

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Speaker, the Canada Health Act specifically excludes members of the RCMP from paying health care premiums.

Why is the Minister of Health allowing the province of Ontario to tax RCMP officers in Ontario with health care insurance premiums?

Hon. Ujjal Dosanjh (Minister of Health, Lib.): Mr. Speaker, we will vigorously enforce the Canada Health Act whenever there is need. What the provinces do within their own jurisdictions is up to them. That is an issue I would be happy to take up with the province.

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Speaker, the Canada Health Act specifically excludes members of the Canadian armed forces from paying health care premiums.

Why is the Minister of Health allowing the province of Ontario to tax members of the Canadian armed forces in Ontario, making them pay health care insurance premiums?

Hon. Ujjal Dosanjh (Minister of Health, Lib.): Mr. Speaker, I am pleasantly surprised that side of the House supports the intention and the purposes of the Canada Health Act. This is news to me.

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JUSTICE

Mr. Vic Toews (Provencher, CPC): Mr. Speaker, in 1996 the Liberal government changed the law to allow violent criminals such as rapists and child molesters to serve their sentences at home. As a result, victims are being re-victimized by these Liberal laws. For example, a judge recently sentenced a 47 year old man to two years of house arrest after a jury found him guilty of sexual assault against a minor.

When will the minister finally commit to eliminating house arrest for violent criminals?

Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, our whole approach with respect to sentencing is based on the principle of proportionality. That is what the courts adjudicate upon with respect to these sentences.

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[Translation]

CANADA POST

Mr. Brian Pallister (Portage—Lisgar, CPC): Mr. Speaker, it never rains but it pours at the Post Office. Auditors are condemning the awarding of contracts, relatives must come out of the closet and the price of postage stamps is going up a notch.

How does the Minister of National Revenue explain that increase? Is it due to Liberal mismanagement, waste, corruption, or remnants of André Ouellet's policy?

[English]

Hon. John McCallum (Minister of National Revenue, Lib.): Mr. Speaker, the hon. member ought to know that for some time now the price of postage stamps has been limited to two-thirds of the increase in the consumer price index.

Canada Post is also a commercial corporation and some of its activities are not subject to regulation. However, on the crucial matter of Canadian postage, it is regulated and does not go up as fast as the rate of inflation.

* * *

•(1450)

[Translation]

CITIZENSHIP AND IMMIGRATION

Ms. Paule Brunelle (Trois-Rivières, BQ): Mr. Speaker, as regards the program to facilitate the entry of exotic dancers, does the immigration minister justify her eagerness by a shortage of so-called skilled labour in Canada's nude dancer bars?

How could the minister, who is herself a woman, show such lack of judgment and critical sense by issuing permits to women, so that they could work in an environment where women are all too often dominated and exploited, an environment where organized crime is thriving?

[English]

Hon. Judy Sgro (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, let me be very clear on this. Citizenship and Immigration Canada does not have a program to facilitate the entrance of exotic dancers.

HRSDC, under its temporary foreign worker program, has a variety of categories for agricultural workers, entertainers, buskers and a variety of other things that are identified by industries in Canada as being important to them. My understanding is that in the next short while there will be an announcement by my colleague at HRSD on other changes that will be made on these different programs.

[Translation]

Ms. Meili Faille (Vaudreuil-Soulanges, BQ): Mr. Speaker, instead, the immigration minister should restore the refugee appeal division to avoid absurd decisions such as those made by two members of the IRB regarding the Nafaa brothers, who were born in the same refugee camp in southern Lebanon.

How can the minister explain that a single reality results in two diametrically opposed decisions, namely refugee status determination in one case, and deportation in the other?

[English]

Hon. Judy Sgro (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, the Immigration and Refugee Board is a quasi-judicial board, independent of anyone else. It reviews these cases on a case by case basis. It makes its decisions, and it will stand by them.

* * *

NATIONAL DEFENCE

Mr. Dave MacKenzie (Oxford, CPC): Mr. Speaker, on February 19, 2004 the Minister of National Defence announced that Canadian Forces members who took part in chemical warfare testing would be compensated for their injuries. Our inquiries reveal that 20 applicants who should be entitled to the compensation have been disqualified because the members did not have a legal will at the time of their death.

This is clearly unfair and unjust. What legal reason would there be to exclude the estates of these honourable Canadian Forces volunteers from receiving this compensation?

Hon. Bill Graham (Minister of National Defence, Lib.): Mr. Speaker, I cannot speak to the 20 individuals to whom the member refers because I do not know their individual cases. Clearly, to receive the benefit of this program, one has to demonstrate that one fits within the definition of the program.

I have to assure the members of the House that the military and the government have made sure that members involved in and exposed to this hazard during the second world war are compensated. A \$20,000 payment on an individual basis is being made.

Oral Questions

If the member has specific complaints about specific problems, I would be happy to look into individual cases to make sure justice is—

The Speaker: The hon. member for Macleod.

* * *

CHINA

Mr. Ted Menzies (Macleod, CPC): Mr. Speaker, last week we heard that the Chinese government was in discussions to acquire Calgary based Husky Energy, but Canada is still sending \$55 million a year in aid money to China.

My constituents are outraged, and aid is still going to China like a Liberal staffer to a peeler joint. I ask the CIDA minister again today, in light of this new show of China's economic power, how does she justify sending foreign aid to China?

Hon. Aileen Carroll (Minister of International Cooperation, Lib.): Mr. Speaker, the development in China is very uneven, socially, politically and economically.

We have the opportunity to engage China in a manner that allows us to assist with its reform. We do not give money to the Chinese government. We work on capacity building with the Canadian bar. We work with Agriteam in Calgary, and we have the opportunity to assist in its governance.

We are engaging China in a manner that the opposition fails to comprehend.

* * *

FINANCE

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the process of accrual accounting enhances financial reporting by ensuring that revenues and expenses are recorded in the periods to which they relate rather than when the cash is received or disbursed.

Since the Government of Canada adopted full accrual accounting in budget 2003, could the President of the Treasury Board advise whether this new process has been effectively implemented and comment on how this change in financial reporting has been received by stakeholders and other interested parties?

• (1455)

Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, now and again we get a good question in this House.

I want to draw the attention of the House to something quite serious. Last night the Public Sector Accounting Board, which is chaired by the Auditor General of Canada, presented an award to the staff in Treasury Board and the Department of Finance for their hard work on this file. Frankly, we should all celebrate that.

I know it would be an abuse of the prerogatives of the House if I were to mention the presence of anybody in the gallery, so I will not do that.

*Oral Questions***PUBLIC SERVICE**

Mr. Bill Casey (Cumberland—Colchester—Musquodoboit Valley, CPC): Mr. Speaker, the Governor General of Canada recently advertised for two job openings in her office, but again she restricted those applicants to only those people with postal codes immediately around Ottawa. When I previously complained about this, she blamed it on the President of the Treasury Board and said that he was trying to cut costs and work in an efficient manner.

However, we now know that he gave her \$6 million to travel around the world the equivalent of 16 times. If he can give her that much money to travel around the world with her friends, surely he can give her some money to go through some resumes from western Canada and from Atlantic Canada, and stop this discrimination by postal code.

Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, the member has raised this question many times and he has received the same answer. The policy has been in place since the 1960s. It is simply in place to limit the number of applications at lower levels of the public service because of the enormous cost involved.

However, I have good news for the member. The president of the Public Service Commission has, as he knows, been working on a solution to this. She is in beta testing right now. I think we finally will get to a point where we can actually offer service Canada-wide at a reasonable cost, something that we like to do.

* * *

THE ENVIRONMENT

Mr. Jim Gouk (British Columbia Southern Interior, CPC): Mr. Speaker, the U.S. Environmental Protection Agency is attempting to enforce U.S. environmental standards on Teck Cominco, a Canadian company operating in Canada under Canadian regulations. If it is successful, it will impact on Canada's jobs, revenue and sovereignty.

Cross-border issues must be settled by bilateral negotiations. What is the Government of Canada doing to stop this unilateral action of a U.S. agency, including a lawsuit now underway?

Hon. Stéphane Dion (Minister of the Environment, Lib.): Mr. Speaker, we are against any unilateral action. We have a dispute settlement mechanism through the International Joint Commission. It is something that we will look at seriously.

* * *

[*Translation*]**FOREIGN AFFAIRS**

Mr. Roger Clavet (Louis-Hébert, BQ): Mr. Speaker, on December 2, the suspension of the death sentence against Tenzin Delek Rinpoche, a Tibetan Buddhist lama who is well known and highly respected in his region, will come to an end and he will be in danger of execution by the Chinese authorities. He has been imprisoned for two years and there are reports that he has been tortured.

Does the Government of Canada plan to bring pressure to bear on the Chinese authorities to stay the execution of Tenzin Delek

Rinpoche and see that he is entitled to a new trial, this time a fair trial in compliance with international legal standards?

Hon. Dan McTeague (Parliamentary Secretary to the Minister of Foreign Affairs, Lib.): Mr. Speaker, I thank the hon. member for his question, and I am glad he has asked it. I know that this is a matter of concern to all members of this House. We want to give serious consideration to what was done today, and will be proposing action in the near future.

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[*English*]**AGRICULTURE**

Ms. Françoise Boivin (Gatineau, Lib.): Mr. Speaker, it is evident that the Canadian cattle industry has suffered from the effects of one case of BSE. It has caused distortions in supply, slaughter capacity and trade markets.

Considering the good news received from Hong Kong that its government is lifting a one and a half year ban on beef imports today, could the Minister of Agriculture and Agri-Food tell the House what additional steps he has taken to open our trade markets for Canadian beef?

Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.): Yes, Mr. Speaker, we have been making some progress. As I mentioned earlier in question period, there is the move of the rule to the OMB and today President Bush saying that he will direct his officials to expedite that process and progress in the Japanese and Taiwanese markets. Today we were very pleased to hear that Hong Kong is reopening its border to Canadian boneless beef under 30 months of age.

* * *

● (1500)

CHINESE CANADIANS

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, approximately 81,000 Chinese Canadians were forced to pay an unjust and discriminatory head tax and were then subjected to a racist Chinese exclusion act. It is one of the darkest moments in Canadian history and yet today there is still no just and honourable resolution. I cannot imagine what excuse the government has for its failure to act.

Will the minister commit today to repay and redress this grievous wrong?

Hon. Raymond Chan (Minister of State (Multiculturalism), Lib.): Mr. Speaker, the Government of Canada has done a lot to ensure that justice has been done and that the Charter of Rights is in place. We have been talking to the Chinese community to find some solutions to address some of the issues that we have felt sorrow about in the past.

THE ENVIRONMENT

Mr. Jim Gouk (British Columbia Southern Interior, CPC): Mr. Speaker, Teck Cominco's motion to dismiss the EPA lawsuit was rejected. On November 19 it filed an application to appeal the decision. Its application would be greatly enhanced if the Canadian government were to submit an amicus brief to the U.S. court within 30 days of that filing. This issue must be settled by bilateral negotiations and its position supported in writing by the U.S. ambassador to Canada. Time is running out.

Will the government file an amicus brief and, if so, when?

Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, that issue is being considered by our lawyers right now and we will be responding accordingly.

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[Translation]

HOUSING

Mr. Christian Simard (Beauport—Limoilou, BQ): Mr. Speaker, the meeting of ministers responsible for housing ends today. Ottawa is delaying new investment in this sector on the pretext that the funds available have not been entirely spent by certain provinces. This approach penalizes Quebec which, to date, has satisfied all requirements.

Does the minister responsible for housing intend to use the end of this meeting on housing as an opportunity to restart construction of social and affordable housing by injecting the \$2.4 billion CMHC surplus equitably into the system?

Hon. Joseph Volpe (Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, as the hon. member knows, affordable housing comes under provincial jurisdiction. The ministers are meeting today to determine the next phase of this program. We will be continuing. We have already done some good work with Quebec. We are trying to do the same with the other provinces. However, we must continue to dialogue and negotiate.

GOVERNMENT ORDERS

[English]

SUPPLY

OPPOSITION MOTION—MIRABEL AIRPORT

The House resumed from November 25 consideration of the motion.

The Speaker: It being 3:03 p.m., pursuant to order made on Thursday, November 25, the House will now proceed to the taking of the deferred recorded division on the motion of the member for Calgary Southwest relating to the business of supply.

Call in the members.

• (1515)

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

Supply

(Division No. 17)

YEAS

Members

Abbott	Ablonczy
Allison	Ambrose
Anders	Anderson (Cypress Hills—Grasslands)
André	Angus
Asselin	Bachand
Batters	Bellavance
Benoit	Bergeron
Bezan	Blaikie
Blais	Boire
Bonsant	Bouchard
Boulianne	Breitkreuz
Broadbent	Brown (Leeds—Grenville)
Brunelle	Cadman
Cardin	Carrie
Carrier	Casey
Casson	Chong
Christopherson	Clavet
Cleary	Comartin
Côté	Crête
Crowder	Cullen (Skeena—Bulkley Valley)
Cummins	Davies
Day	Demers
Deschamps	Desjarlais
Desrochers	Devolin
Doyle	Duceppe
Duncan	Faile
Fitzpatrick	Fletcher
Forseth	Gagnon (Québec)
Gagnon (Saint-Maurice—Champlain)	Gagnon (Jonquière—Alma)
Gallant	Gaudet
Gauthier	Godin
Goodyear	Gouk
Grewal (Newton—North Delta)	Grewal (Fleetwood—Port Kells)
Guay	Guergis
Guimond	Hanger
Harris	Harrison
Hearn	Hiebert
Hill	Hinton
Jaffer	Jean
Julian	Kamp (Pitt Meadows—Maple Ridge—Mission)
Keddy (South Shore—St. Margaret's)	Kenny (Calgary Southeast)
Komarnicki	Kotto
Kramp (Prince Edward—Hastings)	Laframboise
Lalonde	Lapierre (Lévis—Bellechasse)
Lauzon	Lavallée
Lemay	Lessard
Lévesque	Loubier
Lukiwski	Lunn
Lunney	MacKay (Central Nova)
MacKenzie	Marceau
Martin (Winnipeg Centre)	Martin (Sault Ste. Marie)
Masse	McDonough
Ménard (Marc-Aurèle-Fortin)	Menzies
Merrifield	Miller
Mills	Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)	Nicholson
O'Connor	Obhrai
Oda	Pallister
Paquette	Penson
Perron	Picard (Drummond)
Plamondon	Poillievre
Poirier-Rivard	Prentice
Preston	Rajotte
Reid	Reynolds
Richardson	Ritz
Roy	Sauvageau
Scheer	Schellenberger
Schmidt (Kelowna—Lake Country)	Siksay
Simard (Beauport—Limoilou)	Skelton
Smith (Kildonan—St. Paul)	Solberg
Sorenson	St-Hilaire
Stoffer	Stronach
Thibault (Rimouski-Neigette—Témiscouata—Les Basques)	
Thompson (New Brunswick Southwest)	
Tilson	Toews
Trost	Tweed
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The Speaker: I declare the motion carried.

Mr. Dale Johnston: Mr. Speaker, because of all the security on the Hill, I was delayed. I would like to be recorded as voting yea on this motion.

The Speaker: Does the hon. member for Wetaskiwin have the unanimous consent of the House to have his vote recorded as voting yea on this motion?

Some hon. members: Agreed.

An hon. member: No.

The Speaker: I wish to remind hon. members of the reception being held at 3:30 p.m. in Room 237-C for an important unveiling of a portrait.

I wish to inform the House that because of the deferred recorded division, government orders will be extended by 15 minutes.

* * *

CANADA EDUCATION SAVINGS ACT

The House proceeded to the consideration of Bill C-5, an act to provide financial assistance for post-secondary education savings, as reported (with amendment) from the committee.

• (1520)

SPEAKER'S RULING

The Speaker: There are two motions in amendment standing on the notice paper for the report stage of Bill C-5. Motions Nos. 1 and 2 will be grouped for debate and voted upon separately.

[*Translation*]

I shall now propose Motions Nos. 1 and 2 to the House.

[*English*]

Ms. Alexa McDonough (Halifax, NDP) moved:

Motion No. 1

That Bill C-5 be amended by deleting Clause 3.

Motion No. 2

That Bill C-5, in Clause 13, be amended by adding after line 32 on page 10 the following:

“(I) establishing a process for defining the conditions that constitute undue hardship under subsection 9.1(1) for a beneficiary or the primary caregiver of a beneficiary.”

The Speaker: We will have a little order please.

[*Translation*]

It is hard to hear when everyone is talking and there are discussions in the gallery.

[*English*]

I encourage hon. members to go to their galleries and lobbies, and have their discussions there. The hon. member for Halifax has the floor.

Ms. Alexa McDonough: Mr. Speaker, as we resume proceedings, we are debating two report stage amendments to Bill C-5, an act to provide financial assistance for post-secondary education savings.

The stated purpose of the bill is:

—to encourage the financing of children’s post-secondary education through savings, from early childhood, in registered education savings plans.

Government Orders

The effect of this first amendment, to delete clause 3, would be to actually delete the stated purpose of the bill. Let me be clear about what we are talking about here. Clause 3 purports to serve the purpose of introducing so-called incentives to encourage families to save for their children's future. However, it fails to take into account the reality that many low and fixed income families cannot afford to put money into RESPs.

We heard from witnesses, who appeared before the human resources committee on Bill C-5, that the stated purpose was bogus and that the provisions contained in the bill could not possibly come close to achieving the stated purpose. It was the view of all but one witness of the many who appeared before the committee that Bill C-5 would actually widen the gap between upper income families who can afford to open RESPs for their children and those living on low and fixed incomes who cannot.

It cannot be ignored if there is not to be a total democratic deficit in the work of the human resources committee. Every single organization that spoke to the bill said to scrap it. Fundamentally, there were two reasons why they said to scrap it.

The provisions of the bill do not achieve the stated purpose. It could be documented in dollars and cents that low and modest income families would not be the chief beneficiaries of the bill. The greatest benefits of the bill would go to upper income families who could afford to set aside savings and who could draw down the benefits that are contained in the bill in a way that lower income families could not do.

Student representatives, spokespersons for anti-poverty groups and single parent groups spoke against the bill because it completely failed to address what was really needed to achieve the purpose of opening up accessibility for low and modest income students to our post-secondary education institutions.

There is absolutely nothing in the bill that even purports to address the current post-secondary education crisis that is sweeping this country. Every single education stakeholder who appeared before the committee as a witness demanded that what was needed instead was a needs based grant system instead of this woefully inadequate piece of legislation.

I have heard some people argue that Bill C-5 is better than nothing. The bill would not achieve its stated purpose and that is why we are proposing the deletion of the stated purpose because it is bogus. If it does not actually achieve its stated purpose, at least it does attempt to do something. There would be some people in the low and modest income family category who would benefit from it. It is true that some would benefit. One must take into account whether this is the best use of the money that would be invested.

• (1525)

The reality is that the principal beneficiaries of the money invested will be upper income families and therefore we have to take into account the opportunity cost.

As is proposed in Bill C-5, the forfeited use of that money would be invested. It was the overwhelming contention of everyone that if the government is sincere in its intention to do what is most cost effective in achieving the stated purpose, then that same amount of

money will be invested in a needs based system of grants. Anything short of that would be bogus and should not be supported.

For that reason I am appealing to members of all political parties, particularly those who heard the witnesses again and again say that this was not where public dollars should be spent. They said that public dollars should be spent on addressing the crisis in post-secondary education to ensure we have a system of needs based grants, something for which we could all be proud and which together we could all support.

I want to be perfectly fair. We did hear one representative of an organization, unapologetically, which is fair enough, say that his organization supported the bill because his organization was in the business of dealing with registered education savings plans and therefore would be a principal beneficiary of the provisions of the bill.

However I do not think the purpose of the bill is to enrich the investment activities of an organization that is in the business. Nothing is wrong with that, and if that is the intention of the bill, then there will be such beneficiaries, but the stated purpose of the bill is to deal with low income students and families who face a major accessibility problem in gaining entrance into or maintaining their status as students in post-secondary education institutions.

With regard to the first amendment, I ask all members who heard those pleadings and the overwhelming evidence from witnesses, and representatives of all of our respective caucuses who are here to support this amendment, to recognize that the stated purpose of the bill is bogus and to vote in favour of the amendment that is now before us, which is to delete clause 3.

Hon. Joseph Volpe (Minister of Human Resources and Skills Development, Lib.): Madam Speaker, I have to say that I am little perplexed by the position taken by my hon. colleague.

For the benefit of all those who are listening or watching, the purpose of the bill is to encourage the financing of children's post-secondary education through savings from early childhood in registered education savings plans.

What we are trying to do is encourage parents to begin, immediately upon the child's birth, to consider the ambition of a lifelong approach to studies, and the way to do that is to begin to save from the moment of birth. We encourage that by putting in a \$500 learning bond. That \$500 learning bond can be matched, but more important, we encourage continued savings by putting in an additional \$100 per year for 15 years.

Here is the catch that perhaps members have not understood sufficiently. This is a measure designed for the future: the students of the future and the parents who want to encourage their children to study in the future. This is especially directed to those parents who are unaccustomed to some of the sophisticated instruments of investment. We put them in a position where they can take advantage of those instruments in the way that those in the middle and upper middle classes are accustomed to doing.

Government Orders

Why do we do that? We do it because we recognize that those families that are in receipt of a child tax benefit, those whose income thresholds are below the norm that we feel is sufficient for some people to fit into that middle class or upper middle class, need additional assistance.

I am absolutely surprised that my colleague from the neo-socialist NDP would think that this was a bad idea, that the Government of Canada would encourage people from such a background to actually contribute to their child's own future learning potential.

I do not know how we could possibly be more direct than to say that we want to partner—

• (1530)

Ms. Alexa McDonough: Madam Speaker, I rise on a point of order. I wonder if I could just seek some direction or clarification from yourself as Speaker as to whether the member is now debating the bill as opposed to addressing the first two amendments that I put forward.

The Acting Speaker (Hon. Jean Augustine): The member for Halifax was at the end of her 10 minutes speaking time. The next speaker was on debate.

Hon. Joseph Volpe: Madam Speaker, the amendment speaks to the purpose of the bill. Virtually everything is in order, but most important, if the amendment is to delete the purpose of the bill, nothing else functions unless we can justify this purpose.

To call this bill a bogus bill is to go to the heart of the intention of all hon. members in the House, which is to promote education and encourage low income families to engage their children in education, which we all recognize is the vehicle for upward mobility in our society and the vehicle for addressing the shortages that we will have in qualified skilled labour in the future.

We are being proactive in this matter. We are talking about the students of the future, the families that find themselves in a position today that might not be able to address the needs of their children tomorrow.

We also recognize that the member's view may have some merit with respect to those students who are currently in the system. For those students we have already indicated in our budget 2004 a series of measures that will aid them in their pursuit of higher learning, whether it is in community colleges, in universities, in learning centres, in trade schools, whatever the case may be. We have taken some very important measures.

For example, some members may recall that one of the measures in the 2004 budget tries to address the difficulties that some students may have in their first year. For those lower income and middle income parents, we said that we will give them a one time \$3,000 grant or 50% of their tuition, whichever is less.

If I might bore the member who made these motions which go to the heart of this bill and which I think could be ruled out of order, she will probably recognize that we already spend \$1.6 billion annually in Canada student loans programs to assist some 330,000 students and that the Canada millennium scholarships are awarded to another nearly 90,000 students and that there were some \$285

million a year for those who are in financial need. We do that on an annual basis.

If she complains that there are not enough funds to help students in need, let me point out as well that we have Canada study grants for those students who have demonstrated some merit. These grants are issued to approximately 56,000 students, totalling a value of \$75.5 million annually. The Canada education savings grant program rewards all those people who begin to save for their children or for themselves in an RESP by the government putting in some \$2 billion.

The member who just spoke to the purpose of the bill may object to people making money on investing on behalf of students but I am proud to say, quite frankly, that this initiative has already generated some \$12 billion of additional investment for the education of young men and women. I do not know why anybody would be such a curmudgeon to say that is bad.

We believe in post-secondary education. I am not sure that the members over there quite fully understand the dynamics associated with preparing for lifelong learning. If the House were to, even in a moment of absent-mindedness, consider this motion and the amendment by the member for Halifax in a serious way, it speaks to coming under examination about whether they are serious or rational. I do not know if the two are synonymous but if we are going to talk about education and lifelong learning then we need to consider that all of those members had an opportunity in committee to take a look at all of the measures and there are several very good amendments that I think the committee accepted.

I am pleased to say that I will be accepting all those amendments that came from the committee because in a moment of sanity the committee members said that this could be improved and they showed us how. They did not say that we should throw the whole thing out because it was bogus. They did not say that this would widen the gap.

• (1535)

If there is a learning bond for kids who come from families that are in receipt of child tax benefits and that fund is built up on a year to year basis, the gap is not being widened. Everything that can be done is being done in the realm and the authorities of government to ensure that the gap is narrowed.

Some people over there do not understand the difference between broadening and narrowing. We are trying to narrow the gap and provide our future citizens with an opportunity to engage in lifelong learning. We are providing them with an opportunity to reach out to that Canadian dream to be productive, competitive, flexible, adaptable members of a thriving, booming economy. That is what all of our citizens demand. That is what they deserve. That is what Canadians get with citizenship. They do not get negatives. They get an opportunity to share in that dream and that ambition.

• (1540)

The Acting Speaker (Hon. Jean Augustine): It is my duty pursuant to Standing Order 38 to inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for Beauport—Limoilou, Social Housing.

Government Orders

Mr. Peter Van Loan (York—Simcoe, CPC): Madam Speaker, the amendment put in front of us by the member for Halifax is one that we, with respect, do not support because we believe in the purpose of this bill. We believe in the value of higher education. We believe in this proposal that uniquely combines the genuine compassion for those in need and the support they need, as well as encouraging self-reliance for people to advance and improve their lives.

We take a different view from that of members of the New Democratic Party who, if they do not think it is perfect, throw out the baby with the bathwater. Nothing in this world is perfect but we think the bill achieves very important purposes. As I said, those two purposes, compassion and support for those genuinely in need, are part of the role of the state. That is what we look to a government to do.

In this case the bill proposes through the establishment of the Canada learning bond an opportunity to encourage savings and to provide grants for young families with children that do not have the means to start saving immediately for their children's education. It gives them the opportunity to do that from the beginning. At the same time, due to the matching grants and registered education savings plans, once started, there is an encouragement for the family to save and contribute, to aspire to a better life and a better future and to improve the family's conditions through subsequent generations.

That aspiration to live a better life and to achieve a higher education is something which I believe really defines the values we on this side of the House hold as very important. They are the principles of what education can do for people, such as, higher incomes, a higher standard of living, better communities and a better quality of life all around. An educated society helps contribute to that. That is why we support this bill.

As the minister indicated in his comments, when we were dealing with this at committee, we came up with some very practical and constructive amendments to improve the operation of the bill. I am proud to have put forward two of those.

One amendment I call the grandparent amendment. It makes it easier for people other than parents who have set up an RESP, perhaps grandparents or others, to make contributions to those RESPs and help support for children's education. That amendment eliminates red tape and bureaucracy and will encourage more saving. As a result of that amendment, we will see more young individuals going to university than before with the financial support they need to make that happen.

Another amendment which was very important to me was one to allow the Canada learning bonds and registered education savings plans to be utilized for part time learning. Some people think they should only be for full time learning, but our economy and society are changing. Particularly for families of modest means, often a full time education is not an easy option because money is tight and there is a fundamental need to work at the same time as pursuing an education.

The quintessential example in my own life is my assistant of many years who herself came from modest means and was able to achieve a university education only on a part time basis, the first in her

family ever to do that. Had this program been in place when she was growing up, it would have been much easier for her.

That opportunity is a very tangible improvement we have seen made here. It improves the legislation. It helps to achieve the purpose of the bill of encouraging the use of registered education savings plans particularly by those families of modest means.

Simply put, we cannot agree that the bill does not do that. It is targeted and tested for those who are genuinely in need. That is what we want when we look for intervention and support from the government, that there is not willy-nilly a blank cheque for anybody regardless of his or her means, but that we are targeting our assistance to those who need it most. I believe that is what this does and for that reason the purpose in the legislation is a good one.

We are pleased on this side of the House to support the bill, in particular to have been able to put forward some amendments. I believe they have made it a much more constructive and stronger bill. It will help children many generations from now achieve a higher education, contribute to better lives for their families and communities. It will make this country more competitive economically, a richer place to live and a place where people can achieve their dreams and aspirations.

• (1545)

[*Translation*]

Mr. Alain Boire (Beauharnois—Salaberry, BQ): Madam Speaker, concerning the learning bonds bill, as we announced at a previous reading, the Bloc Québécois supports this bill because one could hardly be against investing in making post-secondary education more broadly accessible, contrary to what the NDP is asking for.

The Bloc Québécois is in favour of the establishment of the learning bonds program, as this would directly help lower-income families. Families who could not afford it otherwise will be able to save for their children's post-secondary education.

The Bloc Québécois is also in favour of increasing the Canada Education Savings grant because this is a tax measure that benefits middle and lower-income families.

Bill C-5 will allow less well-off families to take advantage of the benefits of the registered education savings plan and the Canada education savings grant, as better off families already do.

I would like to remind the House, however, that neither the learning bonds nor the increase in the Canada education savings grant will help Quebec provide quality education, because they do not give Quebec the means to do so. They force students to cover part of the cost of their post-secondary education, without improving the quality of this education.

This bill should be combined with an increase in the CHST, because now is the time when students in Quebec need financial assistance and quality education, not 18 years from now.

Correcting the fiscal imbalance and restoring fair transfers to the provinces would enable the Government of Quebec, which is in the best position to understand the Quebec reality, to support Quebec's students appropriately.

Government Orders

Quebec already has a loans and grants program, which it could substantially improve with the funding provided under the Canada Education Savings Act. A \$40 million budget has been announced to administer the program during its first three years of operation. This budget includes an envelope for setting up the computer system to manage the registration of children born after 2003.

An advertising budget should also be included in order to encourage families to take advantage of the new measures contained in the bill and to avoid the kind of problem encountered with the guaranteed income supplement program and having people who are eligible for the program but do not know that this bill exists

We are used to the federal government's propensity to underestimate. We need look no further than the firearms registry for proof of that. The government does not know what the annual cost of administering the measures set out in Bill C-5 will be. It will be determined by an analysis of the first three years of the program.

It will cost more than \$13 million annually to distribute \$80 million over the first three years of the bill. The Government of Quebec could have distributed this to students in greatest need at no additional cost if the Canadian health and social services transfer had been increased. We could then save the annual administration costs of the program, which total \$13 million, and improve equalization payments to the provinces.

The hon. member for Halifax has brought in a motion today concerning clause 3, calling for its deletion. As presently worded in the bill, clause 3 reads as follows:

The purpose of this Act is to encourage the financing of children's post-secondary education through savings, from early childhood, in registered education savings plans.

Hon. members will understand that clause 3 is the very heart of Bill C-5. Deleting it is tantamount to doing away with the entire bill.

The Bloc Québécois is in favour of the principle of this bill on learning bonds. It is in favour of the implementation of the learning bond program, because it will provide direct assistance to lower income families. It will enable them to have access to post-secondary studies and not to be penalized for not being able to save money for that purpose.

As well as being in favour of the purpose of the bill, the Bloc asked for an amendment to clause 3 in committee. That amendment reads:

3.1 The Minister shall take measures necessary to carry out the purpose set out in section 3, including making known to Canadians, through informational and promotional activities, the existence of CES grants and Canada Learning Bonds and any terms and conditions.

• (1550)

With this addition, the Bloc Québécois wishes instead to see the object of the bill realized and not have it share the fate of the guaranteed income supplement which some people are not receiving because they are still unaware of its existence.

In conclusion, the Bloc Québécois is opposed to the NDP motion calling for deletion of clause 3 of Bill C-5.

Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I also want to speak on this subject to express my profound disagreement with the amendment proposed by the hon. member for

Halifax. She is probably already aware of my disagreement. I mentioned it the other day in this House, when she spoke in our first debate of this bill, that is, at second reading.

Philosophically, I cannot understand the position of the hon. member for Halifax at all. I know that she and her colleagues claim they are the defenders of widows and orphans. That is their right, of course. We are all entitled to think that we are able to defend those who are unable to defend themselves. That is fine, but I do not understand how she arrives at her conclusion.

I said it the other day and I will repeat it.

An hon. member: Oh, oh!

Hon. Don Boudria: Oh yes, she has all the answers. I will just say that there are some people in our society for whom post-secondary education has never been part of their values. I come from that background and I know something about it.

For these people it is very important to build a culture in which aspiring to an education for their children becomes a family goal. Do you think that when I was little we talked about cousin Fred who defended his master's thesis so well? That was not what we talked about around our kitchen table. It did not exist in our family values. I am not the only one. There are a lot of us.

What do I want? I want the group in our society for whom these values did not previously exist to adopt this as their own goal from now on. There is nothing wrong about that. I know that the hon. member says that better things could be done with the money. There are always better things one can do; that is true.

Last week I met a group of students who came to do some lobbying in my office. They told me that the same money could be given to those who wanted to register for next year and it would help them right away. Perhaps. Perhaps that should be done as well.

Nevertheless, meanwhile, we must not say that certain groups of people who have never aspired to pursuing a post-secondary education do not have the right to adopt this as a family goal, just like anyone else.

At some point, retirement savings plans were introduced. Of course, at the time, some thought that only rich people would set money aside. That is not true. I know many people who worked all their lives, including janitors, and who were able to save a bit of money to ensure a better retirement.

What the minister is proposing today is the same thing, namely to set a little money aside to ensure a better future for our children. We must create a situation where, from now on, people sitting down at the dinner table will talk about the \$25 or the \$50 that they saved during the month, or that they invested at some other time, so that this becomes part of the family values. Is it too much to ask on our part?

To try to empty the bill of its substance, as the hon. member is proposing, is bad. I am saying it now and I already said it at second reading. At least, where I come from it is bad and I think that others who come from the same background should also be entitled to the same thing.

Government Orders

As some hon. members know, I got my university degree while sitting as a member of this House. It took me 11 years, on a part-time basis. At times, it was hard, particularly during the last four years, when I was a minister. I am the only minister in the history of Canada to have pursued a university education while serving as a cabinet member.

What motivated me to get my degree was that my two children were also attending university. What message would it have sent to them if their father, who was attending university at the same time as they were, had dropped out? It was impossible to do that. This is one of the things that motivated me and kept me going during those times when I had to get up at 3:30 a.m. or 4 a.m. to complete my courses. This is the example that we set for the next generation.

It is true that, at the time, I had the means to help my children and so on. However, I still needed the same courage to set an example. This takes a different form at a different socio-economic level. It becomes a family objective, no matter how modest, so as to instill those values.

I think our children and grandchildren are entitled to this. Be that as it may, I personally will support the minister's position. I am asking everyone to reject this amendment, and I am even asking the hon. member to withdraw it.

• (1555)

[*English*]

Mr. Tony Martin (Sault Ste. Marie, NDP): Madam Speaker, I want to say for the record that I am disappointed in the position that the Bloc has taken on Bill C-5. I always felt that the Bloc was a kindred spirit in many ways on issues of social policy and in understanding what is really needed for those of modest means to fully participate in our society. Quebec has done some very progressive things that members of the Bloc have had a significant hand in. They were very progressive, but this is not a progressive piece of legislation. This is not progressive public policy in any way, shape or form.

I am really disappointed, though, in the disrespectful intervention by the member from the Liberals, the member for Glengarry—Prescott—Russell. To suggest for a second that he as a member of Parliament going to university on the side, I guess, in his off hours, was in any way similar to a family living on low income and the struggles it has to face to send either the parents or the children to university, sends us the message that he does not understand. He does not understand what is going on out there. He does not understand the challenges that are faced by poor and modest income families. He does not understand the passion and the understanding of the member for Halifax, who has put forward the amendments we are considering this afternoon.

As a matter of fact, it is not just the members of the New Democratic Party who do not believe that this bill is going to do what the government is suggesting it may do. Every person connected at all with the post-secondary education system who came before the human resources and skills development committee to speak about the bill opposed it. They encouraged us to oppose it as well. If that does not tell us something, I do not know what will.

The second NDP amendment that we are looking at today sought in committee to ensure that the bill would require the minister to clearly define what constitutes undue hardship. Again, when we listened to the intervention a few seconds ago by the member for Glengarry—Prescott—Russell, I guess we began to understand why the minister was not willing to accept that very simple amendment and why the minister would not put something more concrete on the table that would help those folks out there who are trying to get their heads around how this piece of public policy would help them.

Bill C-5 would give the minister broad authority to subjectively assess, in an unaccountable and non-transparent manner, whether a student is experiencing undue hardship. What could be defined by one MP as undue hardship being experienced by a constituent could be rejected by the minister, with no means of appeal.

As a matter of fact, I served for 13 years as a member of the provincial parliament in Ontario and over the last 6 to 10 years I have seen in that province a deterioration in the ability of families and students to appeal when they have applied for assistance to get relief from the pressure of a loan or debt they incurred because they tried to better themselves to go to post-secondary education.

That appeal system has become almost impossible to access and to get some positive response from. We can imagine a family of modest means or poor means trying to appeal a decision made by government regarding their participation in this program and how difficult and frustrating it would be in the end for them to actually achieve that.

I am standing in my place today as the member for Sault Ste. Marie to support the member for Halifax in her very sincere attempt to bring at least a modicum of sanity to the bill in terms of the two amendments that she put forward so eloquently and effectively at committee only to be defeated by every party in the House with the exception of the New Democratic Party.

They obviously did not understand that this is a bill which from its very inception is nothing more than an exercise in smoke and mirrors by a government looking to curry some favour as it prepares itself to go to the electorate yet again. It in fact would do nothing to better the lot of many Canadian citizens who want to better themselves by going to post-secondary education.

The bill is smoke and mirrors, but it is more than that for me. It is also a very dangerous piece of legislation because what it is doing is encouraging people who are already making some basic decisions on a day to day basis about where they will spend the little bit of money they have.

• (1600)

Many members may have heard of the project out of Ottawa. Low income individuals got together and started a project called "Pay the Rent or Feed the Kids". That is the kind of decision that families of low and modest incomes are making in our society today. It is not about whether they can afford to go to post-secondary education or not.

Government Orders

These people are at a more basic level than that. They are trying to decide from one day to the next whether they will pay the rent or feed the kids, never mind paying the hydro or providing transportation for themselves or their children to get to places they need to go. It gets boiled right down to whether they can actually feed themselves or feed their children or pay the rent.

This group of people is acting on that level in terms of their income. These are people who are trying to make do and in fact in many instances are making do with the little bit of money they have. They are doing way more than those of us who are in this position of privilege as members of Parliament would be able to do.

To suggest for a second that they should somehow, if they could find some money, perhaps by cashing in the bottles at the end of the month, put that money into some kind of savings plan that will see them into the marketplace, is hocus-pocus. Because that is what this is all about. It is about the managers of funds, those who play the stock market, identifying another source of money that they can actually use to better their own fortune.

It is dangerous to veil that in the cloak of how this is a good program for low income people to set money aside for themselves so they can send their children to school. It is a dangerous road to be going down; it is the same road that we are trying to push workers down when we determine that their pension plan should be an RRSP program instead of a fixed pension plan such as that which is championed by organized labour in this country.

It is the same kind of hocus-pocus that is being perpetrated on working men and working women in this province. Now, by means of this bill, it would be perpetrated on some of our lowest income families. It suggests that they might set aside some money, throw it into the market and see it grow. Yes, it will grow, all right; it will go is what will happen to it. It will not grow. In fact, that money, if in the first place they have been able to find it to put in, will be gone at the end of the day. It will not be there to help them and their children.

I suggest that this government, if it really wants to put its money where its mouth is, if it really wants to do something, not only for poor families and families of modest income in this country but where post-secondary education is concerned, it should cast its sights across the water to Europe.

Many countries there have decided that post-secondary education is now so important to their economy, their community and their people that there will be no tuition fee for post-secondary education. They have decided to invest in post-secondary education in such a way that those who qualify, those who want to go and take advantage of that opportunity, will in fact not have that obstacle put in front of them. These students can go, maximize the potential they have to be educated, and then come back and participate in their community and the economy of their country.

An hon. member: That's a vision.

Mr. Tony Martin: That is a vision, and not only that, but some countries have even gone so far as to say to those families of modest and low income that if the students, never mind the tuition, cannot even afford to leave home to go to the institution they qualify for, the countries will provide a grant.

A grant is free money. Do members remember the 1960s and 1970s when we went to university? We used to get grants.

Countries in Europe are saying that they will provide a grant for families of modest and low income so that they can provide for the food and the housing needed while the students get their education. Then they do not have to worry about that.

● (1605)

An hon. member: They must really value education.

Mr. Tony Martin: Absolutely, they value education to the point where they are willing to invest public money in institutions that then will have the ability to absorb all those who live within their borders to participate in that post-secondary education opportunity.

That is what the government should do. The Bloc and the Conservatives should support this and, along with the NDP, call upon the government to do that.

The Acting Speaker (Hon. Jean Augustine): The question is on Motion No. 1. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Hon. Jean Augustine): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Hon. Jean Augustine): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Hon. Jean Augustine): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Hon. Jean Augustine): The recorded division on Motion No. 1 stands deferred.

The next question is on Motion No. 2. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Hon. Jean Augustine): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Hon. Jean Augustine): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Hon. Jean Augustine): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Hon. Jean Augustine): The recorded division on Motion No. 2 stands deferred.

The House will now proceed to the taking of the deferred recorded divisions at the report stage of the bill.

Call in the members.

And the bells having rung:

The Acting Speaker (Hon. Jean Augustine): The vote will be deferred until tomorrow at the end of government orders.

•(1610)

Hon. Dominic LeBlanc: Madam Speaker, I rise on a point of order. There have been discussions among all parties and I think if you seek it, you would find unanimous consent to see the clock as 6:45 p.m.

The Acting Speaker (Hon. Jean Augustine): Is that agreed?

Some hon. members: Agreed.

ADJOURNMENT PROCEEDINGS

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

[*Translation*]

HOUSING

Mr. Christian Simard (Beauport—Limoilou, BQ): Madam Speaker, on October 20, I asked a question in this House of the Minister of Labour and Housing, concerning the transfer of responsibility for housing from the federal government to the Government of Quebec. Negotiations have now resumed between the two governments about transferring the responsibility for social housing.

I was not satisfied by the answer provided and asked if we could discuss the matter further, because the situation is very serious. These negotiations just resumed after becoming deadlocked earlier, because the federal government would not recognize the underfunding Quebec experienced before 1993 in terms of housing, and social housing in particular.

As everyone knows or should know now, when the Prime Minister was the Minister of Finance, he cut all funding, which means that, from 1994 to 2001, no investment whatsoever was made in housing or social housing. The aim was a zero deficit, which was achieved, as everyone knows, on the backs of those who needed housing and of the unemployed.

We know that there was this massive cut from 1994 to 2001. What is less well known however is that, before 1994, the federal government was making investments, but not equitably. As a matter of fact, Quebec received a mere 18.7% of the funding for social housing, to develop housing co-ops, and build facilities owned by non-profit organizations and what is commonly known as low-cost housing units.

Quebec received 18.7% of the funding, while it accounted for more than 24% of the Canadian population. At that time, the housing needs in Quebec represented 27% of the total needs, which means that, sociologically, among the segments of population with social

Adjournment Proceedings

housing needs, Quebec represented 27% of the needs. Yet it received only 18% of the funding.

I will just mention a text that we have prepared. We at the Bloc Québécois will be going on a tour to discuss this issue.

It is important to know that the positions of the two parties involved in the negotiations are currently very far apart. I would like the government representative here this evening to give us the status of these negotiations. There was a disparity of more than \$100 million a year between what Quebec was asking for to correct this historic difference and what the government was offering.

We hear all sorts of rumours that the transfer will cover only part of the housing units, while it is important to cover the cost of all of them, including low-income housing, housing cooperatives and not-for-profit agencies.

We want to know whether the transfer covers all the responsibilities and if it will allow for investment in social housing. The underinvestment before 1993 had devastating effects on families living in housing cooperatives, or these not-for-profit agencies. These cooperatives need reinvestment because they have had very little money to renovate, buy or build housing.

I am calling on the government to be clear and precise. I am asking the government representative to give us an update on the negotiations and to tell us whether they cover all the units.

•(1615)

Hon. Dominic LeBlanc (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, I thank the honourable member for Beauport—Limoilou for ensuring that light is fully cast on this question. We all know how important proper housing is. One of the fundamentals for healthy communities is proper housing.

[*English*]

Over the years the government's involvement in social housing has evolved to reflect the changing needs of Canadians. In 1996 Canada Mortgage and Housing Corporation began to enter into agreements with provinces and territories to transfer to them the administration of the existing CMHC portfolio of social housing stock.

I point out that the successful transfer of the administration of the existing social housing stock has already been completed in six provinces and three territories.

[*Translation*]

Serious negotiations have recently been resumed with Quebec on the transfer of social housing. We are aware that this transfer presents some difficulties for Quebec. We have therefore struck a joint task force with a view to examining the various financial aspects of the agreement. Discussions on this are continuing, and all parties are determined to reach agreement promptly.

*Adjournment Proceedings**[English]*

In response to the hon. member's question in regard to Quebec's fair share of funding, I would like to explain how the amount offered is calculated. Funding is transferred for the units for which administration is being transferred. The reason Quebec's share of funding is lower than its share of national population is because the funding offer is related to existing units.

[Translation]

I would remind the hon. member that Quebec decided in the past not to participate or to delay participation in federal housing programs such as the public housing program and the rent supplement program. This is why its share of the funding for housing is lower than its proportion of the total population. As well, the cost of social housing in Quebec is slightly less than the national average. So, although the province's share of social housing funds may be less than 25%, Quebec is being given its fair share compared to the real cost of social housing that would be covered by this transfer.

[English]

In 2003-04 the Government of Canada spent over \$455 million in Quebec, mostly on social and affordable housing programs. This includes \$306 million in ongoing funding spent primarily in support of some 136,000 dwellings occupied by lower income families, seniors and persons with disabilities, aboriginal people and victims of family violence.

[Translation]

As the hon. member has said, Quebec and Canada have recently signed an agreement relating to the second component of the affordable housing agreement. Quebec is, in fact, the first to sign such an agreement, by virtue of which an additional \$150 million will be allocated to affordable housing in Quebec.

Mr. Christian Simard: Madam Speaker, the last part of the response does not apply to phase 2 of affordable housing. There is absolutely no more money left in Quebec and all the units are reserved. This announcement comes too late.

If I am not mistaken, there is something about this that escapes the government representative. Before 1994, Quebec applied the modesty criteria. It is the only place in Canada where such criteria

were applied. Only 60% of housing could be subsidized, while in Ontario or in British Columbia, much more solid housing cooperatives and not-for-profit housing were being built, often with swimming pools. These homes were built to last.

It is not an issue of housing costs. To try to do more, to apply modesty criteria, we underinvested in Quebec. The theory that Quebec did not want to benefit from certain subsidies is highly contested.

In fact, not enough money was invested in Quebec. Quebec used modesty criteria that resulted in terrible situations today. There is a great need for renovation.

The government should acknowledge and correct this historic injustice. If it does not, these negotiations will either end in a stalemate or in concessions on the back of Quebec.

• (1620)

Hon. Dominic LeBlanc: Madam Speaker, as I said, the Government of Canada is working in a number of areas to meet the housing needs of all Canadians.

One part of this government's efforts is to transfer responsibility for the administration of social housing. Allow me to repeat that negotiations are now underway and we are very confident that we will soon reach an agreement with Quebec that satisfies all parties.

I wish to point out that signing these agreements does not in any way alter the federal government's level of commitment to these programs, but rather the administration of them.

Residents of Quebec will soon be able to enjoy a single-window approach to the administration of existing social housing units. We have the Prime Minister's commitment and we intend to work with the provinces and communities in order to ensure access to housing for the poorest people in Quebec and the rest of Canada.

[English]

The Acting Speaker (Hon. Jean Augustine): The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 2 p.m. pursuant to Standing Order 24(1).

(The House adjourned at 4:21 p.m.)

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