



CANADA

House of Commons Debates

VOLUME 140 • NUMBER 040 • 1st SESSION • 38th PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Tuesday, December 7, 2004

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Tuesday, December 7, 2004

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1000)

[*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 recently made by the government.

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GOVERNMENT BUSINESS NO. 6

Hon. Karen Redman (Kitchener Centre, Lib.): Mr. Speaker, discussions have taken place between all parties with respect to the take note debate on Government Business No. 6 scheduled for later this date in committee of the whole and I believe you would find consent for the following motion. I move:

That during the take note debate in committee of the whole on Government Business No. 6 later this day, no dilatory motions, no quorum calls or requests for unanimous consent shall be received by the Chair.

• (1005)

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

Some hon. members: Agreed.

(Motion agreed to)

* * *

DEPARTMENT OF INTERNATIONAL TRADE ACT

Hon. Jim Peterson (Minister of International Trade, Lib.) moved for leave to introduce Bill C-31, an act to establish the Department of International Trade and to make related amendments to certain acts.

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

DEPARTMENT OF FOREIGN AFFAIRS ACT

Hon. R. John Efford (for the Minister of Foreign Affairs) moved for leave to introduce Bill C-32, an act to amend the Department of Foreign Affairs and International Trade Act and to make consequential amendments to other acts.

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

* * *

[*Translation*]

INTERPARLIAMENTARY DELEGATIONS

Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, a report on the visit to the Mexican Congress, held in Mexico City, Mexico, from November 8 to 10, 2004.

* * *

CANADA ELECTIONS ACT

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ) moved for leave to introduce Bill C-312, an Act to amend the Canada Elections Act (appointment of returning officers).

He said: Mr. Speaker, I am pleased to introduce, on behalf of my hon. colleagues in the Bloc Québécois, a bill to amend the Canada Elections Act dealing with the process for the appointment of returning officers.

The bill is intended to clean up political practices in the appointment of returning officers. Under the current system, the governor in council or the government appoints friends of the government, former organizers of the government party, instead of having, as the bill provides, an open and transparent process where positions would be posted in newspapers and the most qualified people would be hired. This would support the free and democratic election of the people's representatives.

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

* * *

[*English*]

CRIMINAL CODE

Mr. Art Hanger (Calgary Northeast, CPC) moved for leave to introduce Bill C-313, an act to amend the Criminal Code (prohibited sexual acts).

Government Orders

He said: Mr. Speaker, it is my pleasure to reintroduce this private member's bill in the House. If enacted it will raise the age of sexual consent from age 14 to age 16, something that is long overdue in the country.

I first introduced the bill in 1996 and have reintroduced it several times since, but with the proliferation of child prostitution and child pornography, we in the House should be more determined than ever to raise the age of sexual consent to at least 16 years to protect our children from sexual predators.

It is well known that when children are exploited, the damage is devastating and often lasts a lifetime. Therefore, for the sake of our children, I urge all members in the House to support the bill.

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

* * *

• (1010)

PETITIONS

PROPERTY RIGHTS

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Speaker, my petitioners charge that government regulations are destroying the rural foundation upon which our society was founded, that the unnecessary gun registry and farmland, bush and forest control are causing undue hardships for these people, and that it is only by amending the Canadian Constitution to include property rights that the interference will stop.

JUSTICE

Mr. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, following the tragic murder of Clayton Kempton Howard in my riding on December 13, 2003, a petition is being submitted by petitioners asking for the Minister of Justice to ensure that the standard and expected practices with regard to sentencing are put in place to deal with those charged, assuming there is a proper conviction.

Clayton Kempton Howard was much loved in our community. He was the most popular of community workers in the community centre in Blake Boulton. On behalf of his mother, the many young people with whom he worked and served, and the entire community, I am pleased to submit this petition despite its tragic circumstances.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[Translation]

ECONOMIC DEVELOPMENT AGENCY OF CANADA FOR THE REGIONS OF QUEBEC ACT

The House resumed from November 16 consideration of the motion that Bill C-9, an act to establish the Economic Development Agency of Canada for the Regions of Quebec, be read the second time and referred to a committee.

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I am very pleased to speak to this bill today.

Before speaking specifically about the bill, I want to give the House a brief historical overview. I have been in politics for over 20 years, particularly since my move to the Gaspé in the early 1980s. If any place in Canada has suffered as a result of federal interference in regional development, it is the Gaspé.

I remember that just before the 1995 referendum, the commissions on the future of Quebec were created. I submitted a brief to this commission, the title of which was "Federalism—The Gaspé Peninsula: The laboratory for the failure of federalism in regional development".

In order to raise its profile, the federal government tried, over several years, a number of different types of interventions in regional development. Because it lacked the basics needed to do this, it had to regularly change its approach.

We remember the former Department of Regional Economic Expansion. Initially, agreements were reached between Quebec government and the federal government in order to decide how investments would be made. However, the thirst for power and visibility led the federal government to withdraw from this kind of agreement and ultimately turn to direct interventions.

First, it was through the Federal Office of Regional Development - Quebec, as it was called back then, which was really an extension of the Department of Industry created by the Conservative government for one main reason. In short, the structure of the Department of Industry was almost entirely controlled by the economic establishment in Ontario. Consequently, it was impossible to obtain the necessary share of investments.

At that time, rather than withdrawing from regional development and giving Quebec its rightful share, the Conservatives decided, for visibility or maybe also out of a desire for greater efficiency, to create the Office of Federal Economic Development. It is somewhat similar to performing bypass surgery after a stroke so that blood can flow. Consequently, we wanted out of the Department of Industry and for the money to reach the regions of Quebec.

Government Orders

This judgment on what I have been seeing for the past 20 years is not aimed at those working in the system, in the bodies providing community development assistance or in the regional offices of Canada Economic Development. We know that the latter are doing the best they can within the rules they have. Our judgment on Bill C-9 has to do with the fact that the federal government instead of withdrawing from areas over which it has no responsibility is doing the opposite. It is continuing to want to take over more and more.

The amendment to the present legislation will enable the minister responsible to become a kind of senior minister, but in a sector that is not a federal responsibility. We should be concerned today with whether there is any overall advantage to Quebec in this bill.

Last week I learned something quite significant that I wish to share with the House. The federation of Independent business surveyed its entrepreneur members and came up with statistics for Canada and for Quebec. The survey was on whether it would be better to have tax credits or federal action by Canada Economic Development.

In the case of Canada, about 50% would prefer tax credits. Still more significantly, the figure for Quebec was 60%. People in Quebec's small and medium businesses are not sovereignists particularly nor people likely to be sitting on our side of the House. They are industrialists, business people, the community, owners of small and medium businesses, and they are they ones saying, 60% of them, that they would rather have tax credits than the intervention of Canada Economic Development.

This has nothing to do with the efficiency or lack of it of individual departmental employees, who are doing the best they can under the circumstances. For a structure like this one within the Canadian system to be effective, it would have to be decided that regional economic development is a federal responsibility, and then the federal government would have to make the necessary funds available to those employees.

Small scale programs are being put forward in every region. The government is trying to make the most of these so as to have as many economic benefits as possible. However, when we look at the payroll that is actually paid out and made available to companies compared to the department's fixed operating costs, it is clear there is room for improvement and a new vision completely different from that introduced by the minister in Bill C-9, an act to establish the Economic Development Agency of Canada for the Regions of Quebec.

•(1015)

Even more insidious is that the current act, as written and in force, states that the agency must promote economic development in the regions of Quebec where inadequate employment and slow economic growth are prevalent.

Yet this clause promoting the agency's intervention in areas having specific problems has been omitted from the new agency's object. This is absurd. We have discussed the principle that there is no need for the federal government to involve itself in this sector. However, if it does choose to do so, this clause removes the government's responsibility to intervene in those regions most needing help. This creates a messy situation.

There are now two departments involved, the Department of Industry, which has all the means available to it, and the Department of Regional Development, which has no means available and which has lost its reason for being, that it exists to help those regions most in need.

Moreover, the clause inherent in the agency's object has been removed, and the new act gives direct authority to the minister to establish as a designated area, for an indeterminate period, any region in Quebec where exceptional circumstances provide opportunities for improvements in employment.

In fact, it might be pertinent to be able to do so, but we must ensure that it is structured correctly; it is not just a question of political partisanship leading the way, which may lead to something other than desirable outcomes in terms of economic development.

This new act is a clear step backward for the regions of Quebec currently struggling with problems of economic growth or insufficient employment, because their recognition as a designated area would become conditional on the goodwill of the minister rather than being based on objective criteria as it is now.

I have an aside to make here. Recently we have been discussing RCMP staffing in the regions. There was a decision that will, today, I hope, be overturned following the presentation by the mayors to the Standing Committee on Justice, Human Rights, Public Safety and Emergency Preparedness. That decision was to withdraw personnel from all over the regions.

This kind of behaviour by the federal government, coming from within the Department of Justice, will now be justified and legitimized by the amendment to the act. It is as if there was finally some backing up. Previously, there was a commitment to intervene in the regions where the need was greatest. Now, the minister will be able to decide which regions these are, and, in the end, it will become a much more partisan decision that it was before. Therefore, this bill presents no added value.

In fact, by handing over the general guidelines for intervention to the political level, Bill C-9 hides another flaw, that of taking another step toward the achievement of the Liberal government's objective of investing as much as possible in Quebec's fields of jurisdiction, which will lead to increased confrontation with the Government of Quebec.

For a number of years, the Government of Quebec has had regional development structures in place, including the CLDs or Centres locaux de développement, which are now governed by the regional county municipalities. The current Liberal government in Quebec is a federalist government, which has to live with both structures. All over Quebec, right now, there are two structures. I do not believe this is the best way to achieve objectives.

Government Orders

Something much more practical and consistent with Quebec's structure could have been done by delegating the necessary resources to Quebec. It would essentially have involved coming back to something similar to what the Department of Regional Economic Expansion used to do. Expenditures to be made in Quebec were made under agreements between Quebec City and Ottawa. This ensured consistency between Quebec's policies and the federal government's involvement. That has changed.

There are currently enough areas of federal responsibility, including international trade, to move forward and have the federal government look after those areas within its jurisdiction without enacting legislation that will basically move Quebec backward instead of forward.

• (1020)

We know that, to justify introducing this bill, the federal government is referring to similar legislation passed previously with respect to the Maritimes and western Canada. But there is a fundamental difference where these regions are concerned. In the Maritimes and western Canada, the legislation was requested by the provinces, which did not have their own department or ministry responsible for regional development.

It is different in Quebec, where this is a major department with a past record which speaks volumes, and which is getting interesting results. The Government in Quebec has put a great deal of effort into putting in place the appropriate regional development structures. Decentralization activities have already been carried out. The current federalist Liberal government even conducted an operation to make elected representatives more accountable.

Now, a second structure would be added next to the existing one, when that is not necessarily desirable. It is not relevant to take the example of the Maritimes or western Canada to justify establishing such a department in Quebec. It is unacceptable for the federal government to try and meddle in this area of provincial responsibility.

According to Canada Economic Development officials themselves, Bill C-9 does not bring anything to the agency, from an administrative point of view or in terms of new money. Therefore, it is nothing but a new structure to promote nation building by the Liberal government which, following the 1995 referendum, decided to invest in Quebec's jurisdictions and to aggressively increase its visibility in that province by taking advantage of its huge surpluses and its spending power.

What could the Liberal government have done to meet the real needs of the regions? Instead of constantly getting involved in Quebec's jurisdictions and duplicating services in a totally unproductive fashion, the federal government should—but currently refuses to do so—withdraw from regional development. However, if it absolutely wants to continue to get involved, it should at least make sure that it will improve the services that come under its own responsibilities.

The first thing that it should do is to adjust federal programs to the regions' realities. The number of battles that must be fought to ensure that federal programs finally become flexible enough to apply to

Quebec is simply unbelievable. Moreover, this necessitates energy that should not have to be expended like this.

The best example in this regard is the mad cow issue. If the necessary flexibility had been there, things could have been different a long time ago for Quebec, even by merely recognizing that, in our province, we had a traceability system that should have exempted us from the ban that resulted from the discovery of the mad cow disease. Indeed, in Quebec we were already able to identify sick animals and to determine their origin. Therefore, the impact of the problem could have been confined and we could have avoided turning this into a world issue that adversely affected all producers in Quebec and Canada.

The federal government administration should also be less concentrated. The staff reductions of recent years were made in the regions, in the areas where the links were the weakest. This way the powers and the personnel that is left is now concentrated in Ottawa. The result of this is that the government's vision of what regional development should be is somewhat disconnected from the reality. Also, when the government began to enjoy surpluses, it created a number of jobs, but it is Ottawa that benefited.

We would like for the programs—if they are maintained—to be more regionally based and for there to be truer decentralization of powers in order to ensure that decisions apply to each of our regions of the country.

The federal government must also bring capital spending back to an acceptable level and substantially increase the regional development budget of Quebec, which is three times lower than in the Maritimes. Accordingly, the money available could be paid to Quebec and the amounts paid have to be much higher.

Our fellow citizens have noticed that the federal government has a \$9 billion surplus. Meanwhile, they also notice that it is very difficult to get the money necessary to stimulate research and development in our regions and to ensure that our small businesses have access to programs to help them be competitive in the new global reality.

Accelerating and simplifying operational modes is needed to make companies competitive and to have products in the appropriate niche markets so that we can assume our responsibilities and maintain and develop employment rather than have a defensive policy like the one we have now. People in the textile sector are being told, "We will give just \$25 million, nothing more. Deal with the influx of products from China, India and Pakistan and fend for yourself because we cannot help you any more than we already are right now".

• (1025)

When people hear that, and then on the other hand, see the Minister of Finance announce a \$9 billion surplus, they think that it is basically as if someone had decided to pay off their mortgage in five years and starve their family just to pay it off as soon as possible. Here too there are signs that the federal government has not assumed its responsibilities with regard to regional development.

Government Orders

The fact that there has been no in-depth reform of the employment insurance plan is the most obvious sign of its lack of sensitivity. The Bloc Québécois arrived here in 1993. At that time the Liberals promised a real reform of the employment insurance plan. Mr. Chrétien made that promise during the Liberal leadership campaign when he said that there would be positive reforms for the unemployed. There is even a letter confirming it. As soon as he came to power, he did just the opposite: he tightened the screws, restricted eligibility and deprived the regions of a regional development tool, a tool to stabilize economic activities that is no longer there.

Without having compensation programs to jump start the regional economy, at the same time they closed down a source of reinvestment in the region that was very helpful and made it possible to maintain the social covenant between the resource regions of Quebec and Canada and central Canada. In the past, industrialization occurred mostly in urban centres, and resource regions had employment insurance to compensate for the fact that they lived off seasonal employment.

The federal government's lack of sensitivity in this respect cost it dearly during the past four elections and yet it still has not heard the message that it should carry out a real reform of the employment insurance plan. It is easy to understand why people are concerned when they are told that a new agency will be created under the authority of the Minister for Regional Development, who will no longer necessarily have to reinvest in the regions that need it the most but will be able to choose the regions that he will develop. That way the agency will reach conclusions that will not be in the best interest of Quebec's economic development.

When this bill is referred to committee, if it is passed by the majority in this House, it will have to be changed entirely to at least ensure that the current situations do not deteriorate. We must bring back the fact that the vocation may be limited and ensure that it will apply to Quebec regions that need particular assistance, as was provided in the current act. We must ensure that there is no partisanship, in order to promote the development of economic activities in our regions.

We are now living an economic reality that is totally different from what it was 10 years ago. The whole manufacturing sector is facing an extraordinary challenge. We see this particularly in my region, for example, Montmagny, where we have experienced major closures. Currently, many businesses have difficulty remaining competitive with other countries of the world. It looks like the federal government does not adapt quickly enough to these new realities. It is always behind.

The bill before us will not ensure that the government's action will allow businesses to continue to compete, to move forward and to maintain their jobs. It is important that parliamentarians in this House are aware that we must decide whether or not the federal government is to continue to intervene in the way that it has in the past, with the results that we know. The auditor general herself raised major issues on the effectiveness of the current department.

The fact that the government brings us today this type of bill does not appear to me as the best way to intervene in order to help regional economic development in Quebec. This is why the Bloc

Québécois, at this stage, will vote against the bill. Indeed, it goes entirely against Quebec's development objectives. It is not the proper tool to promote harmonious development in Quebec or to face new world competition.

• (1030)

Hon. Claude Drouin (Parliamentary Secretary to the Prime Minister (Rural Communities), Lib.): Mr. Speaker, there are considerable contradictions in my colleague's comments, so many that it is dizzying. He says that Bill C-9 is going to end up disconnecting us from the regions, whereas Canada Economic Development, with its 14 regions, is all over Quebec.

We have taken strategic regional initiatives in conjunction with the local people in order to ensure that the programs in place will meet the need. That is what Economic Development does, and will continue to do under the new legislation.

An hon. member: Oh, oh!

Hon. Claude Drouin: I would ask the hon. Bloc member to listen to me, as I have listened. The hon. member could do likewise on the other side.

This is important; this bill gives greater autonomy. We have committed to doubling Canada Economic Development budgets within five years, for what we want to do, and we do it well.

The hon. member referred to the CLDs, and there are the CFDCs, or community futures development corporations. With these, the local people are working with Canada Economic Development to meet the needs of the people and the regions, paying particular attention to regions with specific problems. This is important.

From the other side of the House, the Bloc side, we are hearing that this is an international problem and hence a federal responsibility, and we ought to be putting programs in place. I am thinking about softwood lumber. Then they are telling us that it needs to be transferred to Quebec and they will deal with it. Yet if it is an international matter, then they will be asking us what the federal level is doing about it, and we are powerless to intervene.

They seem to be two totally opposite stances here, and I find it a bit mind-boggling. The Bloc Québécois member for Abitibi—Baie-James—Nunavik—Eeyou got it in the neck, as the public told him that they wanted Canada Economic Development and pointed out the Bloc's position. The people of Saguenay—Lac-Saint-Jean—not a particularly federalist area—say that they want Canada Economic Development to remain because it works with the community and with the Government of Quebec. Everyone works together to meet the needs of the people.

I think the Bloc Québécois members ought to have another look at their positions, look at what can be done, and work along with us to ensure that economic development is addressed in the spirit of harmony in our regions. That is what the people need.

Government Orders

•(1035)

Mr. Paul Crête: Mr. Speaker, we will start by speaking of regional economic strategies. In the Montmagny area, 600 employees were laid off by the Whirlpool plant, last year. I wrote to the industry minister who, at that time, was also regional economic development minister and who is now intergovernmental affairs minister, to ask her to put in place such a strategy. I have yet to get an answer.

After the election, I called her again. Still no answer. I think we deserved such an intervention in our area, having lost 600 jobs, but it never happened. Nothing positive was done.

Something else occurred. A survey of business people, of customers who do business with regional economic development was conducted. The results obtained from the Quebec federation of independent businesses show that 60% of the respondents preferred tax credits in terms of regional intervention. Effectively, we saw in the past that interventions were motivated more by partisan choices than by anything else.

For those who own a small-or a medium-sized business, and where that creates undue competition, this situation is unacceptable.

Here is the most important element. You have given the example of Saguenay—Lac-Saint-Jean. It is obvious that Saguenay—Lac-Saint-Jean still needs help. It is a region that has been hit severely. However, with the bill introduced by the federal government, the agency will no longer devote its energy to the most disadvantaged regions. This priority is being eliminated, and the minister will decide what regions will be designated. I think that in this case people are right to worry and to ask questions.

The people who live in the regions facing financial difficulties try everything possible to make a go of it. They want to be sure to keep all the lifelines, and that is easy to understand. The message sent by the federal government must also be clear in this respect. The fact that that bill puts an end to the possibility of focusing on the regions that are worst off, which is an advantage, is certainly not a good thing for the industry.

Let us talk about community futures development corporations. In each community, people serving on management boards are the ones who try their best given the prevailing conditions. They have to conclude agreements with the CLDs in order to avoid the complications arising from the existence of two systems.

I am not casting doubt on the efficiency of the people working in the CFDCs. I am saying that we have a system in which two governments are intervening in a sector where a single one would be a lot more efficient.

[*English*]

Mr. Ken Epp (Edmonton—Sherwood Park, CPC): Mr. Speaker, I would like to begin this intervention, as I have before, by thanking the interpreters who work in those little glass booths. Without them, as a unilingual Canadian, I would be unable to understand about what the member had talked. I so appreciate their work.

I listened very carefully to the very articulate member from the Bloc. He mentioned that it would be perhaps better to have a

reduction in taxation levels so their businesses could compete with one another. I got from that an undercurrent. I would ask, why should the federal government be in Quebec or any province picking winners and losers?

Bill C-9 would give the minister the right to plan, implement, direct and manage programs and projects or offer services to improve the economic environment in Quebec, including programs, projects and services, supports to business associations, conferences, studies, consultations, trade shows, demonstration products and market research. It gives the government the right to collect and disseminate data. The federal government is really good at running a data bank. We learned that with the gun control system.

Here is another one. The Liberals can pick to whom they want to give a loan and for whom they want to guarantee the repayment. I love this one, they can make grants and contributions. If those words do not throw up a red flag, especially in the province of Quebec, I would be very surprised.

I could go on and on, but I am not giving a speech. Surely, the member would rather say that the federal government should get out of picking winners and losers in Quebec and let Quebec entrepreneurs fend for themselves on an equal and level playing field.

•(1040)

[*Translation*]

Mr. Paul Crête: Mr. Speaker, I thank the hon. member for his comments, but I would like to point out that the statistics I spoke of were taken from the study done by the Canadian Federation of Independent Business. The study found that 60% of those surveyed favour tax credits over the federal government's current method of intervention through the Economic Development Agency of Canada.

I am not criticizing the government's interventions, but I would say that this statistic leads us to conclude that businesspeople, who are the clients, are not satisfied with the way things are being handled. Intervention may well be necessary, therefore, and everyone has always agreed that it is the government's responsibility to intervene. However, the way in which it does so has been deemed unacceptable. Basically, this bill, which has been introduced and debated, leads us to question this principle. Is this the best way to go? The Bloc Québécois says no.

I would like to add some information about an earlier question. Let me say a few words about that. I am being told, "But you want us to deal with the softwood lumber issue". This matter is within federal jurisdiction over international trade. It is the federal government that led us to the front line, and we agreed to confront the Americans under its leadership. The problem is, that once the companies agreed to fight, they were left to fend for themselves with the lumber crisis. The unemployed also had to manage with fewer weeks' employment. We condemn the federal government for not living up to this part of the agreement.

Government Orders

As a matter of fact, we are asking the federal government to make sure that when it decides to fight over some international issue, it supports its partners properly. Two years ago, when it was decided to open our market to textiles from less developed countries, the government should have provided programs to help our own industry survive. Our attitude towards less developed countries is excellent, but, on the other side the predicament our clothing and textile industries are in is the federal government's responsibility. It should make sure we can adjust to changing markets as quickly and as efficiently as possible. Ultimately, this is not a regional development issue. It is a matter of the sense of responsibility of the federal government. It should assume its responsibilities. This is what we find fault with.

As concerns regional development per se, I will repeat what I said at the outset, and I will conclude with this. Over the last 25 years, especially in the Gaspé, the present government has been proven that Canadian federalism does not work.

[*English*]

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, although the NDP supports Bill C-9 in principle, there is a missed opportunity with the bill. I believe my colleague from the Bloc spoke very eloquently around some of the challenges the bill does not address.

We need very strong policies that support regional development and we need a federal government that sets a framework to allow communities to determine their destiny. One thing we know about effective community economic development is that it builds long term community capacity and fosters the integration of not only economic but social and environmental activities.

The intention of community economic development is individual and community self-reliance through collaborative action, capacity building and returning control of business enterprises, capital, labour and other resources to communities. This fact often gets lost in the discussion of economic development. We will notice that many references to economic development omit communities. The social and environmental activity is so critical and it should be included in that discussion.

There are some basic tools around community economic development that the bill does not address, and the discussion is not taking place in the larger capacity. Community economic development talks about capacity building and making more with less in communities. It talks about making money circulate within communities before it leaves communities. It talks about import replacement, which means making things within our communities instead of bringing them in from outside. It talks about making brand new products within our communities.

We need targeted long term policies that promote and support domestic economies. We need to talk about financing. We need meaningful funds for job creation so when we are hit with things like softwood lumber, we can look to community economic development within our communities. We need effective community development corporations so decisions are made in the communities which will bring about that kind of job creation that we know is so critical. We need to support downtown development authorities. We need loan funds for a full range of entrepreneurs.

We also need to effectively promote buy local strategies, which includes government procurement. Therefore, when we have federal government agencies in local communities, they need to have a development strategy on buying local. We need tax incentives that support buying local. We need meaningful skills and business training that supports community economic development. The bill does not address any of that. I would hope at the committee level we have that kind of discussion on building our local economy.

Part of this discussion should be about environmental responsibilities in terms of green businesses. This can include tax incentives, government retrofit, attraction and retention of business strategies and energy conservation. We also need targeted subsidies and funding so we can get what we measure, and that is supporting local business.

Research and development funds are not easily accessible for local communities either. We need community supported agriculture. My community in Nanaimo—Cowichan is a good example. We need to talk about local strategies that not only support agri-business and agri-tourism, but support buying local as well. We need to reclaim our communities and grow them without sacrificing liveability.

Community economic development also needs to include a small business policy. I will talk about British Columbia for a moment. In British Columbia nearly half of all jobs in 2003 were generated by small business. Yet we do not have an effective strategy in community economic development that looks at growing small business.

It is a myth about foreign trade. Currently only 20% of our GDP is foreign trade. Yet we have this focus on foreign trade that ignores 80% of our GDP. In 2002 Statistics Canada said that 80% of Canadian exports were accounted for by 4% of Canadian companies. Where is the support for our small local businesses when those kinds of statistics do not bear the kind of subsidies that are out there? We need an industrial policy that adequately addresses the needs of small business, which not only talks about small business retention, but includes small business expansion and development of new small businesses.

Another thing that is not adequately addressed in our economic development policy are the issues around rural communities. The definition of a rural community is community of less than 50,000 people. Many of our small rural communities have populations of 1,000, 5,000 to 10,000. Policies that cover rural communities of 50,000 do not address the needs of small communities of 1,000.

Government Orders

This is where community economic development is even more critical so people have a choice about remaining within their communities rather than having to move to big urban centres. Studies have indicated that rural communities are critical for the survival of the larger urban centres.

In conclusion, although we support the bill in principle, I would urge the committee to have the comprehensive discussion that is required around meaningful community economic development which will allow our small communities to remain viable and liveable.

• (1045)

[*Translation*]

Mr. Guy André (Berthier—Maskinongé, BQ): Mr. Speaker, first of all, I wish to explain why we are opposing Bill C-9, an act to establish the Economic Development Agency of Canada for the Regions of Quebec. I will also speak to the reality of socio-economic development in the regions of Quebec.

Why are we opposing Bill C-9? This bill establishes a department for regional development. For Quebecers, this is a new form of duplication and federal infringement which does not meet the needs of local communities. As a matter of fact, the government's bill would place the development of the regions of Quebec under the discretion of the federal minister responsible for the Economic Development Agency of Canada for the Regions of Quebec.

This bill clearly identifies all the regions of Quebec as areas in which the federal government is responsible for development. Yet, Quebec already has a regional development department responsible for planning, organizing and coordinating development activities through CREs, the Conseils régionaux des élus, which replaced CRDs, CLDs, CFDCs and many other local programs and agencies. RCMs are also playing an increasingly important role in terms of local and community economic development. Therefore, we have a number of players. We have a large development structure which meets the needs of our communities. Why fix what is not broken?

Under the Constitution, Quebec is responsible for most areas pertaining to the development of regions. The fact that there are three levels of government with different development goals has made it difficult, in recent years, to have a common vision for regional development and consistent local development practices. As you know, these three levels are the federal, the provincial and the municipal governments.

Many years have passed—I, for one, have been involved in local development for several years—and many consultation meetings were held before all the stakeholders and agencies in one region could know and understand each other and their respective goals, whether at the federal, provincial or even municipal level.

The decentralization of powers to citizens, a new local development strategy implemented about 20 years ago, has been very successful. Over time, every organization faced with the same socio-economic issues in our areas have managed to develop a shared vision for action in their communities. It was not easy at first. We had the CFDCs, which had their own local development policies and practices and which were under federal direction. We had the LDBs

which were under provincial direction. Finally, the RCMs arrived, with their direction often coming from municipal institutions. There were months of consensus building before all these people built a shared vision for the development of their territories.

It has now been realized. The tools are there. What we now lack is money to support the various local community initiatives. Bill C-9 is disrupting this cohesion, this consensus built along the way among stakeholders and organizations. This bill introduces new rules that are not wanted in Quebec.

What we want is for the federal government to respect Quebec's jurisdiction and expertise and to adapt its federal programs to the reality of the regions. The federal government should adapt its policies to the reality of Quebec regions, and not the other way around, as is currently the case.

Allow me to give a few examples. Federal programs are often aimed at large cities, and thus exclude regional participation. The strategic infrastructure fund is a good example since its objective is to fund projects of such magnitude that small rural municipalities are excluded.

• (1050)

In this regard, the Quebec government adopted in December 2001 a national rural policy to support the development of the Quebec rural communities.

Instead of creating yet another new institution, the Economic Development Agency of Canada for the Regions of Quebec, and investing in new institutions, should the federal government not simply transfer money to Quebec, and invest for example in these rural development funds that support initiatives called rural pacts? These projects lack funds. The federal government could simply transfer money to these institutions because they do have a lot of projects. The socio-economic development structures already exist. The addition of new structures is not a solution.

Moreover, if the federal government wants to support regional development, often referred to as local development, it could start by supporting the introduction of a new infrastructure program for municipalities and providing them with better financial support. Our small rural municipalities are having a very hard time renovating their water and sewage systems and their infrastructure. We really need a good infrastructure policy. This would help to promote regional and municipal development.

Furthermore, it could also overhaul employment insurance, because the regions have paid heavily as a result of decisions made by the Liberal government. This government's EI policies have excluded a significant portion of rural populations and led to an exodus of young people to major urban centres as a result of cuts to EI and the inaction of the federal government with regard to its EI policies.

Government Orders

A good EI policy, adapted to seasonal workers, could be part of a federal intervention and would doubtless be more successful than Bill C-9, which simply duplicates Quebec's regional policy.

Cuts to EI have swelled the exodus of young people, as I mentioned, in addition to causing recruitment problems for companies providing seasonal employment. As for these EI cuts, when people ended up with 15 weeks of EI benefits in one summer or one winter, they had to go on welfare. Instead of turning to welfare, some people are moving to the major urban centres, which creates a void in rural areas. This contradicts a regional development policy. I suggest that the federal government begin addressing these issues before developing a so-called regional development policy.

Since Ottawa is suddenly interested in the fate of the regions, it needs to know that EI reform is a concrete way to help them climb out of the poverty into which it plunged them.

As for the \$428 million allocated to the Economic Development Agency of Canada for the Regions of Quebec, that money should be transferred to Quebec, because the Quebec government already has a regional development policy. The creation of a federal department would only perpetuate this duplication. The regions need assistance, not quarrels between Quebec and Canada.

In short, this new legislation is a clear step backward for the regions of Quebec dealing with troubled economic growth, declining population and devitalization. This bill, which does not include any new funding, is therefore just one more exercise in nation building by a federal government that, after the 1995 referendum, decided to invest in areas under Quebec jurisdiction and raise its profile in Quebec by using its massive surpluses and its spending power to do so.

The Liberal government must resolve the fiscal imbalance if it truly wants to meet the real needs of the regions of Quebec.

•(1055)

[*English*]

Mr. Ken Epp (Edmonton—Sherwood Park, CPC): Mr. Speaker, I was not planning on speaking to this bill. However, as speeches have been made, I have been listening and looking at the bill. I have a number of things that we should seriously question with respect to Bill C-9.

I find it absolutely atrocious that the Liberal government has gone ahead and implemented this whole program without parliamentary approval. We find under this Prime Minister the same illness that we had under the previous Prime Minister, Mr. Chrétien. Parliament is just an annoyance. It is just something that has to go through.

The government has actually had this agency in place for two years. For two years it has had budgets in the estimates of around half a billion dollars per year. It has been doing it without parliamentary approval. It has come here now and expecting Parliament to just rubber stamp what it is already doing. In a sense, we are in fact rubber stamping it and I think we probably have no choice. The thing is already being done.

It would be unwise for us to be against this particular bill because of the turmoil that it would cause for all the people who are employed in this program and in the work that they are doing in

Quebec. Yet, at the same time, the sequence is wrong. We ought to hold the Liberal government accountable for its arrogance and for its presumptions.

I have huge problems, when I read in this bill, as I mentioned in one of my interventions earlier, about the government's ability to make grants and contributions. What a scandal that is. I cannot believe that the Bloc are actually favouring this bill because it is obvious that the Government of Canada, as long as the Liberals are in power, will simply be picking its Liberal friends to start businesses. Look at what happened in the former Prime Minister's riding, where his friends got money, grants and guaranteed loans in order to build a hotel in which the former Prime Minister himself had a financial interest.

That is the type of thing we invite when we have this kind of agency instead of having it at arm's length. I look at, for example, the powers of the minister. In this bill, the minister can totally control who gets the money and guaranteed loans. I am concerned about the fact that the minister may make regulations, which means the minister in charge who is part of the prime ministerial team. He can do that in order to exploit the opportunities for improvements in employment as identified in a designated area, as well as regulations specially applicable to that area or community which may be made under the authority of this section that vary from regulations of general application to Quebec.

We have the federal government looking at a specific region in a province, and having the right and the power to override other regulations, and to make grants, contributions and advertisements. All these grants and contributions have been such a scandal in the previous government's administration.

I am deeply concerned about the fact that the government is now seeking parliamentary approval for what it is already doing and giving it additional powers over what it already has in terms of interfering and picking economic winners and losers. I just cannot see that for the long run and in the broad perspective of our country that this is a good thing to do. I needed to get that off my chest.

•(1100)

[*Translation*]

Mr. Roger Clavet (Louis-Hébert, BQ): Mr. Speaker, I am pleased to join the debate on Bill C-9, following my colleagues in the Bloc. As was mentioned earlier, the Bloc will oppose this bill for various reasons. I would like to highlight some of them.

This is a bill that proposes to create the Economic Development Agency of Canada for the Regions of Quebec. This may seem a bit odd but, actually, past federal experience in the regions of Quebec has not always been successful, far from it. One need only look at unemployment numbers in the regions. It is an appalling disaster.

Would Bill C-9 do anything particular for Quebec? Not at all. From whatever angle one looks at it, it simply creates a federal department and results in a new duplication. We certainly do not need an additional federal structure in Quebec, far from it.

Government Orders

When we consider the bill in detail, we see, for instance, the duties of the new responsible minister, the one who would get a limousine. This might indeed be the intent behind the bill, to add an extra limousine for a minister. We do not need another federal department.

When one looks closely at the minister's powers, they are vague and far-ranging. Nor does the bill provide for an integrated federal strategy in the regions. By contrast, what we in the Bloc have been saying is that regions first and foremost need an integrated development strategy, but only Quebec is in a position to put one into place.

• (1105)

[*English*]

Mr. Ken Epp: Mr. Speaker, I rise on a point of order. I know that I cannot refer to the presence or absence of members so I will not, but I think it appropriate that we have a Liberal minister in the House and also at least one Liberal member. I therefore call for quorum.

The Deputy Speaker: Call in the members.

And the count having been taken:

The Deputy Speaker: I see 20 members here. We will resume debate. The hon. member for Louis-Hébert.

[*Translation*]

Mr. Roger Clavet: Mr. Speaker, I also thank my Conservative colleague for having drawn the attention of the House to the insufficient number of Liberal members at this moment. We will be able to continue with Bill C-9.

As I was saying before the interruption, only Quebec can create this integrated government structure that is referred to in the bill on regional development.

You see what the scenario is now. Two half governments are involved here. Neither Quebec nor Ottawa have the resources to ensure regional development now. So we have two half governments that are involved in half development programs and only achieving—we have to be honest here—half results. This does not work very well at the regional level.

The way this bill is worded, this would involve two government levels and it would once again infringe upon Quebec's jurisdiction. But above all, in the regions of Quebec, one level of government would have the effect of cancelling out what the other government is doing. The forces would cancel each other out instead of complementing each other.

I come from the national capital area. I am talking about Quebec City's, of course. Believe it or not, in that area, which is not that far from major centres—it is a major urban centre—we have the same distressing problem as in remote areas. Even though there is a minister supposedly responsible for the Quebec City area, federal money does not even reach it.

Imagine people in the Gaspé or the Laurentians, such as my colleagues here, or in other Quebec regions. Federal money does not come back. When it does, it is always with strings attached and all kind of conditions to make sure the regions are dependant on the federal government. Bill C-9 would continue in the same vein, namely exploit the weakness and vulnerability of the regions.

If Ottawa finally decides to show interest in Quebec's regions, it should start by looking after its own responsibilities. That is where it should start. We in the Bloc believe that instead of introducing a new bill, the federal government should do a number of very basic things.

First, it should respect Quebec's jurisdictions. The government seems to have trouble understanding that, but it might do so by starting by respecting local consultation bodies. We are well equipped in this regard in Quebec. They already exist. Why not give them better tools and make sure Canada Economic Development works properly? There is already an agency that should do that. It does not take one more limo. It is not needed in Quebec.

First, federal programs should be tailored to the needs of the regions. My colleagues mentioned earlier the need to re-establish funding for new infrastructure programs. There is also federal capital spending. That would be a good start, a good indication of the government's good faith.

It should not forget either to support employment insurance reform. When we talk about a reform we are not talking only about lowering or raising EI contributions. We are talking about reform. The regions are particularly hard hit by unemployment, which is very high.

Some realities are not the same from one region to the next, but all the regions of Quebec suffer the same great pain. In the Gaspé, seasonal workers are penalized by employment insurance rules. In other regions the problems are different. Life is not the same in Montreal as in Vancouver or Toronto.

The small regions need support. That support does not come from creating a department, on the contrary, it will come from taking the current structures and freeing up the money that is not getting through to Quebec's regions.

Moreover, the last thing we need is more fighting between Quebec City and Ottawa over structural issues, including a new department that would only increase bureaucracy. In the Bloc Québécois we are very sensitive to the reality of the regions. We listen to the dialogue; we listen to the people telling us that things are not going well.

It is not enough to wave a magic wand, to appear and say here is a bill and—abracadabra—a new department comes in to save the regions from the poor conditions in which they have been imprisoned. They have not been imprisoning themselves in these conditions.

• (1110)

They are going through terrible situations in terms of employment, resources and access. There are as we speak some regions of Quebec that do not even have high speed Internet access. Since telecommunications are in the federal domain, why is it that in 2004 there are regions of Quebec that are not yet connected?

We need some practical action much more than a bill to create a department. It does not take a rocket scientist to think of that. It is just a matter of finding the resources that already exist.

Government Orders

It must be understood that creating a new department will increase the weight of the bureaucracy. Moreover, there will be risks of duplication. It is true that the bill is based on similar initiatives in Canada's western provinces. Western Economic Diversification, or WD, operates quite successfully in the west. I have lived in Manitoba, and I am proud to say so, and I have seen it operating well.

At this time, however, we see that the provincial agencies have had their own legislation since 1988. They are well governed provincially.

The federal government must be reminded of its obligation to respect Quebec's jurisdiction, since Quebec must become and remain the architect of regional development.

Ms. Francine Lalonde (La Pointe-de-l'Île, BQ): Mr. Speaker, my riding, La Pointe-de-l'Île, has a nice name. This riding is on the most easterly point of the Island of Montreal—yes, it is an island—along the river. You should come and see it. It is quite beautiful and the people there are very proud of this new name because it sets them apart.

The riding has a chamber of commerce and the La Pointe-de-l'Île school board. The name is a contraction of Longue-Pointe, describing the geography of this part of the riding, and the tip of the island, which makes La Pointe-de-l'Île.

I have no choice but to rise to speak to Bill C-9, which sets out to establish the Economic Development Agency of Canada for the Regions of Quebec and to establish a department to run that agency.

For many years—I am from the greater Montreal area—politically speaking, I have taken an interest in what has been happening in this sad saga in the relationship between the federal government and Quebec—Quebec is named specifically in this bill—in terms of this issue of regional development.

I must confess I miss the days of Pierre Elliott Trudeau. During that time an agreement was negotiated whereby Quebec got money from the federal government and it was Quebec that decided how to use it.

A lot has changed since then. My colleagues have said so and I will say it in another way. Not only is an agency being established supposedly for the economic development of Canada for the regions of Quebec, but the mandate specifically states that the minister must work on developing an integrated policy.

There is something absolutely absurd in saying that the regional development of Canada for Quebec has to be diversified or should be diversified within an integrated policy of Canada. Only Quebec can integrate diversification of its various regions. Why the determination to prevent Quebec from developing itself and to deny it the means to do so, all the while boasting about the merits of federalism? Indeed, my Quebec colleagues are truly very patient.

Around the time when I was elected to this place and appointed critic for human resources development, the Federal Office of Regional Development (Quebec), or FORD-Q, set up by the Conservatives was replaced by a new department called Canada Economic Development. The hon. members heard right; only in government appropriations did the word “Quebec” appear.

On the department's letterhead and in all our contacts with the department's head—I think that a secretary of state was in charge of CED at the time—“for Quebec Regions” was in brackets. It was established around the time we came to this House in 1993, before the near victory in the 1995 referendum.

●(1115)

That is pretty incredible: to name a department responsible for regional development Canada Economic Development. Over the years, it became necessary to add a reference to Quebec in the department's name and, as a result, the letterhead will once again have to be changed, like a whole lot of other things. I wonder how much it costs each time. The new name will be Economic Development Agency of Canada for the Regions of Quebec. I am sure that, if etymologists or literature experts were asked to study the meaning of this expression, they would find it twisted, to say the least.

This goes to show that the federal government is unable to recognize that, without the fiscal imbalance, Quebec would have sufficient resources. Quebec is not only perfectly able to develop its own economy, but it is also in an infinitely better position to do so with no one else to interfere. We have to realize that, with the mandate given to the minister under the bill, this agency will take the definition of two development strategies even further.

I have heard members opposite say that they have worked with local communities. The local communities need money. That is why they have to work with the federal representative. Are the projects suited to their region, as compared to Quebec as a whole, though? No one can tell us.

One thing is for certain: there are two infrastructures, two administrations, two groups of people working separately on Quebec's regional development, one trying to integrate its work with what is being done within Quebec and the other trying to integrate it with what is going on across Canada. No enterprise can succeed with two different development strategies.

This reminds me a bit of what is being done in terms of international development. Countries all want visibility in that area, some more than others. Canada is particularly hungry for visibility. It wants its image, its logo, its flag on a huge number of projects that will never lead to development regardless of the money invested in them. That is not how development was brought about in the areas where it was successfully carried out. God knows development is needed in the regions.

Unfortunately, regions also fall victim to the government's hunger for visibility. Of course, with Quebec taking its future into its own hands, our colleagues opposite felt the urge to show how essential they are and to increase their visibility, by brandishing their little flags at every opportunity they have.

It is indeed unfortunate because the young people who are leaving the regions as well as those who remain in the regions where fewer services are provided both need development. What they do not need is quarrels and duplication in development strategies which can only ensure one thing: no regional development whatsoever.

Government Orders

• (1120)

[English]

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

Some hon. members: Question.

The Deputy Speaker: The question is on the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

The Deputy Speaker: Call in the members.

And the bells having rung:

The Deputy Speaker: I have been requested by the government whip to defer the vote until 3 p.m.

* * *

[Translation]

DEPARTMENT OF SOCIAL DEVELOPMENT ACT

The House resumed from December 6, consideration of the motion that Bill C-22, an act to establish the Department of Social Development and to amend and repeal certain related Acts, be read the second time and referred to a committee.

Mr. Christian Simard (Beauport—Limoilou, BQ): Mr. Speaker, I am happy to rise and speak to this bill, not because I or my party support the principle or the decision to establish this department. Indeed, I wish to indicate what, in my view, is missing in this process of creation and division of existing departments in the field of regional development, of creating things that nobody is asking for.

I must confess my disappointment with a number of laws. I am a newcomer in this House and I am a little disappointed with the parliamentary agenda that looks more like red tape, or, if I may say so, like liberal tape, than substantive debates on bills that are supposed to help Canadians and Quebecers.

Thus, instead of having laws that allow the government to use its incredibly large surpluses that are hidden in foundations and budget estimates, or in the Canada Mortgage and Housing Corporation, departments are being created, then divided and civil servants are moved around. That is always done, and above all, in jurisdictions that do not belong to the federal government, but to the government of Quebec or other provinces. Such is the case with the famous Department of Social Development.

Before getting into politics, I wondered how I would look at the issues and what my perspective would be. I told myself that I would read each piece of legislation presented to us and try to determine if it is good for children and if it can improve their living conditions.

As we know, there are more than one million Canadians, and a similar proportion in Quebec—unfortunately the situation is no different in that respect—of children living in poverty. In fact, this number is growing constantly. At one point, we had some degree of control over child poverty, but it seems this kind of poverty has been increasing in recent years.

Will this bill really help? Will this division, the creation of a new structure within another structure, help in the fight against child poverty? I very much doubt it.

Various programs will come under the responsibility of this new department if it is created. We hope it will not be, because we do not see how it will improve conditions for people.

In another life, I worked a great deal with community organizations. Under the bill before us, the department will be responsible for the volunteer and community sector. I remember the frenzy, when community groups were constantly forced to apply for grants, often for reasons of visibility. This required a lot of energy on the part of volunteers or of those who were somewhat pompously called permanent members of community organizations and volunteers—I was one of them—and whose main feature was in fact that they were not “permanent” and that they were in a precarious situation.

How much energy is spent by these groups in trying to be included in a system of programs to get a few dollars? What these groups need is a clear policy of recognition. The Quebec government is trying to give them such a policy, but it often does not have the means to do that. These groups need a policy that gives them recognition and a permanent status to be able to serve people and provide services to the community.

Instead, they must bend over backwards to comply with the objectives of federal department programs that have more to do with ensuring visibility for the minister than with giving real resources to people.

This is one example among many others that do not directly relate to this department's responsibility. Hon. members will understand that, as the Bloc Québécois critic on housing, I take this issue very seriously.

Therefore, since 1993, the federal government has been talking about giving back full responsibility to the provinces, including Quebec, for housing, so they can set housing policies.

This is 2004, almost 2005—Christmas is approaching—and that transfer has still not been made. This transfer will have very strong consequences, but because it has not happened, Canadian Mortgage and Housing Corporation, in this case, is no longer investing in the cooperative or non-profit housing sector, since this responsibility will soon be transferred. All this duplication, all these approaches by the federal government have direct consequences on people's lives and we have to admit that the consequences are not good.

Government Orders

•(1125)

We see measures that, on the face of it, may seem interesting. We looked at the child tax benefit. Once again, we have seen that there is a measure, but it is a measure that ensures that a certain group of very poor people will have to pay more. There are many different mechanisms in the income tax legislation.

In the case of people with the lowest incomes, because of Quebec's \$5 day care system, now at \$7, the government has \$70 million in taxes that it can draw on. Normally, those taxes should have been used for the benefit of those families who are losing \$70 million because of a measure that supposedly was taken to help them. They are the neediest.

So, we see that this duplication has a direct cost to the poorest members of society. This desire to create departments, to label all assistance, to say that this centralizing government in Ottawa is good and nice to the people, causes major problems for the people it is supposed to serve.

Consequently, the creation of a Department of Economic Development for the Regions of Quebec, a Department of Human Resources and Skills Development and a Department of Social Development does not seem to me to create tangible values for people. All this does not bring one cent more, it only creates confusion, a desire for visibility and a quest for centralizing power.

Do we move ahead in terms of equity, of resource sharing, of relieving the debt of the provinces through adequate transfers? No, we are not going in that direction, we are moving in the opposite direction. This is too bad and it saddens me, so soon before Christmas, to know that there are people who count on a government that would adopt measures on their behalf. They realize that the government helps itself first, serves its visibility, its structures, its public service, its mandarins, but does not serve the people who pay the income tax, people who hope for something better. It makes me sad.

There is a host of examples, and to think that this department will be in charge of national standards in the area of day care centres under the Canadian day care centres program. This program will impose standards on all provinces, and eventually on Quebec, while Quebec has been the leader in this field. It is a leadership that turns out to be very costly for Quebec.

The federal government has saved a billion dollars since the introduction of \$5 day care centres, now at a cost of \$7. This is a billion dollars that the government does not have to pay out in tax credits to families.

With this amount, if there had been full compensation, would we have been able to better serve patients in hospitals? The answer is yes. Would we have been able to use that money to put books in libraries? Yes, we could have. When Quebec helps its children, it also enables the federal government to save a billion dollars and this government, well aware of that, does nothing to compensate this injustice, does nothing to transfer this money.

During the election, the government promised that an agreement had been signed, but that agreement was not worth the paper on which it was written. This is a scandal. That agreement still has not

been put on the table. This is why people sometimes become cynical about politics.

As a new politician, this situation really saddens me.

•(1130)

I am very sad to see so much energy being spent to create new structures, to look for visibility, to make intrusions and to create new departments in areas that are clearly under Quebec's jurisdiction. We put so much energy into playing partisan politics and waving the flag to get more visibility. This energy could be used to provide better government, to better distribute wealth, to work better and more efficiently in our own areas of jurisdiction.

Instead of that, we create communities departments and regional development departments for Quebec and we expand the Health department. In short, we are doing a lot but doing it badly, in areas of provincial jurisdiction. Meanwhile, we are doing very little, and doing it poorly, in our own areas of jurisdiction.

If I may digress for just a moment, today again, I was looking at the evidence given by the sailors of the *Chicoutimi* who, while looking at the rusted submarines in which they were to sail, said "They will not force us to sail in that." Until we have our own country, this is an area of federal jurisdiction, and this so-called competence is rather a shameful incompetence on the part of the federal government.

However, the government is eager to create structures, minor visibility programs, interfere in jurisdictions outside its own. It does so right in the throne speech and in legislation before the House.

I would like to support this legislation. I would like to be enthusiastic about various legislative measures supporting it. I would like to consider in the House legislation to protect the environment and ensure sustainable development. It would be interesting, as long as that legislation respects the responsibilities of the provinces and Quebec.

However, I am forced to admit that the most interesting things I have experienced in the political arena to date are the opposition motions. I am talking about the work of the Bloc Québécois and also the NDP, in some instances, particularly the motion limiting trans fats. That is something that directly concerns public health. It would not have come from the government. There have been many bills; I worked on Bill C-15, to protect migratory birds, but I wonder if it is a joke and if we will have the means to implement it.

Once again, an amendment by the opposition was necessary to implement, beyond the appearance of establishing significant fines, minimum fines for those shamelessly dumping petroleum products. For the first time in Canada, we have implemented significant minimum fines in environmental legislation. This did not come for this government. It is not really concerned with reality, but more with appearances.

In closing, I want to say that I will oppose, as will my colleagues, the creation of this Department of Social Development. We believe that the federal government must recognize once and for all that Quebec, although its leeway has been considerably reduced by the fiscal imbalance, has still managed to implement internationally renowned quality programs.

Government Orders

The Bloc Québécois will never agree to the creation of a department that not only has the mandate to duplicate and copy Quebec's avant-garde policies, but that also prevents Quebec from fully developing these policies. It is not about visibility, but about respect for the integrity, security and health of individuals.

We must always ask if this legislation serves the public or the structure. Unfortunately, this government is telling us that it is the latter.

• (1135)

Mr. Marcel Gagnon: Mr. Speaker, if there are questions or comments I will give up my turn. If not, I would like to continue the debate.

The Deputy Speaker: We are now at the question and comment period. The hon. member for Windsor West.

[*English*]

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, it is a pleasure to speak today to Bill C-22, the Department of Social Development Act.

This is the creation of a special department that we are interested in pursuing as New Democrats. We wish to see whether or not we can fulfill a strong mandate of Canadians to have social development as part of our economic strategy.

I was pleased to participate in my past life with a number of different movements and not for profit organizations that had some access to government programs, which successfully led to changing people's lives. I would like to reference a few of them because I think Bill C-22 might provide that opportunity. I use the word might because I do have some hesitation.

The only concern I have in moving to the next stage is that this particular department could at the end of the day become a leftovers department. If the government does not truly believe in the mandate of the department and the effect that it could have on people and the social economy, it might not get the budgetary support that is required to make sure things could be fulfilled.

I want to define specifically the department's responsibility. Social Development Canada will have responsibility for children and families, persons with disabilities, seniors, caregivers, the voluntary sector and the social economy.

Those elements are very important, not only in terms of how they can affect individuals and their lives in either turning things around or improving them significantly through services that then lead to greater steps, but they are also very much a part of our economy.

Our voluntary sector, which is a huge sector that does wonderful work, has a lot of great professionals who often go with less pay. They actually need higher accountability in some respects than in other jurisdictions because they do not have the resources to make mistakes. I, fortunately, participated in my employment field at the Association for Persons with Physical Disabilities—

• (1140)

[*Translation*]

Mr. Marcel Gagnon: Mr. Speaker, I rise on a point of order. I apologize to my colleague. I just wanted to know whether we were at

the question and comment period or whether we were resuming debate.

The Deputy Speaker: We are resuming debate.

Mr. Marcel Gagnon: If that is the case, I had asked to speak.

If we were at questions and comments I could give up my turn. However, since we are resuming debate, I would like to say that I had asked to speak.

The Deputy Speaker: Yes, but the problem is that speakers must alternate, and the NDP had taken the floor in this debate.

The hon. member for Windsor West.

[*English*]

Mr. Brian Masse: Mr. Speaker, I want to resume by noting that in my prior work experience I worked for the Association for Persons with Physical Disabilities. We worked quite well with Human Resources Development Canada at that time. I particularly would like to note Yvonne Renaud and Irene Kent, two wonderful public servants who helped to participate in creating the opportunities fund for our area.

The opportunities fund is a good example to show how, if the government does have political will to push an issue forward and appropriate resources are put there, we actually can change lives. More important, we can also even the playing field for people who have traditionally had a lot of barriers put in front of them in regard to being able to reach their fullest potential in Canadian society.

The opportunities fund was an initiative to help persons with disabilities find employment or start a business. What was interesting about this approach, and I do give the government of the day credit for it, is that the government actually did go down to the grassroots levels and talk to all the different associations and groups related to persons with disabilities. We were asked whether we wanted to apply for individual funding or look at a special program that encompassed all of us. We worked with Essex and Kent counties so we covered a lot of geography in southern Ontario. To start with, we had over 20 organizations serving persons with disabilities.

What we were able to come up with, through negotiations with public servants who did their due diligence and also up the line, was support to create two programs.

One program assisted persons to use an incentive program to maximize their opportunities to take advantage of employment opportunities and get employment. The employer got a small dividend to assist a person with a disability get into the employment stream. That would dissipate over time and the person would be taken on as a full time employee. We had a lot of accountability built into the model. The hours were provided first, we checked to make sure that full and gainful employment was happening and then the incentive would follow. That then would dissipate over time as this permanent employment was fixed.

It was a good opportunity for some flexibility at the local level in being able to assist people to actually get to the positions and for them to be effective as individuals, marketing themselves to employers to get positions. We ran a program out of APPD called "Equal Ability", in which we assisted people in doing that.

Government Orders

At the beginning, there was also a small program to assist persons with disabilities in starting their own businesses. I am proud to say that some of those businesses are still operating today, several years later. Brian Fitzsimmons, for example, is one of our former clients who was very much involved in creating a disc jockey service that now has gone into a full-fledged business. He has now had an opportunity to start a family. This is someone who, before this program, wanted to chase after a dream and had the capabilities to do so, but he needed the structure in place just to help give that push.

Therefore, when we create this agency it is very important to have an understanding that this should be for the facilitation of the not for profit sector. If we get into a mandate that is going to be very constrained, with no flexibility, what we are going to see is the lessening of local involvement and also the elimination of solutions that would otherwise seem palatable to local people and also to local organizations.

I give some credit to the Bloc for being concerned about this interfering in terms of provincial jurisdiction. I think there is some merit there. That is why it is very important for this structure to have not only the provincial flexibility but also the regional flexibility, so we can deal with these social issues in ways that are very important to those local communities and so local problem solving will be influential.

Similarly, following that, I had a chance to work for the Multicultural Council as a youth coordinator. It was a very good program. I would once again like to mention Yvonne Renaud, who helped set it up, as well as Glen Shuba. Once again, those two individuals were very influential at the local level in facilitating the local not for profit sector in being able to bid or to be part of a practice to acquire a Youth Service Canada project. We had over 90% success ratios with those projects in regard to getting young people off the streets and either back to employment or to school.

The problem we had with these programs, which a lot of not for profit organizations are facing with the way the government is handling its initiatives right now, was a lack of sustainability. What the government is requesting from the not for profit sector is unreasonable in the sense that it wants them to get partners, it provides little operational support for ongoing funding, and there are also very short windows. One ends up doing a lot of research, which is fine, and a lot of partner building, which is fine, but the problem is that the programs complete themselves far too quickly and the renewal process is very difficult.

So even when we have those high degrees of success ratios and greater accountability than many private sector organizations as well as government sector organizations, because there is such a limited pool of resources available, it is right down to the penny and it is very bureaucratic to renew those successful programs.

• (1145)

Therefore, my colleagues in the New Democratic Party and I are interested in seeing how this is going to evolve in terms of the actual policies related to the new organization. If the social development Canada act leads to a larger bureaucratic structure that has no connection to and is not going to address the big issues that not for profits are facing or the sustainability of funding for the programs Social Development Canada wants to roll out, then we really will not

have done much anyway. That is really important, because we have had very successful programs.

For example, on the homelessness issue in our community we put together a number of initiatives with partners and groups. It was not enough and it still is not enough to deal with the problems we have in my constituency in Windsor and Essex County. Our local groups have done the research and have been very supportive, but due to the way the program has been rolled out we actually had funding delayed, so that announcements and things came later and passed into the area where people were vulnerable in the wintertime.

Those were inappropriate measures when we first rolled out that program. That type of stuff has to stop. There has to be greater sustainability and there have to be more resources available.

I think it is important to look at this context of our social policy and framework as an opportunity to seize the improvement of Canadians' lives. Once again, that has to be done with the prioritization of this department. If it is not provided with the appropriate resources or if it is just going to get the leftovers at the end of the day, then it is not going to be able to fulfill its mandate.

We are looking at very significant opportunities to help different individuals move forward. For example, I know that the environment and some of our Kyoto commitments today provide wonderful opportunities for retraining and also for new employment for some of these different groups and organizations that traditionally have had difficulty in finding employment. That is the type of ingenuity we are going to need.

I would like to point out that it is very important for us to look at some of the categories that the department is going to work on. This is very significant in terms of where the Canadian economy is going and also our demographics.

One of the issues is seniors. This country has yet to address seniors' issues. This is very significant in terms of what is happening to our seniors right now. They have fixed disposable incomes. In Ontario, for example, many municipalities have had to raise property taxes because of downloading by the provincial and federal governments. That really squeezes people on fixed incomes. If their property values have risen as well during that time their taxation would have increased. They really get pinched. As well, oil and home heating costs have gone up, as have insurance costs.

All of those things have really pressed on seniors' disposable incomes, let alone drug costs and health care. We now have a huge population that is moving into the category of vulnerable seniors. The proposed act is also going to have involvement with caregivers. There is another opportunity to alleviate some of the burden on our system if we actually are going to be proactive on it.

Government Orders

However, once again I have seen very little from the government in regard to dealing with those issues and, more important, in regard to tying together all the things necessary to ensure that the disposable income is there for seniors. It is going to be very important to ensure that we have a full-fledged plan. I am not yet convinced that there is the realization of our aging population.

One of the things I am getting support on is my private member's bill to eliminate the notice of compliance, the automatic injunction, for the drug companies. Without any type of evidence whatsoever, without providing anything, the drug companies can get this. After 20 years, they are supposed to have the generic for a drug available for the market, but after 20 years and without any proof they can get an automatic stay for 24 months at a minimum. That prevents another drug from getting into the market, it raises the price of pharmaceuticals and seniors get pinched again.

Are these issues going to be discussed? Is there going to be the mandate for the government to deal with the complications on a broader range of issues? Will the government actually roll out the programs that are going to be sustainable and comprehensive enough to deal with the issues? I have some reservations about that.

At the beginning of my speech, I mentioned the issue of disabilities and my past personal experience with that. It will be interesting to see if this legislation is going to lead to a mandate to create a very upfront and accountable persons with disabilities act that will be effective for Canadians, one that is going to bring us up to standard with the United States and provide for greater rights and access. It also relates to other seniors' issues because mobility and the way we actually go about inclusion in our society are related to an aging population. As people age, they acquire different types of disabilities.

• (1150)

Last, I do want to touch briefly on child care. We New Democrats feel that this is very much a part of our social economy. The member for Sault Ste. Marie has been working on the file very diligently for us. He got out in the summertime to start his campaign across Canada. He started to consult with people.

We believe this is a great opportunity to have the demonstration of an effective program for Canada, a program that will provide some improvements for women and children in our country especially and that also will be very much an important part of our industrial strategy. This has been played out by other OECD nations that have taken advantage of providing better day care to move their economies forward.

I will conclude by saying that I do have some reservations on how the government is going to prioritize the department. That is a big thing, which I am going to be watching. Aside from that, it does leave us with the opportunity to be able to discuss very serious issues that need to be changed for our social economy.

[*Translation*]

Mr. Gilles-A. Perron (Rivière-des-Mille-Îles, BQ): Mr. Speaker, I want to ask a question of my hon. colleague opposite, the member for Windsor West.

Does he not believe, as the Bloc believes, that this bill to establish the Department of Social Development directly interferes in provincial jurisdictions?

I want him to make a few comments about this because we believe this is strictly a provincial jurisdiction.

[*English*]

Mr. Brian Masse: Mr. Speaker, we believe it is appropriate for the government to be looking at this as a national strategy, but in my context I was validating some of the concerns that the member is expressing in terms of provincial jurisdiction. That is why I specifically focused a lot of time on some of the regional elements I have experienced. I believe the same thing would apply for Quebec. I think that is very important, because to be successful this agency will need to have the ability to communicate effectively and have empowerment for the local communities.

I think it is a very valid concern that is being expressed, because if it is detached or if it is done as a broad brush above Canada with programs and services that are very much silos, then it will be dysfunctional. It will not address the concerns being expressed by the Bloc or by me and I think many other Canadians. As for our social problems, although we may have many things in common, sometimes the solutions to those problems are very diverse and very localized.

I think this also provides us with an opportunity to deal with some of the worst issues of provincial jurisdiction, which are actually very harmful. I point out Ontario's clawing back of the national child care benefit from persons who were receiving social assistance. That was deplorable. It is an example of how sometimes there has to be an oversight of the federal jurisdiction on things that are supposed to be happening for those most impoverished.

That was one of the worst things the provincial government in Ontario was a part of, in both my former municipal and now my federal experience. This bill may give us an opportunity to tackle that issue. If the government is not going to do it from the forefront on the cabinet side, perhaps through the committee and the oversight through this department there might be political pressure from those people who want to see changes for clawbacks that are unacceptable. They might be able to get changes.

The question is well put in terms of concerns. I think there is a role for a national government here, but if the structure is such that it does not involve regions and also if it does not have the required flexibility, then the new changes will be for naught.

• (1155)

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

Some hon. members: Question.

The Deputy Speaker: The question is on the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the motion will please say yea.

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Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

The Deputy Speaker: Call in the members.

And the bells having rung:

The Deputy Speaker: The chief government whip has asked that the recorded division on the motion be deferred until 3:00 p.m. today.

* * *

[*Translation*]

REMOTE SENSING SPACE SYSTEMS ACT

Hon. Joseph Volpe (for the Minister of Foreign Affairs) moved that Bill C-25, an act governing the operation of remote sensing space systems, be read the second time and referred to a committee.

Hon. Dan McTeague (Parliamentary Secretary to the Minister of Foreign Affairs, Lib.): Mr. Speaker, I am very pleased today to rise for the first time to speak at second reading of the bill on remote sensing space systems.

[*English*]

On Tuesday, November 23 the Government of Canada introduced legislation to regulate the operation of remote sensing space systems, satellites that can take detailed pictures of the earth and objects upon its surface.

Today I will explain why the proposed remote sensing space systems act is so important to Canada, to Canadians and to our friends abroad, both in terms of our own security and our international partnerships.

Members know that Canada became a world leader in remote sensing of the earth from outer space when it launched in 1995 its first remote sensing satellite system, the government operated RADARSAT-1.

A myriad of civilian applications for remote sensing satellites have since been developed in Canada. These include, for example, those for managing natural resources, monitoring the environment, and providing coastal surveillance and ice mapping services. Today Canadians service about 15% of the world's satellite-derived remote sensing market. Remote sensing contributes a meaningful portion of the annual \$2 billion space industry.

In its 10th year of operation, RADARSAT-1 is still the most capable civilian synthetic aperture radar satellite in orbit. When RADARSAT-2, an even more capable Canadian system is launched by private owners and operators, it will move us that much further ahead of the competition. This proposed legislation seeks to maintain that Canadian leadership position.

At the beginning of the space age, when every launch of a satellite could result either in its noble ascent into space or its ignoble return

to earth, only governments could afford such risky and costly adventures and activities. Remote sensing or imaging satellites were first developed and built in government laboratories. Leading edge development was done, for the most part, in secrecy.

Today however the exploration of space is rapidly becoming the exploitation of space. Wonderful achievements lie within the reach of private citizens, individual and corporate. These innovators can tap into vast stockpiles of commercially available technology based on expenditure of private financial capital. As a result, high performance remote sensing satellite data is widely available today, even more precise and useful than the data produced by the military reconnaissance satellites that helped to maintain the peace during the Cold War.

The security environment today has likewise changed in many different ways. Once, for example, the two rival superpowers observed each other using satellites in outer space. Today Canadians face new asymmetric threats from enemies that might seek to use the commercial availability of satellite imagery. Our security system for satellites must evolve in response to such developments.

Furthermore, Canada is a nation that relies on international cooperation to fill the space ambitions of its government and its private citizens. To help the Canadian private sector continue to pursue these important ambitions, a transparent regulatory regime is essential to securing access to sensitive technology and launch services. Gaining access to such technology and services often requires government guarantees to the supplier nation. The remote sensing space systems act will allow the government to provide these security guarantees to the benefit of Canadian business engage in activities of strategic value to our nation.

Let me introduce the contents of the bill for all members present. The remote sensing space systems act establishes a regulatory regime for remote sensing satellites, the facilities used to operate them, and the data and products produced by them. The regime licenses the operator of a remote sensing satellite system in Canada as well as Canadian operators who operate such systems outside of Canada.

The act, plus the regulations and licences issued pursuant to it, will set out conditions permitting the fullest beneficial uses of such satellites and the data they produce. At the same time, they will ensure that such operations are not injurious to our national security, harmful to the defence of Canada, or prejudicial to the safety of Canadian forces. We will also want to ensure that they will not be deleterious to Canada's conduct of international relations or at least inconsistent with Canada's international obligations.

The act requires licensees to make adequate provision for the protection of the environment and public safety through a disposal plan for the satellite at the end of its operational life. This plan is particularly important in protecting persons and property when satellites leave the earth's orbit. This approach will also help us to sustain our access to increasingly crowded orbits by reducing the chance of creating potentially dangerous space debris.

Government Orders

The operation of remote sensing space systems is inherently international in scope. Foreign partners may seek to participate in the operation of a Canadian licensed system. The proposed act makes provision for them to do so, but only in ways that promote and protect, and are consistent with Canada's security, defence and foreign policy interests. This is carried out by setting conditions for a licensee in the conduct of certain sensitive activities.

This act is consequently good for Canadian jobs at home, for trade in services abroad, and for building profitable relationships with our international partners overseas. It is important to note that the act does not reach down to touch customers of the licensee. This liberates those who legally receive data or products to enhance such products for their own use or to produce value-added products for subsequent re-sale.

● (1200)

This was done by design and with purpose. The myriad end-users of such data do not wish to be burdened and do not need to be burdened by unnecessary regulation.

Canada's security, defence and foreign policy interests do not require us to so burden them, as long as the flow of data and products are controlled by the licensee. This way we can permit the fullest access to the high value data and products produced by our cutting edge satellites. That is good for small and medium enterprises in Canada, and for market penetration abroad.

The bill also establishes means to enforce the act effectively and efficiently. Powers are established for inspectors to perform audits to ensure that satellite operations and data protection plans approved under the licence are being carried out. Compliance provisions are predicated largely on a system of administrative monetary penalties prescribed by regulation. To make the act more user-friendly, however, the bill also contains a new feature, namely, compliance agreements.

I will explain this. Should a licensee be given notice of a violation by an enforcement officer, it has the option to enter into an agreement to bring operations into compliance, in lieu of paying the penalty and without admitting a violation. In this way, the proposed act would encourage a licensee to continuously improve the security of its operations with investments rather than pay fines for violations.

Rarely does a regulatory regime accord so well with the business models and practices of the industry being regulated. The government is committed to smart regulation and the bill is a leading example of that very precise commitment.

The act would also grant certain special powers to certain ministers under emergency circumstances. The first such power covers the interruption of normal service. The second involves invoking priority access overriding normal service.

The government can foresee the need to interrupt or restrict a provision of data or products under urgent conditions. It is, for example, prudent not to permit adversaries to use our own systems against the men, women, equipment and facilities of our Canadian Forces acting in our defence. Consequently, the Minister of National Defence is granted the ability under the proposed act to order the

interruption of services for the defence of Canada or to protect Canadian Forces at home or abroad.

Similarly, the foreign affairs minister is granted powers under the act to interrupt normal service when a continuation of operation by a licensed system would be injurious to Canada's conduct of international relations. For example, should the defence provisions of the NATO charter be invoked, the Minister of Foreign Affairs would have the necessary authority to assist in the protection of NATO forces. The use of these special powers is expected to be a rare event and can only be exercised by ministers of foreign affairs and national defence.

The United States of America has had similar powers available to it since 1992 under its landsat remote sensing act, but has never once invoked them. Prudence dictates, however, that such powers be available to the Government of Canada in a time of need.

The ordering of priority access service to satellite data is the reverse side of an order interrupting normal service. This power enables certain ministers or their deputies to "jump the order queue" at times when it is necessary to support a government response to emergencies or other urgent circumstances. The Ministers of National Defence, Foreign Affairs and Public Safety and Emergency Preparedness are granted these special powers under the proposed act.

Of particular value is the ability of priority access to assist in emergency preparedness or critical infrastructure protection. It is important to stress that the government would use regular commercial services to fulfill its needs where possible, even during crises, but it is wise to keep powers in reserve, to guarantee the availability of imagery when emergency so demands.

With that introduction, I call on all my colleagues to pass the legislation and thereby authorize the implementation of these prudent and balanced measures. When high performance remote sensing satellites can produce data of military significance, the need for a reasonable degree of regulation to protect our own interests here in Canada is patently clear.

We have a responsibility to ensure that these capabilities do not harm our own security, defence or foreign policy interests, and those shared with our allies.

● (1205)

At the same time, however, I want to ensure that members understand the purpose of the bill. It is to modernize. We hope that our thinking on this bill will continue to be productive and will not interfere with the interests of the private sector while understanding the realities of the world in which we live.

● (1210)

[*Translation*]

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, I listened very carefully to the hon. member's remarks about this bill.

We are not denying the importance of legislating in this area. In fact, with increasing aerospace traffic, we believe now is the time to act. Furthermore, the government needs to put a bit of order in all of this and, more importantly, provide itself with legislative support in this area.

Government Orders

Nevertheless, I do not see anything in this bill on provincial jurisdictions. Let me explain.

The bill contains a number of worthwhile items, such as the management of natural resources, farm products, and environmental disasters. These are three fields under provincial jurisdiction. We know that provinces and governments can go through private companies with commercial satellite systems to obtain data.

However, I would like the Parliamentary Secretary to the Minister of Foreign Affairs to explain how this bill respects provincial jurisdiction. For example, could the Government of Quebec or the Government of Ontario access this data if satellite monitoring took place on their territory, and, more importantly, within areas, as I have just pointed out, clearly under provincial jurisdiction?

Are there provisions in the bill that deal with this matter? If not, is the minister open to ensuring, during consideration of the bill, that provinces have access to this data, if this data is collected on their territory and within areas of provincial jurisdiction?

Hon. Dan McTeague: Mr. Speaker, the proposed regulations would only affect a national, or federal, area of jurisdiction. As for satellites, their operation will be regulated because, as I explained earlier, the government transferred their ownership to the private sector.

I thank the hon. member for his question.

Six years ago, the federal government owned those satellites. In just a matter of a few years, they were transferred to the private sector. Because of this transfer, we have to make changes and ensure that the spinoffs of RADARSAT-2 are not used contrary to public or defence interest, as I have already explained.

[*English*]

As it relates to provincial jurisdiction, telecommunications is indeed a federal responsibility. If, however, the owners of the satellite are entered into civil arrangements through business, then of course this does fall into provincial jurisdiction. That is not something that this bill treats, nor should it treat. Federal jurisdiction over the skies is well understood and well based in constitutional law as being a matter which is a federal jurisdiction exclusively.

[*Translation*]

Ms. Francine Lalonde (La Pointe-de-l'Île, BQ): Mr. Speaker, I rise to speak to Bill C-25 entitled an Act governing the operation of remote sensing spacesystems.

Space is a very popular issue these days. It is being raised today thanks to this bill governing the operation of remote sensing space systems that are, in fact, commercially owned.

First, I would inform the House that the Bloc Québécois is in favour of a bill dealing with this issue. It is a very complex issue, with various levels of difficulty. I recognize that the government and the various departments involved tried to do their homework here, but from our point of view, in the opposition, this bills raises some concerns. In fact, this is the first bill of its kind since I was elected to this House. I do not believe we have had any other bill before the House regulating the operation of devices, equipment and satellites in space. I think we are considering such a bill for the first time in

Canada because a commercially owned satellite will be launched by the end of 2005 or in early 2006.

We know that, in the United States, there have been debates in the Congress and in the Senate for a number of years. However, I was interested in reading a fact that I think may also be of interest to viewers or readers. Until 1983, it was practically impossible for the Americans, who already wanted to ensure their pre-eminence in space, to think that satellites, including remote sensing satellites, could be privately owned. Knowledge and use of space were so linked to the national role of defence or pre-eminence that it was the American government that had to capture it or settle there.

However, at the time when other countries had sent commercial satellites into space, and the United States had also started to try to reduce the deficit, specifically under Bill Clinton, they began to let high resolution commercial satellites be developed. Until then, there were commercial satellites, but not high resolution ones. We find ourselves with RADARSAT-2, a high resolution commercial satellite.

We appreciate the fact that the Canadian government was also reluctant. The drafting of the bill clearly indicates to us that the government feels responsible, in some way, for the use of these satellites that might still play a "military or defence" role. I read, for example, that during the Gulf war, French satellites that were selling images to both sides suddenly withdrew these images, because they were playing a role in the war. There is nothing to prevent us from thinking that this could happen again.

• (1215)

This explains the difficult balance found in the bill between the national prerogatives of security and defence and commercial freedom, despite the government's desire to plan for the basics.

This is one of the reasons why I told you that we supported the adoption of an act. However, we are waiting with great interest to see what the committee has done because that will help us better understand how these responsibilities can work on the national, security and foreign affairs levels, and at the same time control a commercial use. And I have still not talked about the provinces.

I will give you an example of the powers the government wants to have. Clause 10(1) says:

The Minister may on the Minister's own initiative, if the Minister is satisfied that the amendment is desirable, having regard to national security, the defence of Canada, the safety of Canadian Forces, Canada's conduct of international relations, Canada's international obligations and any prescribed factors, amend a licence with respect to any condition—

A little further, clause 13(1) says that the minister may, on the minister's own initiative, and I quote:

The Minister may make an order requiring a person whose licence is suspended or cancelled or has expired to take any measures related to the operation of the remote sensing space system that the Minister considers advisable—

Clause 14(1) says:

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The Minister may make an order requiring a licensee to interrupt or restrict, for the period specified in the order, any operation, including the provision of any service—

However, at the end of the day, it does not really make itself accountable for the costs this could generate. So, I suppose that companies will want to take action and say, “Yes, but if we are forced to interrupt our operations and not proceed with orders, we will have to be compensated accordingly.”

The fact is that I have sought to show that there will be a need to check this whole aspect of using satellites that are allowed to be operated as commercial satellites for national purposes of security and defence.

The second aspect one wonders about has to do with the priority access that the government gives itself. Allow me to read an excerpt to explain what I mean.

By the way, I know that the parliamentary secretary has certainly read and studied the bill. However, he knows that its reading will not be easy, nor its interpretation. So, let me give you a little idea.

Subclause 8(4) of the bill reads as follows:

Every licence is subject to the conditions referred to in subsections (5) to (7), any prescribed conditions and the following conditions:

I now move on to paragraph *c*). It is worth reading because it is important, including for provinces:

c) that raw data and remote sensing products from the system about the territory of any country—but not including data or products that have been enhanced or to which some value has been added—be made available to the government of that country within a reasonable time, on reasonable terms and for so long as the data or products have not been disposed of, but subject to any licence conditions under subsection (6) or (7) applicable to their communication or provision;

● (1220)

I would like to say to the hon. parliamentary secretary that we can understand that all is not perfectly clear. But what is clear is that any raw data and remote sensing products collected by the owners of satellite systems—we can think of RADARSAT-2—that are images taken over the territory of another country will have to be made available to the government of that country for so long as they have not been disposed of.

Let me put the question to the hon. parliamentary secretary. If this is how it is for territory subject to remote sensing, why would it not be the same for the territory of provinces? I think that this is an important question, and we say yes. Very good reasons will have to be put forward to convince us otherwise.

Let me continue to show how complex this bill is. The government's own press release of November 23 states:

Canadian remote sensing satellites provide important information on the distribution of groundwater, minerals and oil and gas deposits, oceanography, cartography, geology, hydrology, agriculture, forestry and disaster response and mitigation.

The areas listed are, in large part, areas of provincial jurisdiction. There are even some governed by provincial legislation. So, the satellites could provide information for sale to private buyers, who could use this information to defend themselves against a provincial government that does not have the same data. Or else, the province would have to buy everything, which makes no sense. There is a very practical problem here.

I repeat that this is what the release says. We know that the main areas where these images and data will be collected are areas of provincial jurisdiction. Now, moving from security purposes to commercial purposes.

The release reads further:

Natural resource industries currently make use of satellite images to monitor crops and forest growth and to gain information about groundwater, minerals and oil and gas deposits.

I was thinking of Hydro-Québec's retention basins, that they have always wanted to keep secret. From what I understand, these high-definition images could expose the secret, without Hydro-Québec even knowing.

● (1225)

You will understand that we are at the questioning stage, but we need to take time on it. Fortunately we know that RADARSAT will be not launched before the end of 2005. However, since this will be the first time there will be regulations governing such a situation, we will need to really sit down and decide what to do.

There is one dimension that is not affected in the least, though it seems to me that it could be. The bill has been created on the occasion of the launching of RADARSAT-2, yet I understand that this is not the only thing it will cover. It will certainly be of use to other private entrepreneurs who would like to get into this field.

Even if this is remote sensing equipment, coupling infrared with this improved definition could provide them with images that would start to involve personal information, and there is nothing on this in the bill. An answer to that question will certainly be needed.

While we are dealing with space, we also need to look at the international aspect of these commercial remote sensing satellites. My clever researcher has found a text for me on the Foreign Affairs site, one that is most interesting, although it is indicated that the views are those of the author alone. This is a paper on the legal aspects of satellites and remote sensing.

The author portrays the situation by putting countries in three groups. The first group is made of only one country, the United States, which is way ahead of everybody else and is expected to have 1,000 commercial satellites in space within 10 years. Therefore, space defence will become even more important to them.

The second group is made up of countries like France, some member states of the European Union, India and China that have evolved technologically and might collectively, if not individually, use all their powers in the areas of space and remote sensing.

And then there are the so-called rogue states that are interested in upsetting the order that we want to institute there. Based on this, the author, Mr. Salin, comes up with the following proposal:

For now, it is interesting to note that a club of about ten countries control high resolution remote sensing. They include the United States, Russia, France, Canada, Japan, China, Israel and India.

I remind the House that the United States is in the first group. He continues:

It is still possible to try to get them to reach an agreement governing the further development of this market in everyone's interest.

He suggests:

Canada could play a leadership role and take advantage of its friendly relations with all of these countries.

He adds:

We could have an agreement, like the one banning anti-personnel landmines, that would govern the commercialization of high resolution images so that it follows some rules...

I see that my time is up and, since we are no longer the official opposition, I will yield the floor to my hon. colleague.

• (1230)

I think I have explained why we are in favour of some kind of legislation, but we will have a lot of questions to ask in committee. Lastly, we will wait until third reading to take a general position on this bill.

• (1235)

Hon. Dan McTeague (Parliamentary Secretary to the Minister of Foreign Affairs, Lib.): Madam Speaker, I would like to thank the member, who also is Bloc critic for foreign affairs. She is quite able and she has obviously raised several questions to advance this matter before the committee. Her remarks are laudable. I must stress, yet again, that we will respond in adequate fashion to the member's concerns.

I would like to say and stress something regarding our remarks in relation to the provision of information to foreign countries. It is simply because we have a lot of ties with other countries. We have signed agreements with them under which we have an obligation to share information.

As to provincial jurisdictions, the other member of the Bloc already asked me that question a while ago. I stressed to him that when it concerns the provinces—because it has to do with commercialization when it is a question of the private sector—they still have an ability to find and get the answers that they want. However, we have no responsibilities when it comes to other countries.

[English]

Let me be perfectly clear on this. Canada has a number of treaty obligations with other nations as a satellite may pass over and inadvertently, for whatever reason, take pictures of another nation. We will of course share that with another nation.

While the hon. member will have some very valid questions to ask at the committee concerning the prospect of pictures being taken of something that falls within provincial jurisdiction, it could even fall within municipal jurisdiction depending on the circumstances.

I think we have done this already with respect to RADARSAT-1. There is already usage. There is custom. There is convention. This bill is really to deal with macro issues, international issues and defence issues, particularly in light of the fact that we have privatized the sector. I take the hon. member's point that these are important questions which we will have to debate and work with each other on at committee.

[Translation]

I am obviously awaiting the answer and I will pass it on to the Bloc member. There is also the matter of privacy. It is understood

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that this does not affect the question of the privacy of people in Canada.

Ms. Francine Lalonde: Madam Speaker, I would like to say to the parliamentary secretary that of course Canada has agreements with other countries, and from these agreements certain obligations arise. Still, it seems to me that the provinces, which are the parts of this country, can expect Canada to recognize that it also has obligations with respect to the provincial administrations.

I am not satisfied to hear that with RADARSAT-1 there were certain conventions and habits. From now on, it will not be the government that manages and operates it, and these issues must be clarified in the interest of the provinces. It must not be forgotten that RADARSAT-2, as I understand it, is technologically more advanced than RADARSAT-1.

Therefore, the data could be even more strategic for the provinces because then we are getting into the commercial aspect.

• (1240)

Hon. Dan McTeague: Madam Speaker, we will certainly have an opportunity to discuss the subject of commercialization.

[English]

Commercialization of this product will allow us an opportunity to work with the provinces cooperatively.

Satellite technology, as we all know, works above the earth. It works in terms of being able to move from jurisdiction to jurisdiction. It would be ultra vires, to say the least, not to recognize it is profound, distinct, federal, national, but that is not to say that we will not work with the provinces.

Another thing I want to point out for the hon. member is with regard to her concern about the private use of data produced. She referred to this earlier. I want her to know that it will not regulate per se the private use of data. The legislation licenses the operator of the remote sensing satellite to protect the security and of course our foreign policy and defence issues that I raised a little earlier. It will not, however, apply to how end users make use of satellite data and images and create value added products.

Therefore, it really does not fall into the domain of privacy or to a great extent into the area that she is concerned about, provincial jurisdiction. We could probably get a better clarification at committee. I look forward to that.

[Translation]

Ms. Francine Lalonde: Madam Speaker, nothing in this bill has anything to do with what the parliamentary secretary just said. We will certainly have a lot of work to do in committee to show that.

This is, in fact, the first time we have had to deal with a device that has military capacities and international capabilities. It will be managed by a private owner, but the government wants to regulate it so that it does not contravene its international commitments, and also so that it is not at odds with what would be good for national defence and security.

Nevertheless, let us not forget that we have lavished praise on it as a commercial device. Therefore, we must see how the provinces will fare in these circumstances.

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[English]

Mr. Stockwell Day (Okanagan—Coquihalla, CPC): Madam Speaker, in addressing the legislation, it is fascinating that we can even reflect on the level of technology at which we are looking, and everything else that can be comprehended and apprehended by the legislation. A few short years ago it would be beyond comprehension to think about legislation that would govern satellites in space taking pictures of our movements. We are seeing an amazing progression of technology unfolding right before our eyes.

It is not the owner of satellite systems who first got the idea that altitude would give a vantage point to somebody who wanted to survey the land. I am sure every time prehistoric man and woman got to a hilltop or climbed a tree to look around, there were reasons for that. They wanted to literally get the lie of the land. Maybe they were looking for movement of various herds of animals that would provide their food supply. They might have been looking for water. They might have on top of to see if any of their enemies were around.

The idea itself is as old as humankind, but the technology is so incredibly advanced. We have satellite systems that literally map out to the most minute detail of the earth's surface, of Canada's surface. We have satellite systems involved in hydrology. They can predict, with great ability, the various water masses that are both above and below ground. Satellites can spot a certain type of rust or blemish on a stock of wheat in a field. It is amazing that can be picked up from outer space. It is amazing that we can monitor the movements of people, machines and other things which could be either a threat or a benefit. Yet there are cautions that go with it, and quite rightly.

As we understand, in June of 2000 an agreement was forged between Canada and the United States related to the operation of remote satellite systems. The agreement predicated and prefaced the legislation that we are looking at today. There are some legitimate concerns governments have in the interests of and on behalf of their citizens, related to satellites and remote sensing systems.

First and foremost, the official opposition has always said and maintained that the primary role of government is the safety and security of its citizens. We think about defence, security and safety, and this should be a primary role in this legislation. We have made the case many times that we feel the government has fallen down in the area of providing necessary safety and security for its citizens, especially over the last few years as it relates to international terrorism.

We are encouraged on the one hand that the government has stated this is a primary purpose of the legislation. I will not question its sincerity of that. We recognize there is a legitimate role. For the legitimate concerns of safety and national defence, the government needs to know who is looking at our people, who is scanning the nation, what they are coming up with and what kind of capabilities are up there. From that point of view, we support, in general, the direction of the legislation.

There is very clear recognition that Canada is a world leader in the development of satellite sensing systems. We should be very proud of the technology it has developed commercially. We are out in front. That means, not just scientific advancement for issues related to Canada, but it means high-tech, long term employment opportunity

for our citizens. It also brings to bear the necessity for proper education systems, especially post-secondary and post-graduate secondary, where these items can be taught and explored so the technology can continue to be developed.

We do not want the legislation to in any way hinder Canada's foremost role internationally in developing the commercial side of this area. I specifically refer to the CRTC, an organization which in the view of many Canadians has gone far beyond its boundaries in whatever legitimate purpose it may have. Some have argued, and I would argue this from time to time, that this has had a negative effect on commercial development in the broadcasting arena in Canada. We do not want to see the government taking its legitimate concerns related to safety and security of national defence and broaden that, particularly because of this government's insatiable desire to control every aspect of the lives of its citizens. We do not want that creeping into its legitimate role in terms of national defence. We will be watching that closely. Yes, there is a legitimate role, but we do not want an outer space CRTC type of organization cropping up by virtue of this legislation, which is going to stifle some tremendous commercial developments that have taken place because of the private sector. That is a caution.

● (1245)

I also do not see in the legislation a clear explanation of whether this is retroactive or whether it will cover systems already in space. There are incumbent costs to any system or any infrastructure that is built according to a certain regulatory regime, at one point in time. When another more advanced and perhaps more invasive regulatory regime is imposed on those systems, there is a well known principle in law that is generally followed. If a building is constructed according to certain building guidelines, it is not subject to the full weight of new guidelines upon new construction. We would hope that general principle of retroactivity would apply to systems already out there. We do not see that specifically addressed, and we will watch for it in the legislation.

One topic that is on the minds of Canadians, and we hear it discussed at length in this assembly, is the whole question of missile defence. Are we seeing a stealth approach to some hidden agenda item that the government may have related to missile defence? It was only a few months ago that government ministers were coming out strongly in favour of continental missile defence. The present Minister of National Defence, when he was minister of foreign affairs, boldly declared several months ago that the government was moving ahead with missile defence. He not only said moving ahead, but there was not going to be debate in Parliament on that. That acceptance of its own democratic deficit astounded many of us. As the official opposition we reacted to this and demanded that the government bring in a full discussion related to continental missile defence in the House so we would know all the facts.

We want some reflection from government members and ultimately from the minister on the legislation. What bearing, if any, does the legislation have on missile defence? Will it be seen as a proactive legislative lever? Will it be seen as something that would be restrictive? We want the government to come clean on what appears to be a hidden agenda on its part on this issue.

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There is the matter of the individual privacy of citizens. I am somewhat uncomfortable with the parliamentary secretary's response to a good question put to him by my colleague. From his comments, it seems there will be a hands-off approach when it comes to the dissemination of information that is gathered about individual citizens. We want a little more comfort than that. As we move toward the committee stage, we want to know that dissemination of information will be something the bill not only contemplates, but takes a look in terms of the rights of citizens.

I was talking recently with a representative from an allied source about intelligence services. The individual shared with me the incredible capability of these satellites. I am not talking sub-stratospheric; I am talking outer space. They can literally read a licence number on a car. If they can read a licence number, they can probably read a newspaper headline. Who knows what else they can do? There has to be some cautionary note in the legislation regarding the dissemination of information on private citizens. We will look to some further discussion on that, and hopefully some guidance and some insights from the government.

Then there is the element of costs. Research I have done to this point suggests a cost of \$1.3 million. Eight to nine government individuals across a number of departments will be involved in monitoring the legislation. I am sure other systems will be in place for some of the broader application. The only reason I am a bit nervous of that is in 2001 the then justice minister told us that a different type of registry, a gun registry, would not be just revenue neutral, but the fees would cover the cost of the whole program. The federal government itself admits that the cost of that program has run over \$1 billion. I think it says \$1,000,055,000. The Auditor General has suggested it is more than that because the compliance costs of that program were in the hundreds of millions. It is really upward in the area of \$2 billion, and still running rampant.

• (1250)

When I hear the regulatory costs of the legislation will be \$1.3 million, I cannot share the same exuberance for some kind of assessment. It seems like a low amount, quite honestly. I am delighted if that is all it is, but we will also ask the government to be very clear on that and what the possible escalators will be to those costs. This seems to be a fairly minimal amount to regulate something as sophisticated as satellite systems in space.

Those are our observations. In general we support the principle of the legislation. I hope we will be able to continue to do this, and our ability to do that will depend on the degree to which these questions are answered.

• (1255)

Hon. Dan McTeague (Parliamentary Secretary to the Minister of Foreign Affairs, Lib.): Madam Speaker, I thank the hon. critic for the Conservative Party for his comments with respect to second reading of this bill. He has raised a number of important issues, which I am sure we will have an opportunity to debate in committee, and ask officials to provide a comfort level to all members of Parliament.

The first issue which he raised of concern over was ballistic missile defence. I know there are some who have likened this initiative to BMD. This satellite is a remote sensing satellite. It is not

a satellite that observes trajectories above the earth on whether missiles are moving in one direction or another. I want to dispel the myth that has somehow permeated certain individuals who believe it is. I want to give assurance to the House that it has nothing to do with that issue.

On the subject of BMD, I too, like the hon. member, am looking forward to a very healthy debate on this issue. I would also offer, as I have done to his representative on the committee, an opportunity for a briefing, which the Conservative Party has not taken up at this point. We would certainly like to offer an opportunity to discuss this matter more fully.

On the issue of privacy, there is no question of privacy. This legislation gives regulatory effect to those who should be licensed. The hon. member has perhaps spoken to this issue more frequently than any member in the House of Commons. On the subject of terrorism, we do not want clients who might use the information for heinous, distasteful, questionable and harmful ends. I think the hon. member would agree with that. It will not affect the privacy of Canadians, but we need to have a modicum of understanding of why the information is being used through commercial means.

Finally, on the subject of costing, the hon. member can be assured that we will give a costing. We all want to ensure that it is consistent with the modalities that the private sector expects, while taking into consideration the public's interest.

I realize there is not really a question there, but it may provide the member an opportunity to further comment on other areas that he thinks will be helpful to ensure that the bill passes.

Mr. Stockwell Day: Madam Speaker, I appreciate the reasoned response from my colleague. First, I have a comment and then I will ask a question.

We have availed ourselves of briefing opportunities with staff of the departments involved in this. They have been very good about giving us information for which we have asked. I wanted to clarify that. The member has offered some official briefing sessions also, and that is much appreciated. It appears as though the government is being forthright on this.

Has the member heard any discussion about data that might be shared from these systems with our Norad involvement? We are talking about being able to survey an entire continent. Is he aware of any discussion that would have beneficial implications or applications related to our Norad responsibilities?

[*Translation*]

Mr. Pierre Paquette (Joliette, BQ): Madam Speaker, I would like to ask the member what he feels about the sanction mechanisms that we find in clauses 23 to 45. These sanction mechanisms seems quite generous since the penalties are not very serious. For example, maximum fines are \$250,000, while maximum imprisonment is 18 months.

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Moreover, these clauses provide for a defence of due diligence, which makes it possible to avoid a certain number of offences. Consequently, in terms of sanctions, this approach is based more on warnings than on penalization.

In fact, currently, private companies and the government are very close partners. Since the government is more or less the main client of these private companies, is there not some danger in terms of the protection of both privacy and the entire bill?

• (1300)

Mr. Stockwell Day: Madam Speaker, indeed, this is a very important question. Unfortunately, I do not have all the answers to the questions and I myself have many questions to ask the government.

It would be important in the future that we work together with other members to analyze our questions, in order to determine whether we share certain views as representatives of our constituents. It would be good to think about such a presentation.

At this stage in the debate, I would prefer to determine the government's position so we can then discuss it in this House. It would be important that we understand the intent of this bill. Then we could discuss the good questions that were just raised in this regard.

[English]

Hon. Dan McTeague: Madam Speaker, I want to respond to the request of the hon. member for Okanagan—Coquihalla relating to Norad. I can tell the hon. member that there is no formal relationship between RADARSAT-1 and RADARSAT-2 with respect to Norad because that really deals with air defence issues, air missiles and so on, which is linked to the first point I made on BMD.

However there could be, and have been in the past, relationships with NATO which deals with our partnership with other nations in terms of defence as well as clients who will work from time to time, as our satellite is used, for NATO initiatives. I just wanted to give the hon. member an assurance that it is not for Norad but in fact for NATO if anything.

Ms. Alexa McDonough (Halifax, NDP): Madam Speaker, I am pleased this afternoon to have an opportunity to participate in the second reading of Bill C-25, an act governing the operation of remote sensing space systems. The short title, which also seems like a mouthful, is the remote sensing space systems act.

Although there may be some different perspectives in different corners of the House on exactly what we are dealing with here and what the potential is for good or for the opposite of good, there probably is agreement among all members that it is truly astounding, and it probably makes sense to acknowledge this, that we have such legislation to deal with such a matter.

I am not the only one in the House who can say this but I am old enough to realize that if someone had tried to talk about this, even in my university days, I would not have known what on earth they were talking about. In fact, the very existence of the kinds of satellites that are now hurtling around in the atmosphere would just simply not have been understood or even imagined. There is something a bit daunting and a bit sobering about the responsibility that falls to 308 members of Parliament to now get their heads around legislation to

regulate remote sensing space systems. I want to read directly from the summary of the bill. It states:

—to ensure that their operation is neither injurious to national security, to the defence of Canada, to the safety of Canadian Forces or to Canada's conduct of international relations nor inconsistent with Canada's international obligations.

We are grappling with a very sobering responsibility.

I want to say at the outset that it would be the intention of my colleagues, the New Democratic Party caucus, to vote for the bill to go to committee. However it is equally our intention to comb through every single dotted *i* and crossed *t* of the bill and utilize the best expertise available, the broadest input possible from Canadians, to ensure we fully understand in precisely what way the bill can and will be used to serve those, on the surface of it, very laudable aims and objectives.

One of the reasons I think every member of the House needs to take this responsibility seriously is that we have seen over the last couple of years, in the name of “security”, truly terrifying things to which the government's legislation has now committed us and in which we are embroiled, to our national shame, and to the detriment of what anybody could remotely think of security in the real sense of the word.

I do not actually know who said this but I think it expresses very strongly the apprehensions, concerns and fears that a great many Canadians have, with good reason these days, to remind ourselves that a nation that seeks security through abandoning human rights is bound to end up achieving neither.

What we have watched happen over the last several years in the name of security clearly turned a deaf ear to the prophetic warning of Barbara Lee, the Afro-American congresswoman. In the aftermath of 9/11, when the American president divided the world into us and them and said, “You are either with Osama bin Laden or you are with George Bush”, as if there were no other choices to be made, the world instantly became a less safe place and highly polarized. The advice of Barbara Lee was that in our attempt to defeat terrorism we should not become the evil we deplore. This advice needs to be taken seriously by each and every one of us every single day and every waking moment.

Having said that, being an optimist and always taking my responsibility seriously, we have to ensure the legislation is a positive instrument of public policy and not something draconian or even unintentionally something vulnerable to exploitation, abuse, distortion and so on. I think an important starting point is to understand absolutely, not only the legitimacy of the legislation but why we need such legislation. Sometimes we stand in our place and say that we feel that even the purpose of the legislation that is being pursued is not a legitimate one and we would not vote for it to even go to second reading.

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•(1305)

Legislation is a source of pride and we should remind ourselves that Canada is a world leader in remote sensing satellite technology. We do not introduce legislation for the sole and express purpose of ensuring that Canada remains a world leader, but that it can be an important byproduct and in turn can spell future opportunities and challenges for Canada as a whole, for Canadian scientists to contribute toward peaceful and positive purposes for which this technology is earmarked or directed.

However let us also be mindful that there is the potential for such legislation, primarily because of its vagueness, to go off the rails. Many Canadians, and I would include New Democrat members of Parliament among those Canadians, are deeply worried over the potential for this legislation becoming the cloak or the cover for something very different from its intended purposes.

I say that not meaning to accuse any individual member of Parliament of having such intent because he or she votes for the legislation. We will vote for the legislation to go to committee but, because of what can happen in the carrying out of the government's agenda on a parallel track, we could find that the advancing of the missile defence agenda creeps in and overtakes the intended purpose of the legislation that is now before us.

Let me go back to the face value of what this act is about. It would establish a licensing regime for remote sensing space systems and provide for restrictions of the distribution of data gathered by means of them. I want to add my voice to the concerns we have heard about the privacy of Canadians and the potential use of their data. The bill states that there will be appropriate restrictions and I think we need to hear more about that.

I listened to the parliamentary secretary's response to a question that we raised concerning the application of the Privacy Act, but I am still worried. I hope he will take the opportunity to elaborate further on that. It sounds as if we may have some real homework to do in terms of plugging some serious holes to ensure this proposed act will not lead to the invasion of privacy without proper protections.

I believe I understood the parliamentary secretary to say, and I will happily withdraw my words if I have misunderstood him, or the sense of the response was, that yes we are sensitive to privacy concerns, but that we had to remember that this was now a privatized operation, that it was in the commercial domain and that there was only so much we could do about it.

The first obvious response to that is that if the privacy concerns of Canadians cannot be absolutely assured and protected, then what in the name of heavens would we be doing agreeing to a commercialized privately operated operation for RADARSAT without that being an absolute condition. Perhaps the parliamentary secretary could provide some further assurance on that issue.

The summary of the bill goes on to state:

—the enactment gives special powers to the Government of Canada concerning priority access to remote sensing services and the interruption of such services.

•(1310)

The devil can be in the details.

Whether or not the kinds of powers that the bill assigns to government and the responsibilities of government in handling RADARSAT-2 are what they need to be will provide the answer as to whether it can be assured that there are protections that the legislation will in fact be used for its intended purpose. We do not want it to be exploited and to find that this is actually dragging us through a back door into a possible future participation in ballistic missile defence.

Canadians in greater and greater numbers are making it clear they want absolutely nothing to do with participation in Bush's missile defence initiative. It is becoming more clear that Canadians are saying no to Canadian participation in missile defence, but are saying yes to our federal government and Parliament providing leadership. Canadians want us to persuade Bush to say no to the militarization of space, the weaponization of space that is inherently built in to the missile defence trajectory that the U.S. government is now launched on.

For anyone who doubts that, the biggest mouthpieces for the Bush administration's policy are the Heritage Foundation and the American Enterprise Institute. Those organizations have been on the front lines, in much the same way that the Fraser Institute and the C.D. Howe Institute have deliberately driven the evolution of the reform-alliance, and now no longer progressive conservative party. The Heritage Foundation and the American Enterprise Institute have had a major influence over foreign policy choices in general and the military agenda in particular of the Bush administration. They have been trumpeting missile defence.

Yesterday a spokesperson for the Heritage Foundation appeared before the foreign affairs committee. His testimony will be in the committee *Hansard* and it is important that people familiarize themselves with it. He said that from the perspective of the Heritage Foundation the issue of weaponization of space and the concerns about the possible militarization of space are ill-founded because, according to him, both are already true. We already have the militarization of space. As we speak, the weaponization of space is beginning to happen. It is not some distant concern.

The previous Liberal cabinet minister who was defeated, David Pratt, used to say, "I do not know why the NDP, why progressives in this country, why people who feel we should be investing in peace and not escalation of war, keep raising militarization of space as if it is a real concern". For one thing, \$200 billion has already been spent in missile defence evolution. Every year we can look at the U.S. budgets and we can see the allocation of resources, \$10 billion this year alone, to further develop the weaponization of space.

David Pratt would say that nothing is going to happen on that front until at least the year 2010. What kind of timeline is that? What kind of vision is that? What kind of horizon of planning for the future protection of the human race is that?

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I do not want to go too far afield in this but we need to face reality. The government either does not know where it is going on this matter, in which case it is high time it did, or it knows exactly where it wants to go on this and it is walking a tightrope that has a lot more to do with its own immediate electoral fortunes than it has to do with the kind of broad concern about what kind of leadership Canada is going to provide to the world to make sure we do not get on course to the weaponization of space.

●(1315)

Witness after witness appeared before the foreign affairs committee. It is hoped that there are Liberal members of Parliament who read the committee *Hansard* because hardly any of them are ever there to hear what is being said in regard to these matters. I find that deeply disturbing because I know there are a lot of Liberals who are very concerned at any possibility that they would be attached to a government that would plunge us into Bush's missile defence. However, there does not seem to be much of a presence in terms of expressing concern or of eliciting information and so on.

I want to say one other thing before I deal with a few of the specific concerns about the bill. Those who think it is paranoid to be concerned that this legislation might morph into something that was never intended should think about the anti-terrorism measures that were brought in with Bill C-36. They should think about, in the name of security, the kind of security certificates that are being issued today that absolutely trash human rights, trample civil rights, suspend the rule of law, suspend assumption of innocence, suspend any meaningful legal process. People's lives are being destroyed and are being held in abeyance but they face no charges and have no way to get out of that legal nightmare. Let us be careful that we do not pass legislation that gives powers that we cannot actually deal with in the regulations.

Coming back to the issue of ownership and use, let us be clear that this commercially owned satellite, RADARSAT-2, is billed by its manufacturer, MacDonald, Dettwiler and Associates, as incorporating state of the art technology featuring the most advanced commercially available radar imagery in the world. I think that is true. We need to applaud that.

We need to be sure that that incredible capability is used for constructive, peaceful purposes. This means we need to take up the challenge to become world leaders even more so in verification matters as they relate to the development of weapons and armaments. Let us make sure that we do not redirect that kind of technology into areas that go against Canadian values and against the promises given.

Let us also be clear that Canadian taxpayers have funded approximately 75% of the development of this satellite. This is another reason that we have to have a major say around the assurances about how it is used and that the regulatory mechanism for doing it has to be used stringently.

It is important to note that RADARSAT International has sold imagery from RADARSAT-1 to the U.S. military in the past. Some of this information may have been used by the United States in its war in Iraq, a war in which Canada did not want to participate and a war in which we have no assurance we were not in fact complicit by

having sold information to the U.S. military that aided and abetted the war in Iraq.

We need ironclad assurances about any possible future use of this legislation. It is very worrisome that the government saw the obvious link that one can make to the use of RADARSAT-2 as part of the U.S. ballistic missile defence system. The very first words out of departmental officials were to assure us that there is no connection between RADARSAT-2 and missile defence.

●(1320)

We need to make sure that those are not just empty assurances. We need to make sure that the provisions in the regulations and the actual content of the legislation is such that there is an ironclad guarantee that that is not what ends up happening to be the real use, if not even at this point the intended use, of RADARSAT-2 in the legislation that is now before us.

Hon. Dan McTeague (Parliamentary Secretary to the Minister of Foreign Affairs, Lib.): Madam Speaker, I want to thank the hon. member for Halifax for staying on topic and speaking so readily to the issue of the bill at hand.

I share her concerns with respect to privacy. For the record I want to make sure it is perfectly clear that the remote sensing satellites expected to be licensed under the proposed act are unlikely to possess sufficient performance capabilities to generate privacy concerns.

Should any future technology provide law enforcement agencies with imagery capabilities against which a reasonable expectation of privacy would exist, prior judicial authorization should be required.

I also want to assure the hon. member that our government is firmly committed to protecting the rights of persons afforded under the Charter of Rights and Freedoms against any unreasonable searches. It is important that the hon. member understand from a privacy perspective that we too of course would be vigilant. However, this does not have the technology to do what is perceived to be a concern as it relates to privacy.

I assure the hon. member that I know the distinction given my intervention on the FLIR decision, which was to accord with the Supreme Court of Canada to reverse the position on the forward looking infrared camera. I know and understand the distinction between what was said at the Superior Court of Ontario which was wrong, which turned out to be upended by the Supreme Court of Canada nine to nothing. I will take that kind of affirmation for my efforts any day.

I want to point out to the hon. member, as I said to other colleagues earlier, that the BMD satellites observe missiles in flight or on trajectories above the earth. Remote sensing satellites do not.

We can have the debate on BMD any time. The hon. member will know that I had a very thriving debate with her leader on Sunday. When given the facts, Canadians will arrive at the need to balance our sovereignty needs with the issues of security on BMD. They will make that decision through parliamentarians.

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We will not be moved by those who believe that somehow this is the escalation of the arms race. Canada believes very strongly in the notion of prevention and protection as well. If missiles are going to fly above our territory, we want to know what is going on. We want to be at the table. We want to ensure that those missiles and the debris, whether it be chemical or warheads, does not fall on Canadians.

Every Canadian knows that North Korea attempted to do this. The mission failed. It wound up halfway over the Pacific Ocean. These are hard facts. Several nations, such as Iran, have refused to become part of the non-proliferation treaty. We saw what happened in New York in 2001. We know that it has cost Canadians \$10 million to protect our security at the borders from that kind of attack.

I look forward to the hon. member's participation on this very important issue at committee. We will have an opportunity, as we are now, to deal with issues along the lines of proliferation and arms treaties and arms control. The foreign affairs committee is looking into that. I hope the points that we have made about privacy are ones which will meet with the hon. member's satisfaction.

• (1325)

Ms. Alexa McDonough: Madam Speaker, I think it is fair enough in debate to take a bit of a jab about whether I stayed entirely on topic in my comments about the bill, but let me jab back to say that I am not taking the parliamentary secretary's comments too seriously because I actually believe he knows that these comments are absolutely relevant to the debate we are having about this bill and that there is absolutely and unquestionably the potential for this.

We do not need to have a suspicious mind or suffer from paranoia to be concerned about the possibility that the stated purpose of the bill, the capability we have to become, more and more, players with regard to satellite operations and then whatever else happens from there, is real. It is the question we face.

I heard the parliamentary secretary. Now of course he has me worried, because I heard him do a bit of a rah-rah about how we really have to be concerned about what North Korea might do and we have to be very concerned about what we know Iran is already up to.

It is very clear, with all due respect, that when members of the House invoke those kinds of issues, a lot of people brace themselves to hear what follows, because that is the Bush line on all of this, which is that we therefore need to be part of missile defence because, boy, that is the only way we can defend ourselves.

Let me say this about yesterday afternoon just before the foreign affairs committee meeting. It is a shame that some members of the committee were not even there to hear the testimony, but I ask members to please go to the committee Hansard. Retired Ambassador Jonathan Dean, who has a distinguished record in the military and a distinguished record in diplomacy around non-proliferation of nuclear weapons and around peace negotiations, pleaded with us as Canadians concerned about doing the right thing.

He pleaded with us to recognize that yes, there are real threats and concerns that North Korea poses and that Iran poses, but the wrong response to that, exactly the opposite response to what is needed, would be to sign on to missile defence, because not only is missile

defence distracting and diverting enormous resources into building up this escalation of its own U.S. weaponry, but it is also distracting from the real things that need to be done.

Really, it was one of the most helpful things in his testimony when he pointed out how shocking it is that people are neglecting to do what needs to be done to actually deal effectively and a lot more cheaply with the developments in North Korea and Iran. That is exactly the point. It is not because those are wrong-headed concerns. It is because the response is not a solution; they are the wrong solutions.

Again let me say that when this legislation comes before committee it is going to be very important for us to look at every single word and what it means, and to look at every single provision in terms of whether the protections against potential abuse are what they need to be.

I want to say further that since what this kind of debate leads to is either an argument for "yes, we need to be in the game", which gets us straight onto that conveyor belt to missile defence and the weaponization of space, as Lloyd Axworthy, a former foreign affairs minister in this Liberal government, described it, or we take seriously what are the real, effective alternatives that need to be pursued. We need to do our homework on those things.

One of the things that has been very encouraging in the testimony before the foreign affairs committee, and frankly by the witnesses who appeared at the parliamentary network against nuclear weapons as well, is that there are practical, concrete, specific things that we need to be doing. It should be a sobering reminder.

The parliamentary secretary has taken the opportunity to say that these satellites are out there so let us not put our heads in the sand and let us talk about what kind of satellite we have and what kind of environment it is.

Two things have been raised before the committee again and again. One is that there is already a problem with debris out there, which is threatening satellites.

• (1330)

Second, and I will finish with this, it should be sobering for us to realize that we are talking about 800 satellites, of which RADARSAT-2 would be one, and 100 of those 800 satellites are American satellites dedicated exclusively for military purposes.

Let us be clear about the environment in which we now are talking about advancing RADARSAT-2 and let us ensure that the regulatory mechanisms around it are going to truly advance and protect not only Canadians' interests but the global citizens of the world, because that is who is affected by what goes on out there in space with satellites and whatever other horrible things may follow.

Hon. Keith Martin (Parliamentary Secretary to the Minister of National Defence, Lib.): Madam Speaker, it is a pleasure to speak on Bill C-25.

Government Orders

However, before I begin my remarks, I simply have to address some of the completely fallacious, false and untrue comments made by the NDP member. She is completely wrong to suggest even for a moment to the Canadian public that Bill C-25 has anything to do with ballistic missile defence, the weaponization of space or star wars. Those are three completely distinct issues and completely distinct situations. For her information, and she should know this, BMD is not star wars. BMD is not the weaponization of space. This bill has nothing whatsoever to do with either of those things.

I also have a question to ask the member. We have threats in this world and the milk of human kindness does not flow through the veins of some people. The people we are talking about are individuals who have the capability of launching ballistic missiles in this world. We wish it were not so, but that is the case, as my colleague, the Parliamentary Secretary to the Minister of Foreign Affairs, has mentioned. We have a responsibility and a duty above all others to engage in the protection of the Canadian people. That is a responsibility we will not shirk.

On this particular bill it is a pleasure for me to speak on behalf of the Minister of National Defence in regard to enacting this legislation that refers to remote sensing space systems in Canada. I am sure that my hon. colleagues would agree that we have been very successful in taking advantage of opportunities presented by space technologies. From Canadarm's role in the construction of the international space station to our astronauts' participation in several space shuttle missions, Canada is widely recognized as a leader in this area.

An important part of our space activities, of course, has been observing the earth using remote sensing satellites, like RADAR-SAT-1, which we have operated for nearly a decade, and RADARSAT-2, which will be operational in late 2005 or 2006.

Satellite images serve Canada in many ways. For example, this is an invaluable tool for emergency preparedness and disaster response. These satellites are used to facilitate the safe navigation of our coastal waters by ensuring that we have an accurate measurement of sea ice and the tracking of icebergs.

The Department of National Defence and our Canadian Forces use this satellite imagery to protect our sovereignty and our security day in and day out.

These satellites will undoubtedly play an increasingly important role in understanding what is happening to our remote and coastal regions and consequently will be an active participant in securing our security and sovereignty.

For example, DND and the armed forces are, in cooperation with other government departments, currently engaged in an initiative called Polar Epsilon. Under this initiative, Canada's RADARSAT-2 satellite and other sensors will provide all-weather day and night surveillance of Canada's Arctic and ocean approaches.

The emphasis will be on generating information in remote areas where we really do not have any other capability of watching these areas. Increasingly, satellites are a critical part of our defence capabilities, and because effective surveillance of our territories and its approaches are of vital importance, it is important that we pass this bill forthwith. I am certain the defence planners are looking at

the essential capabilities, particularly when it comes to our ongoing defence review, which should be coming in front of the committee in short order. Of course, with opportunity comes responsibility. The same capabilities that are becoming so useful to so many could also threaten our own security and defence interests.

If I may, I would also like to take a few moments to speak of the importance of this bill to the ability of our Canadian Forces to respond in a factual and effective fashion to our security needs.

The bill provides a means for our government to help ensure that those who might harm our interests cannot use images taken from our own satellites against us. I would remind my hon. colleagues that it is possible today for anyone with a credit card and Internet access to buy satellite images of striking clarity. I do not think I need to elaborate on what could happen if our adversaries got hold of critical information, particularly as it relates to our defence operations.

• (1335)

[*Translation*]

This is why the Government of Canada, following the example of our most trusted allies, took on the responsibility of issuing licences for exporting remote sensing satellites and regulating the distribution of satellite images.

Of course, the government has no intention of interfering in the enforcement of these responsibilities, nor is it seeking to limit commercial gains from satellites.

[*English*]

A number of government departments and agencies have worked diligently to respect the rights of Canadians and to strike a balance between Canada's defence, security and foreign policy interests and the maintenance of an important sector of Canada's industries. Let me give an example of how this would work in real terms.

The Department of National Defence would support the Minister of Foreign Affairs in licensing remote sensing satellites by providing advice on the potential impact of the satellite images on our security. DND would also provide threat assessments as the Minister of Foreign Affairs reviews agreements between the operators of remote sensing satellites and those who operate receiving stations on the ground or who want to sell images they produce.

Last, should it become clear that images from our satellites pose a threat to Canada, the Canadian Forces or our allies, the Minister of Foreign Affairs and the national defence department could temporarily prevent a satellite from taking pictures of a specific area at a particular resolution. This is called shutter control and it can be invoked, but only under specific conditions to prevent the disclosure of information that could harm our interests or those of our allies.

I would stress that it is only the Minister of National Defence and the Minister of Foreign Affairs who can actually invoke this clause. I would also point out that the United States has this very same clause in its legislation and has never used it.

Government Orders

A second objective of our bill is to help ensure that the government has access to satellite imagery in emergency situations. In such cases, the legislation would give government requests for satellite images priority over other requests. The Canadian Forces, for example, might need a quick assessment and view, and they would get this information.

It is clear that the bill will help the government protect Canada's most fundamental interests, including sovereignty and security. It is clear that the government has done its homework in ensuring that the bill is a balanced one.

I will end by reminding my colleagues that Canada is far from alone in working to ensure that satellites are not used for the wrong purposes. Our friends in the United States have had similar legislation in place for over a decade. In 2000 Canada and the U.S. agreed that both countries would establish controls on remote sensing satellites, facilitating cooperation in Canada's RADARSAT-2 program. Several other countries are coming to similar conclusions about the unfettered distribution of satellite imagery.

I hope that this bill receives quick passage in the House and Parliament. To those who believe for a moment that this bill has anything to do with ballistic missile defence or with the so-called star wars program or the weaponization of space, it has nothing to do with either of those situations. I would emphasize for clarity that ballistic missile defence, the so-called star wars and the weaponization of space are entirely different situations.

The government has made it very clear that Canada is firmly against the weaponization of space. It is something that the Prime Minister, the Minister of National Defence and the Minister of Foreign Affairs have made abundantly clear time and time again. I want to assure the members of the public who are watching that this is a position we will not stray from.

• (1340)

[*Translation*]

Mr. Claude Bachand (Saint-Jean, BQ): Madam Speaker, I am very pleased with the presentation by our colleague, the Parliamentary Secretary to the Minister of National Defence. At last we are getting a military angle on the bill we have before us. He raised a number of interesting points about which I might like to hear more from him.

We have no objection to the fact that, from a military point of view, there could be surveillance of locations that are hard to monitor at the present time, and that this could be done by satellite. However, when he tells us that only the Minister of National Defence or the Minister of Foreign Affairs can decide where the national interests of Canada lie, this is starting to put a restriction on who can decide what is important for Canada and what is not.

I would also like to see a connection made with NORAD. One of their arguments as to why we should be in favour of the missile defence shield is that they have contacts with NORAD that they do not want to lose.

Is he telling us that the information collected by the U.S. satellites now at NORAD is not being shared with Canada? Or, the opposite side of that coin, can he tell us whether the information that is going to be gathered militarily will be passed on to our American friends?

I do not have the agreement with me, but according to my notes, on June 16, 2000 there was a reference to an agreement with the United States on the type of bill that ought to be presented to us now.

So I would like to hear his explanation of the relationship between Canada, NORAD and the United States, and on the importance of these satellites in passing on that information in terms of the bill we have before us today. Has he received any information from NORAD in connection with the concerns he raised about remote regions?

[*English*]

Hon. Keith Martin: Madam Speaker, let me talk about the responsibility of the Minister of National Defence. The member somehow suggested that there was a problem with the Minister of National Defence or the Minister of Foreign Affairs making decisions in the interests of the security of Canada when operations were taking place abroad. He also suggested that the divulgence of sensing information that might show sensitive security operations taking place should somehow be allowed in the general public.

Both ministers have a responsibility to our troops that are abroad to ensure that their security is not compromised. If that information was allowed in the general public, then obviously our enemies could use that information against our own troops. Are we going to compromise that? Absolutely not. We make no apologies for ensuring that our troops are going to be safe and the responsibility of the Minister of National Defence and the Minister of Foreign Affairs, indeed our government, is going to be just that.

Both those ministers, who are privy to top secret information by virtue of their positions, are going to make decisions based on that information. They have a role and a responsibility to ensure that information that could somehow be used against our troops does not get out in the public and is not used against them.

They have the responsibility and the duty, and the right, quite frankly, to turn off that information if that information can be taken and put into a public venue that can be used against our people, or our allies for that matter. We will not allow that to happen.

With respect to NORAD, we have been with the United States in NORAD for a very long time. That relationship is a good one. It has worked to our mutual benefit. I want to emphasize to the member, and he knows this, that if a government has one responsibility above all others, it is the duty and the responsibility to protect its civilians. All other responsibilities fall below that.

We are a part of NORAD because it is integral to our ability to protect our civilians, our country and our people. We will continue to be a part of that and we will continue to work with the United States in the defence of our continent, and in the defence of our mutual citizens.

• (1345)

Ms. Alexa McDonough (Halifax, NDP): Madam Speaker, I will try not to be too distracted by the howls of protest and the gush of assurances that this has absolutely nothing to do with missile defence. It was pretty predictable that we would hear that from the member. In fact, I feel a bit unnerved by this kind of "thou dost protest too much".

Government Orders

Forgive us if we are not fully assured by those words. In our view, there is not enough in the legislation itself that makes that absolutely clear. We are going to be looking at it very closely from that point of view. The Liberal record of broken promises is so long that if we typed out those promises and held them end to end, the tickertape of unkept promises would probably be enough to stretch all the way from here right up to where RADARSAT-1 is now orbiting overhead, so pardon us for not being completely reassured.

I want to specifically speak to the vagueness of the language in Bill C-25 in its current form. Under the application section of Bill C-25, the bill gives the minister permission to “modify” application of the act, that is, to exempt individuals and organizations from any provision of the act if:

(a) the exemption is neither injurious to national security, to the defence of Canada, to the safety of Canadian Forces or to Canada’s conduct of international relations nor inconsistent with Canada’s international obligations—

The parliamentary secretary has been absolutely verbose in saying that this has nothing to do with missile defence, nor would it ever. However, in the act it says that the minister has permission to modify application of the act if he deems it. What if the Minister of National Defence deems it, in Canada’s interests, necessary to sign on to ballistic missile defence and then we find that this act can be modified accordingly?

We have as well a provision for another thing the minister has permission to modify. It is that adequate provision will be made for the protection of the environment, public health, and the safety of persons and property. In other words, the minister has the ability to modify the act to deal with those issues, but where is the definition that would give assurances as to how that is defined? How do we define whether those provisions are adequate? Are there clear regulations that can actually measure what that means? Do our international obligations under Kyoto apply to the provisions in Bill C-25? They are supposed to protect our environment, but could be changed arbitrarily if the minister deems this to be in our interests, and so on.

The parliamentary secretary will know that, in developing RADARSAT-2, the Canadian Space Agency contributed almost \$100,000 toward the \$150,000 CSA contract awarded to Lockheed Martin Canada for the development of applications in preparation for RADARSAT-2, specifically the earth observation satellite.

● (1350)

He will know that it is Lockheed Martin Canada which will in fact evaluate the capabilities technology for target detection and recognition surveillance. I do not have to tell the minister that Lockheed Martin is very closely associated with the U.S. defence sector and has had huge contracts with the sector.

If the minister decides to modify the provisions of the act, why would he not understand that there would be concerns, with Lockheed Martin so totally and so closely tied to the U.S. defence industry, about the possibility we would end up becoming a handmaiden to U.S. defence policy?

The Acting Speaker (Hon. Jean Augustine): The Parliamentary Secretary to the Minister of National Defence has less than 30 seconds.

Hon. Keith Martin: In 30 seconds or less, Madam Speaker, the member as an NDP member may have a problem with the Liberal government, but it is the NDP that destroyed my province of British Columbia and Ontario, so she should not forget that.

On the issue of this bill, I cannot believe that the member would be so naive as to have a problem with countries being prepared to look at the detection of threats in their airspace. Countries do that as a responsibility to their citizens, to protect them.

I also cannot believe that she has a problem with the Minister of National Defence making decisions in the interests of our troops and our country based on the top security information that he has. If that is the case, it is a good thing that the NDP is in opposition, because heaven forbid if this country ever had it as the government.

[*Translation*]

Mr. Claude Bachand (Saint-Jean, BQ): Madam Speaker, I must admit I find that the world has changed a lot. I come from Saint-Jean-sur-Richelieu, which has a very strong military tradition. I have always seen young people at the military base who wanted to become soldiers, and students who were preparing to become officers in the Canadian army.

I remember the 1970s, when I worked there as a student. The world was much different then. At the time, there were people who had to wear uniforms to face enemies who were also in uniforms. The situation has changed completely, because now our enemies do not wear uniforms. Nor do they announce themselves. We cannot negotiate with them and say, “In order to avoid a possible conflict, we should meet on a number of occasions. We should establish a diplomatic corps to try to solve the issue peacefully”. This is not how things are done today. Not only do our enemies not wear uniforms, they also hit us when we do not expect it. Just think of the World Trade Center, for example.

First, as a young student, I never would have thought that some day I would become a member of Parliament, because I was rather uncomfortable with political authority. When we are younger, we are more aggressive and ready to challenge established authority. Much to my surprise, I am now a member of Parliament, but I still try to maintain some of that questioning attitude. The world is changing so quickly that it is important to look at events with a kind of candid or fresh look, because now we are making decision here.

Also, I would certainly never have thought that some day, as members of Parliament and legislators, we would have to vote on legislation dealing with how to manage and regulate the use of satellites in space. So, the world has changed tremendously, and today we must assume our responsibilities.

If you were to ask the Bloc Québécois right now if it is important to regulate traffic in space and the way private companies can exercise their economic power in space, the answer would be yes, of course. We certainly agree with that point. But we have reservations. I know I will not have time to finish my speech. We will also have to talk about caution, because we do not agree with giving our full blessing and saying, "If it is only commercial, it is fine."

The parliamentary secretary for national defence has given us signals that we really ought to be cautious. Why are we discussing this bill here, today, at a time when we are fully engaged in a debate on the missile defence shield, with respect to which satellites will have a significant role to play, and with respect to which we know that the Americans consider space the final frontier?

If we look at trends in human history, we realize that we have dominated this planet more and more over time. Certainly those who ruled the seas once dominated the planet. Just a few countries from western Europe—England, France, Spain—were the nations that ruled the seas until the Americans took over after the second world war. In fact, the starting point for their dominance was the sea. There were also many different nations who have dominated on the land, going back into history and prehistory. There has also been domination of the air. Airplanes became a very important instrument of war in military tactics.

Now we know that the Americans want to take the next step. It can be seen in all their documents. Whether studies come from the Pentagon or the American Secretary of State, they converge in one direction: American domination on land, on the sea and in the air must now be expanded into space. That is where we must be cautious.

There is already legislation on land and sea. There is also legislation governing the economy—people cannot just do whatever they want. Governments are there to ensure that everything is regulated. I think that is where we need to focus our efforts.

•(1355)

Some very important points have already been raised on matters such as privacy protection, but what we in the Bloc Québécois are concerned about is the issue of jurisdiction.

The bill refers to areas under provincial jurisdiction such as natural resource management, agricultural land management, and natural disasters. These are all matters of provincial jurisdiction and we find that point has been overlooked in the bill.

In conclusion, I hope that all my colleagues will stay here after the vote today in order to hear the end of my speech.

STATEMENTS BY MEMBERS

•(1400)

[English]

CANADIAN ASSOCIATION OF BROADCASTERS

Mr. Mario Silva (Davenport, Lib.): Madam Speaker, from November 28 to November 30, the Canadian Association of Broadcasters met in Ottawa for their 78th annual convention.

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Some 600 of the country's most senior private radio, television and specialty and pay services broadcasters attended the convention that had as its theme, "Private Broadcasting: Putting Canada First". Topics of discussion ranged from cultural diversity issues to the future of local programming in Canada.

During their two days of meetings, they participated in activities that centred on the role of broadcasters in promoting Canada's identity.

I am pleased to congratulate the Canadian Association of Broadcasters and its members on a successful and well attended 78th annual meeting.

* * *

FISHERIES

Mr. John Cummins (Delta—Richmond East, CPC): Madam Speaker, if fish were trees, the government sat idly by while one-quarter of the Fraser River basin was clear cut this summer.

In July and August approximately two million sockeye disappeared from the Fraser River between Mission and the upriver spawning grounds. This disaster will cost the British Columbia economy between \$170 million and \$500 million in 2008. Why? Because there will be no fishery in 2008, the next year in the cycle. There will be no commercial fishery, no sport fishery and no food, social and ceremonial fishery for natives. It will be 2020 before things return to normal.

What has been the government's response? It has put a Liberal friend in charge of the normal regular post-season review, and hopes the issue will go away.

What the industry and the people of British Columbia want is a judicial inquiry into the management of the fishery this past summer.

* * *

ANIMAL RIGHTS

Mr. Lui Temelkovski (Oak Ridges—Markham, Lib.): Madam Speaker, the debate over animal cruelty legislation has persisted since 1999. I agree that Bill C-22, introduced in the 3rd session of the 37th Parliament, effectively addressed the concerns of stakeholders on both sides of the debate.

Bill C-22 was the culmination of extensive negotiations and concessions on all sides. It would be a mistake to complicate matters by introducing substantially different legislation after this consensus has already been achieved.

The bill now has support from most major groups reflecting both animal welfare and animal industry perspectives. I hope to see the reintroduction of this legislation in the House at the earliest possible opportunity.

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[*Translation*]

INTERNATIONAL VOLUNTEER DAY

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Madam Speaker, last Sunday was International Volunteer Day. I would like to take this opportunity to pay tribute to a young man in my riding who stands above the crowd for his involvement with disabled people who do not qualify for government programs or plans and who are not covered by personal or group insurance.

Stéphane Braney, a resident of Lachute, is very familiar with this situation since he too has experienced it. On July 22, 1994, an accident in the family pool left Stéphane Braney a quadriplegic and changed his life forever.

This has not stopped him from being actively involved. He created the Stéphane Braney Foundation, which raises funds to help meet the needs of many disabled people so that they can enjoy a certain quality of life.

I rise to thank Stéphane Braney for his courage and his hard work in defending the cause of disabled people.

* * *

[*English*]

FOREIGN AFFAIRS

Ms. Anita Neville (Winnipeg South Centre, Lib.): Madam Speaker, I rise in the House today to acknowledge the leadership of the Prime Minister and the Minister of Foreign Affairs at the United Nations General Assembly this session.

For many years, Canadian voting practices on resolutions pertaining to the Israeli-Palestinian conflict have been lagging behind our balanced policy. This disconnect threatened our credibility as an honest broker in the region. It also placed our practice at odds with our policies.

Today, I would like to acknowledge the important beginning the government made by changing our votes on three unhelpful anti-Israeli resolutions in New York. Conduciveness to peace has to be the yardstick for these resolutions, and merit has to determine our vote.

Again, I congratulate the Prime Minister and the Minister of Foreign Affairs on their leadership to ensure that Canada's foreign policy toward the region is balanced both in word and in implementation.

* * *

INFRASTRUCTURE

Mr. Stockwell Day (Okanagan—Coquihalla, CPC): Madam Speaker, the Okanagan and Nickel Valleys have been experiencing incredible growth in the last few years. Anybody who has visited those areas would understand why. We are talking about the jewel of B.C.'s interior, ample opportunities for people and every reason for understanding why people would want to go there to raise their families and realize their hopes and dreams.

That growth has brought incredible infrastructure costs under virtually every mayor and council in the region. Logan Lake, Merritt, Westbank/Westside, Peachland, Summerland, Penticton, Naramata,

Kaleden, Okanagan Falls and other areas in the constituency face huge infrastructure costs every day.

It is time for the government to step up to the plate and follow through with its commitment to our request to see federal gas tax dollars returned to the people and to the areas where they are needed most. It is time to stop hoarding our money and get it back to the people.

* * *

●(1405)

DARTMOUTH CHORAL SOCIETY

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, this past Saturday the Dartmouth Choral Society continued its 50th year celebrations with its annual Christmas concert. The society was founded 50 years ago. It is the longest running continuous community choir in Atlantic Canada, and certainly one of the best.

Today the choir consists of 70 voices, individuals, married couples and two-generation family members, and is ably directed by Mr. Shawn Whynot with Pamela Burton as accompanist.

The choral society is an important part of the community of Dartmouth. It receives revenues through membership fees, fundraising and paid performances. It uses profits to support local charities, such as Feed Others of Dartmouth.

At this time of year music takes on an even more special meaning for us. We particularly appreciate great organizations like the Dartmouth Choral Society.

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[*Translation*]

CHILDREN'S WISH FOUNDATION OF CANADA

Ms. Pauline Picard (Drummond, BQ): Mr. Speaker, some honours are very well deserved. A case in point is Prosper Dionne, the coordinator of the Drummondville subchapter of the Children's Wish Foundation of Canada, who has won the Laura Cole Volunteer of the Year Award for all of Canada.

In its quarterly newsletter, the foundation wrote:

You are truly an incredible role model and have helped to make thousands of children's wishes come true!

Over the past 15 years, in Drummondville, Prosper Dionne and his team have made the wishes of 57 children with life-threatening diseases come true. Of these 57 children, 14 have now passed away. Confronted with sadness on a daily basis, Mr. Dionne prefers to remember the good side of his work with the foundation and the joy it has brought him.

Prosper, who dreams of bringing all his little angels together around the same table, let us join our voices to express our deepest gratitude to him who has such a talent for putting a bit of magic into the lives of sick children and their parents.

ROYAL CANADIAN MOUNTED POLICE

Hon. Denis Paradis (Brome—Missisquoi, Lib.): Mr. Speaker, this morning, the coalition of mayors of municipalities affected by the closure of RCMP detachments in Quebec appeared before the Standing Committee on Justice, Human Rights, Public Safety and Emergency Preparedness.

First, I want to congratulate the mayors on the quality of the report they presented. They clearly demonstrated the threat posed by removing the RCMP from our regions, a concern that is shared by the Quebec Liberal caucus, as well as many of our colleagues in this House.

The decision to close the RCMP regional detachments in Quebec needs to be reconsidered. We cannot allow our regions to be vulnerable to crime. Let me quote an excerpt from the mayors' report:

Criminals and organized crime have no regional, municipal or other boundaries and they do not need consultation studies or to testify before committees in order to act. They are wherever we are, seeking the weak link. Let us not allow them to take over our territory, because you can be sure they will take it, if they have not already done so.

Let us act while there is still time.

* * *

[English]

AGRICULTURE

Mr. Barry Devolin (Haliburton—Kawartha Lakes—Brock, CPC): Mr. Speaker, farmers across Canada agree on one thing, and that is the CAIS program does not work and it needs a major overhaul.

In my opinion, the most compelling evidence of the failure of CAIS is the fact that most farmers have not even bothered to sign up for the program yet, almost three years after it was first introduced. In Kawartha Lakes, where I come from, it has been reported that just 47 out of several hundred farmers have opened CAIS accounts.

If CAIS is as great as the Liberals say, why have more farmers not signed up for it? There are only two possible answers to that question. Either farmers are making a mistake because they do not understand what is good for them, or this really is a lousy program that farmers rightly understand is of little value to them.

In my opinion, I would say the farmers are right.

If the Liberals really want to make CAIS work, they should not rest until a majority of farmers deem it worth their while to sign up for an overhauled CAIS program. It is time for the government to stop proclaiming the virtues of an obviously flawed program and get on with the job of fixing it.

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[Translation]

POLYVALENTE A.M. SORMANY

Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.): Mr. Speaker, last week, I had the opportunity to meet two groups of students at the Polyvalente A.M. Sormany, in Edmunston, New Brunswick, to discuss with them my role as member of Parliament and the role of the government. I can attest to the interest these young people have in Canadian politics.

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The questions asked by these students were surprisingly relevant, and I am convinced that such meetings should take place more frequently to stimulate the interest of young Canadians in Canadian politics.

I wish to thank teacher Simon Nadeau and his students for inviting me to their class. I hope that this experience proved as profitable for them as it was for me.

* * *

● (1410)

[English]

HUMAN RIGHTS

Mr. Tony Martin (Sault Ste. Marie, NDP): Mr. Speaker, this past weekend in Sault Ste. Marie I attended a remarkable meeting at St. Matthew's Anglican Church. It was part of a national women's peace building tour hosted by KAIROS: Canadian Ecumenical Justice Initiatives. This meeting shone a light on the devastating effects of conflict on human rights, with a particular emphasis on the impact war has on women.

Elizabeth Majok from the New Sudan Council of Churches spoke of the harm done to the Sudanese people, first by Talisman and now by Chinese companies taking jobs from her fellow countrymen in the oil fields. She made it clear that the Canadian government must exercise greater leadership at the United Nations to influence the international community. Any peace agreement must affirm the principles of human rights, justice, self-determination, pluralism, as well as address the root causes of the different conflicts in Sudan.

I have petitions, with 3,000 signatures, that make these points. I will be tabling them in the House next week.

* * *

FIREARMS REGISTRY

Mrs. Joy Smith (Kildonan—St. Paul, CPC): Mr. Speaker, the federal gun registry will not be fully operational until 2007, 12 years after it was approved by Parliament and with a price tag of over \$1 billion, representing cost overruns of nearly 7,000%, ranking the gun registry as one of the biggest Liberal lies in a long list of others.

A constituent of mine recently contacted me to inform me that while he was asked to pay to renew his licence, friends and family members were being given free renewals. Apparently, the government thinks it is fair to charge some Canadians for something while it lets others do it for free. If nothing else, government programs should at least be equally applied.

It is time for the government to admit that it was wrong to implement this registry, that it was wrong to spend more than a billion dollars on it and that it is willing to work with this side of the House to find solutions to gun violence that will work for Canadians.

S. O. 31

[*Translation*]

THE ENVIRONMENT

Mr. Raynald Blais (Gaspésie—Îles-de-la-Madeleine, BQ): Mr. Speaker, even though the Minister of the Environment appealed the decision on the Bennett toxic waste incinerator in Belledune, no moratorium was imposed on the plant's operations.

How can the minister try to make us believe that an environmental impact assessment of the potential transborder effects of this project is necessary and justified, when no stoppage of operations was ordered?

The Minister of the Environment has all the necessary powers to ask the court for an injunction to prevent tests from being conducted at that plant until the Federal Court of Appeal issues its ruling. Moreover, the federal government could invoke the Fisheries Act and close the plant for the period that it deems necessary, so as to proceed with an environmental impact study.

People in eastern Quebec and New Brunswick are urging the government to act responsibly regarding this issue, and they are demanding nothing less than a moratorium.

* * *

[*English*]

CONSERVATIVE PARTY OF CANADA

Mr. Steven Fletcher (Charleswood—St. James—Assiniboia, CPC): Mr. Speaker, one year ago this month the members of the Canadian Alliance and Progressive Conservative Parties voted overwhelmingly to unite and provide Canadians with a real alternative to this tired, old, corrupt, crooked, fraudulent, shady, deceitful, pathetic and wretched Liberal government.

From coast to coast to coast, Canadians demanded a united Conservative Party. In true bridge building fashion, the Leader of the Opposition and the deputy leader of the Conservative Party invited all Canadians to support our new party and bring good government back to Canada.

In one year, the new Conservative Party has accomplished a great deal. We have 99 MPs and we are on the cusp of forming government.

The Conservative Party will become the natural governing party for Canadians in the generations to come. Thank goodness for the Conservative Party. God keep our land glorious and Liberal free.

* * *

• (1415)

VOLUNTEERISM

Mr. Ken Boshcoff (Thunder Bay—Rainy River, Lib.): Mr. Speaker, in 1979 the United Nations officially named December 5 as International Volunteer Day, a day to recognize and celebrate volunteers around the world for their contributions and dedication.

Recent figures indicated that more than 6.5 million Canadians volunteered just over two billion hours of their time to charitable and voluntary organizations in the past year. This is the equivalent of one million full time jobs.

Clearly, without these committed volunteers, organizations such as the United Way, chambers of commerce and arts councils would be unable to provide the valuable and varied services they do.

In communities large and small, volunteers put their time and effort into making life better for themselves and those around them. I ask my fellow parliamentarians to join me in recognizing those volunteers from across this great land.

* * *

[*Translation*]

CERCLE DES ARTISTES PEINTRES ET SCULPTEURS DU QUÉBEC

Ms. Nicole Demers (Laval, BQ): Mr. Speaker, I want to pay tribute to Mireille Forget, a resident of Laval, who received the Médaille de l'Assemblée nationale du Québec. Ms. Forget was given this award in recognition of her work as president of the Cercle des artistes peintres et sculpteurs du Québec.

Ms. Forget has promoted cultural diversity for 20 years, without any financial assistance from the government. This Cercle is an association that gives artists the opportunity to exhibit their work, participate in workshops, conferences and competitions, and travel.

Ms. Forget has already received international recognition with a Médaille de l'Assemblée nationale de la République française in 1998. She has also won numerous awards and distinctions in France, Spain and Japan.

She works with dedication to help artists from Quebec and Laval gain international recognition and allow Quebec culture to take its place on the international stage.

Congratulations to Mireille Forget.

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[*English*]

FISHERIES

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, it has come to our attention that there is the possibility that a company called Aqua Bounty from Prince Edward Island may be applying to the minister and the Department of Agriculture and Agri-Food through CFIA for permission to commercially sell genetically modified fish, or what we call genetically engineered fish.

We would like to send a message to the Minister of Fisheries and Oceans and the Minister of Agriculture that if indeed this is correct, which we believe it is, we will be the first country in the world to have this. We simply cannot allow that type of activity in our aquaculture or commercial sectors.

We would like to send a warning, a clear warning, a shot across the bow of the Liberal ship: do not allow genetically engineered or genetically modified fish to enter the commercial market in Canada.

ORAL QUESTION PERIOD

[English]

CITIZENSHIP AND IMMIGRATION

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, reports today suggest that the immigration minister was funnelling illegal proxy donations through a campaign worker, but apparently she says that in breaking the election law she did nothing wrong.

We have had the stripper program defended, queue jumping, failing to report a deportee, and business done at strip clubs. How many rules does the minister have to break before the Prime Minister fires her?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, very clearly the preamble to the question of the Leader of the Opposition has no basis in fact. I understand that the minister, having learned of this donation, forthwith took the steps that were required. She has notified Elections Canada and she has returned the donation.

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, that is an interesting move, except that this morning her spokespeople were saying there was nothing wrong with actually getting the donation.

We learned today that the minister's right-hand man met with more than one strip club owner, with multiple strip club owners, doing immigration business at strip clubs. Since I assume it is not standard practice for chiefs of staff to make house calls, has the Prime Minister inquired of the immigration minister as to why her chief of staff would be doing government business at a strip club?

Right Hon. Paul Martin (Prime Minister, Lib.): Once again, Mr. Speaker, the Leader of the Opposition ought to support the role of the independent Ethics Commissioner who reports to Parliament. The minister has referred this matter to the Ethics Commissioner, who is looking into it and will make a full report, at her request.

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, what I think we would all support would be some leadership from the Prime Minister.

From the London *Times* to Ireland's *Telegraph* to CNN, the international community is laughing at the Prime Minister and his immigration minister. The immigration minister is making an international embarrassment of this department. When is the Prime Minister going to show the required leadership and just fire the minister?

• (1420)

Right Hon. Paul Martin (Prime Minister, Lib.): First of all, Mr. Speaker, the hon. member, the minister of immigration, has done a very good job in restructuring the department. She has done a tremendous job in opening up this country to immigration across the country. She is working very hard on resettlement. What the hon. minister is doing is making sure that this is a country that is open to immigrants, unlike many of the countries cited in the hon. member's question.

Mrs. Diane Ablonczy (Calgary—Nose Hill, CPC): Mr. Speaker, a minister's job is to serve the people of Canada. Instead, the immigration minister was serving her own political interests and doing special favours for her political supporters. The Liberals are

Oral Questions

trying to ignore this unethical conduct even though it is staring them in the face.

The public demands principled leadership and they want the problem corrected. Instead, the Prime Minister dithers and delays. When will the Prime Minister do the right thing and fire this minister?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, the minister has restructured her department. She has opened up this country to much greater immigration. She is putting more officers into the field. She is working very hard on the question of resettlement. That is the job of the immigration minister, that is what she is doing, and I support her.

Mrs. Diane Ablonczy (Calgary—Nose Hill, CPC): Mr. Speaker, this is about what the immigration minister is doing wrong. Not only Canadians but now the international community wonder why the Liberal government makes no effort to protect our country's reputation and remove a minister under a serious ethical cloud.

Questions about the integrity and fairness of Canada's immigration system have already been reported in England, Ireland, South Africa, the U.S. and Romania. The Prime Minister has a duty to protect our country's reputation from disgrace. Why does the Prime Minister not remove the minister?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, if the hon. member does not support the role of the independent Ethics Commissioner, let her stand up in this House and say that. The fact is that we created an independent office for that very reason. It was so that in fact partisanship would not enter into these kinds of discussions. Now let the independent Ethics Commissioner do his job.

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, not only did the Minister of Citizenship and Immigration push through a resident permit for a person who had worked on her election campaign; not only did she approve a questionable federal program; but, she received a \$5,000 donation to her campaign from a front man, which is clearly illegal.

Considering the weight of the allegations that are accumulating, will the Prime Minister ask for the resignation of the Minister of Citizenship and Immigration, or will he continue to throw caution to the winds?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, as soon as the minister was informed of this donation she acted with complete transparency, reported it to Elections Canada, and returned the donation. That is why I support her.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the Prime Minister has at least one thing in common with former Prime Minister Chrétien: he is giving the minister his support the way his predecessor gave Alfonso Gagliano his unconditional support.

The minister is embarrassing the government and discrediting its institutions. The Prime Minister is not a man of decision, but a man of hesitation.

Therefore, I ask the minister herself to act responsibly for once, and do the only honourable thing she can do: resign.

Oral Questions

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, why does the leader of the Bloc Québécois refuse to accept the fact that there is an independent ethics commissioner looking into this matter? That is the commissioner's role. I think we should let him do his work.

• (1425)

Ms. Meili Faille (Vaudreuil-Soulanges, BQ): Mr. Speaker, the Minister of Citizenship and Immigration was mixed up in questionable activities and is now the subject of serious allegations regarding a \$5,000 contribution to her election fund, possibly for services rendered.

Given that her department's client base is not always familiar with how things are done in Canada, does the minister not consider that she is sending the wrong message to newcomers about how to go about doing things here and that her presence at the helm of the department has become a very heavy liability to the government?

[English]

Hon. Judy Sgro (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, let me respond to the hon. member very clearly. Immigration is extremely important in this country, and at no time did I do anything that was unethical or immoral. There was a clerical error made by my campaign staff—

Some hon. members: Oh, oh!

The Speaker: We will have order. If this persists, I will stand here until it ends and we will lose question after question and answer after answer. The minister has the floor.

Hon. Judy Sgro: Thank you very much, Mr. Speaker. I will resume the conversation. As I was saying, there was a clerical error made by a volunteer. A receipt has been issued and the cheque has been returned.

[Translation]

Ms. Meili Faille (Vaudreuil-Soulanges, BQ): Mr. Speaker, every week I meet newcomers in difficulty, people who need our help, who are expecting help from the Minister of Citizenship and Immigration. Yet, she is delaying meeting them.

Does the minister not consider that she has failed in her duties by putting her own interests, her campaign staff and the financing of her election coffers before the needs of these people? This is a very poor choice of priorities, which shows that she is out of place as the Minister of Citizenship and Immigration.

[English]

Hon. Judy Sgro (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, that is not the fact at all. Our office, in spite of the challenges we have been facing in the last several weeks, has continued to function very well. We continue to review all requests for humanitarian and compassionate grounds on the merits of every single case that we are looking at, including the ones that the hon. member has brought to my attention.

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THE ENVIRONMENT

Mr. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, we learned that the Prime Minister is going to go off to China to lobby

the Chinese on the environment. My question is for the Prime Minister.

What gives the Prime Minister the right to lobby anybody on the environment? The OECD rated Canada in last place. There was a red book filled with promises on the environment that were broken. There are people headed to emergency rooms after smog days; they cannot breathe in Canada. Where does the Prime Minister derive any right to go to China and lecture anyone?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, this happens to be the country that has set aside an unprecedented amount of money to invest in environmental technologies. This happens to be the country that has essentially said that development and leading the world in environmental technologies is one of our principal objectives. This happens to be the country that, working with our municipalities, has put in place an unprecedented series of municipal funds, green funds, that are working very well.

I would suggest to the hon. member that he ought to take a look at what the municipalities in this country are doing. He might learn something.

Mr. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, it is fascinating. Even former Liberal environment ministers are embarrassed by the government's performance. Let us face it.

I want to get this straight. The Prime Minister is going to lecture the Chinese about the environment but, at the same time, he is going to allow the Chinese government to buy Canada's oil. What does he think they are going to do with it? They are going to burn it at unprecedented rates.

Does accelerating climate—

Some hon. members: Oh, oh!

The Speaker: Order, please. I cannot hear the hon. member for Toronto—Danforth. There is no need for this noise and interruption. The hon. member for Toronto—Danforth has the floor and we will hear his question.

Mr. Jack Layton: Mr. Speaker, why is the Prime Minister going to become a cheerleader for the sell-off of our oil so that the Chinese government can burn it and produce more pollution?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, when one talks about the investment in environmental technologies, one is talking about renewable energies such as wind power, toward which this country is putting a very large amount of money. We are talking about the development of fuel cells, in which this country is one of the leaders. We are talking about the research into clean coal energy, in which this country is a leader.

However I am delighted for that great perceptive insight into the use of oil by the leader of the NDP.

* * *

• (1430)

AIR TRANSPORTATION SECURITY

Mr. Peter MacKay (Central Nova, CPC): Mr. Speaker, a recent U.S. homeland security bulletin states that terrorist groups have utilized police or military uniforms to mask their identities and achieve closer access to their targets without arousing suspicion.

Oral Questions

Unlike our American neighbours, the Minister of Transport is treating the loss of over 1,100 CATSA uniform items as insignificant. He stated, "We're talking about maybe a dog eating a shoe or something like that. We have no report of any security breach".

When will the minister take his head out of the sand, treat this matter seriously and call for an RCMP investigation?

Hon. Jean Lapierre (Minister of Transport, Lib.): Mr. Speaker, I want to tell the hon. member that I took my responsibility because the day after I saw the report, the next morning, I called in the president of CATSA. We had a report by yesterday that was made public. Now we are sure that all the items are going to be accounted for. There was never any security breach under that program.

[Translation]

I must say to the hon. member that there was no security problem and no robbery reported and, thus, the RCMP does not need to get involved.

[English]

Mr. Peter MacKay (Central Nova, CPC): Mr. Speaker, the minister heard about this on the CBC. This is no time for complacency on the part of the minister.

He says that the CATSA badges were not stolen but rather that they fell off the security uniforms because of insufficient Velcro. We are talking about 1,100 security items.

When will the government provide us with a comprehensive record of every lost item, whether it is a badge, a patch or a uniform? Has the department taken the step of cancelling access to those individuals who lost those items? Where are they, Mr. Minister?

The Speaker: The hon. member for Central Nova knows that he is not to address other members. He is to address the Chair. He has had plenty of experience in this and this is a reprimand.

[Translation]

Hon. Jean Lapierre (Minister of Transport, Lib.): Mr. Speaker, I think the hon. member is exaggerating when he says 1,100 security items. There are 689 tags with just first names on them. We are talking about pants, belts and shoes. Each uniform comprises 20 separate items. Someone lost a full uniform in a residential fire, so should we dismiss him for that?

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[English]

SPONSORSHIP PROGRAM

Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC): Mr. Speaker, when the sponsorship scandal broke, the Prime Minister promised to be "totally transparent", but yesterday the Minister of Public Works hedged a little. He said:

It is entirely appropriate for the government to take from those documents only those items or phrases that pertain specifically to the sponsorship issue and make those available to the Gomery commission.

Selective truth telling does not quite meet the test of transparency.

Why will the Liberals not be fully honest with the Gomery inquiry, table all the documents and just allow him to do his work?

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, the fact is that the government is being totally transparent and open with the Gomery commission. We have provided cabinet documents back to 1994 that pertain to the sponsorship program.

Beyond that, as I said yesterday, there will be some documents that discuss a range of public policy items and it is only appropriate and consistent with the commitment by the government to comply and to provide the information to Justice Gomery on the sponsorship program, not to provide cabinet documents beyond that.

[Translation]

Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC): Mr. Speaker, for a brief moment we thought the Prime Minister was being sincere when he promised more openness and integrity in the quest for truth in the sponsorship scandal.

But cover-ups and secrecy have been standard since the new Minister of Public Works and Government Services took control of the information. The Liberals are both judge and judged.

When will the minister and comply, in good faith, with the requests of the Gomery Commission?

[English]

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, providing cabinet confidence documents is an extraordinary step and is completely consistent with the openness and transparency of the government. It is one of the reasons that the Information Commissioner has lauded the Prime Minister and congratulated the government for its openness, transparency and accountability.

We are proud to cooperate with the Gomery commission and not to play politics like the opposition is doing. We are proud to let Justice Gomery do his work and provide all the information to Justice Gomery that is relevant to the sponsorship program. I wish the opposition would be as respectful of the work that Justice Gomery is doing.

* * *

● (1435)

[Translation]

EMPLOYMENT INSURANCE

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, while announcing, yesterday, a slight decrease in employment insurance premiums, the government refused to make substantial improvements to EI to help people who lose their jobs.

Given the Prime Minister's repeated promises with regard to employment insurance, should the first act of this government not have been a proposal to substantially improve premiums, in order to help women, young people and seasonal workers who have been excluded from the plan by the Liberal government since 1993?

Oral Questions

Hon. Joseph Volpe (Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, I was expecting the hon. member to extend his congratulations because we reduced premiums, and that was what all Canadians wanted.

However, with regard to changes to EI, we must respect the fact that a House committee will table a report in a few days. We are waiting for the report.

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, the minister did not respect the work of the House, since he already cut premiums. The cut in premiums represents only one dollar per month, so it is a drop in the ocean.

Instead of working to destroy EI, will the minister not finally recognize that, if the \$300 million this cut is costing had instead been used to improve eligibility for benefits, it would have enabled thousands of additional families to benefit, thereby reducing the poverty in which they live?

Hon. Joseph Volpe (Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, we need to look at the results of government policy over the past 10 years. The unemployment rate in Quebec, for example, dropped from 11.5% to 8.3%. This year, we have already created more jobs than in the past, including 59,000 in Quebec alone.

In my opinion, the best employment insurance is a job, employment. The government, which is creating numerous jobs, deserves to be congratulated.

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ROYAL CANADIAN MOUNTED POLICE

Mr. Serge Ménard (Marc-Aurèle-Fortin, BQ): Mr. Speaker, today, following up on a motion by the Bloc Québécois, the mayors of municipalities affected by the closure of RCMP detachments in Quebec are asking the government to intervene and stop this.

Will the Minister of Public Safety and Emergency Preparedness at last face up to her responsibilities and require the RCMP to continue to provide services in all these regional locations? It is a matter of serving the public. It is a matter of border safety. It is a matter of public safety.

[English]

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, the RCMP is concerned about public safety which is why, on a regular basis around the country, it makes decisions regarding redeployment in order to work in the most effective ways, particularly in the case of Quebec with the Sûreté du Québec. I think the hon. member is aware that the deployment of RCMP officers is an operational matter and that it would be inappropriate for me to intervene.

[Translation]

Mr. Serge Ménard (Marc-Aurèle-Fortin, BQ): Mr. Speaker, the minister is being a bit hasty in shrugging off responsibility for these closures and service cutbacks. She seems not to recall the past mistakes in connection with the airports and national ports.

How can she just slough off this responsibility when we know that the RCMP plays an essential role in protecting our borders, fighting organized crime and providing security in Aboriginal communities?

[English]

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, the RCMP is aware of that fight against organized crime which is why, as I understand it, the force in Quebec made the operational decision to redeploy its officers so it could be more effective in that fight against organized crime.

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CITIZENSHIP AND IMMIGRATION

Ms. Helena Guergis (Simcoe—Grey, CPC): Mr. Speaker, the Minister of Citizenship and Immigration cannot keep hiding. Canadians need to know that we have a minister who is accountable and who plays by the rules.

However, today we learned that the minister accepted a donation that was funneled through one of her campaign workers. She knew that this was an illegal donation. She only returned it because she got caught.

When will the minister do the honourable thing and step down?

● (1440)

Hon. Judy Sgro (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, as I indicated earlier, a clerical error was made in the name of who received the receipt. Once that was brought to my attention, the receipt was cancelled and the cheque was returned.

Ms. Helena Guergis (Simcoe—Grey, CPC): Mr. Speaker, the government says that the sponsorship scandal was an administrative error too.

How many rules does the minister think she can break? Her own staff member was quoted today as acknowledging that two people donated money to the campaign but that just one received the receipt. That is against the law.

Will the minister finally be accountable? Will the minister do the right thing and resign?

Hon. Judy Sgro (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, no, I will not.

Mrs. Nina Grewal (Fleetwood—Port Kells, CPC): Mr. Speaker, we learned from the media, not from the minister, of another case of the immigration minister sending her top aide to a strip club to discuss bringing more exotic dancers into the country. The minister appears more interested in strippers than in reducing family reunification waiting times or recognizing foreign academic credentials. She sends her senior adviser to spend more time doing business in strip clubs than visiting hospitals to discuss the shortage of doctors.

The immigration minister has no credibility left. When will she resign?

Oral Questions

Hon. Judy Sgro (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, let me repeat probably the same answer I gave the hon. member last week. I am quite proud of my role as Minister of Citizenship and Immigration. I continue to work hard on these cases. If there is an opportunity to work with the opposition members on moving forward into the 21st century with a new immigration system and on streamlining our refugee reform, I certainly welcome their help.

Mrs. Nina Grewal (Fleetwood—Port Kells, CPC): Mr. Speaker, while the immigration minister has been preoccupied with strippers, the waiting period for family reunification class has increased to over 53 months. The arbitrary rejection of spouses applying to join husbands or wives in Canada has been undermining families.

The minister's mismanagement of her department and her preferential treatment for strippers is compromising the credibility and integrity of the immigration system. When will the Prime Minister fire the minister?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, as I have said on numerous occasions today and last week, given the job that the minister is doing in the immigration department, the restructuring, the opening of this country, working on resettlement and working on funding for English or French as a second language, I support the minister.

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HEALTH

Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I have just informed the Minister of Health about the existence of a flyer about Internet pharmacies advertising to doctors the following, "We are looking for licensed doctors living in Canada. Are you interested in making \$100,000 to \$135,000 U.S. per year for signing Internet prescriptions?"

Is enough not enough? When will the minister contact his provincial counterparts and tell them to put some order into this thing, along with the medical profession, or otherwise order it himself?

Hon. Ujjal Dosanjh (Minister of Health, Lib.): Mr. Speaker, the hon. member raises a very important question. I wrote to the provincial ministers several weeks ago. I believe that the College of Pharmacists and the College of Physicians and Surgeons across the country need to do their jobs. This is an absolutely unethical and unprofessional practice. It must stop; otherwise we will put a stop to it.

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*[Translation]***EMPLOYMENT INSURANCE**

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, the subcommittee on the employment insurance fund has met with workers calling for more generous benefits and more flexible eligibility criteria. The Conservatives are merely calling for lower contributions. Yesterday, the Minister of Human Resources and Skills Development announced a 3¢ decrease in EI contributions.

My question is for the Minister of Human Resources and Skills Development. Would the minister rather listen to the recommenda-

tions of the Conservatives, who want only a cut in contributions, or to the parliamentary subcommittee examining this matter, which knows what the workers, union representatives and employers want?

• (1445)

Hon. Joseph Volpe (Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, we listen to them both. Neither one is excluded. We are also awaiting the opinion of the Auditor General, who has said the system needs to be better balanced. We are taking action now because the economy is doing very well. As the hon. member is aware, there are far more Canadians contributing to the economy, even in his riding and his province.

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*[English]***NATIONAL DEFENCE**

Hon. Bill Blaikie (Elmwood—Transcona, NDP): Mr. Speaker, my question is for the Minister of National Defence.

Yesterday we learned in the other place that apparently the government has no intention of keeping its election promise and throne speech promise to provide 5,000 more troops for peace-keeping, at least not in the foreseeable future.

I ask the Minister of National Defence, why are the Liberals breaking this promise and do they intend to break the promise on the expansion of the reserves as well?

Hon. Bill Graham (Minister of National Defence, Lib.): Mr. Speaker, the government has made it clear that it intends to increase the regular forces by 5,000 and to increase the reserves by 3,000. We always made it clear that this would require additional funds for the department. The Prime Minister has made it clear that when the budget comes, we will be getting funds to enable us to do this.

The admiral, yesterday in his testimony, made it very clear that this cannot be done overnight. The hon. member will appreciate that. We are laying out a timeframe, the ministry is getting ready and we look forward to recruiting these people. This is a responsible way to go. We are increasing our armed forces to be a better source for Canada.

Mr. Gordon O'Connor (Carleton—Mississippi Mills, CPC): Mr. Speaker, as part of an election ploy, the Prime Minister and the Liberal Party promised to add 5,000 regulars and 3,000 reserves to the military. A few weeks ago the chief of defence staff said it would take the department five to six years to recruit the soldiers. Yesterday the vice chief reconfirmed this embarrassing timeframe and said that the military simply does not have the money to recruit, train, equip and house the soldiers.

Is the government prepared to break another election promise, or will it provide the funds needed to recruit the soldiers now?

Oral Questions

Hon. Bill Graham (Minister of National Defence, Lib.): Mr. Speaker, the answer to the hon. member's question is similar to the one I gave last time. If he waits for the budget, he will see the funding and then he can make his decision as to whether an election promise has been broken or not.

I can assure hon. members in this House that the Prime Minister and I and other members on this side are working hard to improve our armed forces, and we will do that.

Mr. Gordon O'Connor (Carleton—Mississippi Mills, CPC): Mr. Speaker, during the last election the government said it would increase the military without having any idea how it could be done, how it would be used and how it would be funded. This weekend the Prime Minister told CNN, "We are going to be increasing our troop level substantially, both our regulars and reserves. We are in the process of getting that underway". Yet the number two in the military said it just is not so. Who are we to believe?

Hon. Bill Graham (Minister of National Defence, Lib.): Mr. Speaker, the vice chief of the defence staff made it very clear that we are examining the way in which we can go about this. The Prime Minister himself made it very clear that this is an important priority for our government. We will be getting the funding and moving ahead on this. The military is very excited about this prospect. I hope the hon. members will be as excited as we go ahead and build a 21st century military that responds to the needs of Canadians.

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HUMAN RIGHTS

Mr. Stockwell Day (Okanagan—Coquihalla, CPC): Mr. Speaker, the Prime Minister just announced that he is doing a stopover in Libya to shake hands with President Gadhafi. President Gadhafi just announced that he is cancelling the scheduled visit of the group, Human Rights Watch, which was supposed to be there for three weeks to investigate ongoing human rights violations in Libya.

Will the Prime Minister be in Libya longer than he was in Sudan? When he is there, will he specifically ask President Gadhafi to lift the ban on Human Rights Watch so they can do their work?

Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.): Mr. Speaker, the Prime Minister never misses an opportunity to promote human rights. He has respect for human rights on every trip that he involves himself in.

I am confident that when he goes to Libya, it will be precisely to strengthen the process in which Libya has been engaged over the last few years and where we have noticed an improvement.

This is precisely to strengthen the process in which Libya has engaged and where more needs to be done.

Mr. Stockwell Day (Okanagan—Coquihalla, CPC): Mr. Speaker, the minister just missed an opportunity to answer a direct question.

Last week the human rights subcommittee right here in the House of Commons heard disturbing evidence from a variety of representatives of religious groups suffering extreme persecution in a number of countries around the world: Christians in Pakistan, Falun Gong in China, Buddhists in Tibet, and many others.

As the Prime Minister is meeting with many of these dictators, will he specifically speak up for the persecuted people within those regimes? Will he make the case for religious freedom? Other freedoms will follow if they have religious freedom.

● (1450)

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, in fact in a speech last night I indicated that in virtually every country that I have gone where there are questions of human rights violations, or where in fact there are restrictions on freedom of religion, I have raised the issue. That is an integral part of Canadian foreign policy. It is certainly an integral part of Canadian values which this government reflects.

The answer to the hon. member's question, which I think is very well taken, is yes, I will raise it in Libya and I will raise it in every other country where that is a problem.

* * *

[Translation]

THE ENVIRONMENT

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Mr. Speaker, the Minister of the Environment recognizes that the implementation plan to reduce greenhouse gases will be delayed. Following the minister's admission, we now have a better understanding of the comments made in Australia by deputy minister Anderson, when he said that Canada would not achieve even two thirds of its objectives on greenhouse gas reduction.

How could the Minister of the Environment downplay the deputy minister's comments last week, when he himself confirmed them through the admission that he made yesterday?

Hon. Stéphane Dion (Minister of the Environment, Lib.): Mr. Speaker, the member is not quoting me accurately. I never said that. On the contrary, the Kyoto action plan has been in effect since 2002. In the Speech from the Throne, we made a commitment to strengthen and closely monitor it.

Climate change is a new phenomenon. We are constantly learning more on how to deal with it. Canadians have already invested \$3.7 billion, at the federal level alone, to deal with this issue.

We have had a very active plan for renewable energy and we will continue to have one.

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Mr. Speaker, the minister said he was prepared to sign an agreement with Quebec. However, he continues to give priority to oil companies and the automobile industry by taking a sectoral approach.

If the minister is serious when he says that we must be fair and set targets that are both rigorous and fair, what is he waiting for to give full control to Quebec over its territory, by signing a territorial approach with the province?

Oral Questions

Hon. Stéphane Dion (Minister of the Environment, Lib.): Mr. Speaker, I am convinced that we will have many opportunities to work with the Quebec government which, unlike others, believes in Canada. It knows that Canada has a critical role to play on this planet.

Indeed, Canada is not only one of the first countries affected by climate change, as we can see in the northern part of the country, it also has the necessary expertise to succeed. If there is a country that can get all the others to work together to solve the serious problem that climate change represents for mankind, it is definitely Canada.

* * *

[English]

JUSTICE

Mr. James Lunney (Nanaimo—Alberni, CPC): Mr. Speaker, a recently declassified RCMP document indicates that some 600 women, many just girls, are lured into Canada's illicit sex trade each year. It is estimated that reporting only identifies one in ten women so victimized.

Against this dismal backdrop, the minister of immigration has been providing incentives to foreign women to apply as exotic dancers, leaving them extremely vulnerable to further exploitation.

When is the government going to get serious about Canada's illicit sex trade and take action to stop the exploitation of these most vulnerable women and children?

Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I appreciate the question because we have characterized the question of trafficking in women and children as being the global slave trade. With respect to that global slave trade, which is the fastest rising criminal industry, we have organized our policy around prevention, around protection of victims and with respect to prosecution, of bringing the perpetrators to justice.

* * *

TEXTILE AND CLOTHING INDUSTRY

Mr. Gord Brown (Leeds—Grenville, CPC): Mr. Speaker, on two occasions the Minister of Finance has guaranteed to us that a decision will be made on duty remissions for the apparel industry. Time marches on. The deadline is only days away.

Will the minister sign the duty remission orders, or is his Christmas gift to the Canadian apparel industry workers a pink slip?

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, my officials and I continue to work on the details of our proposal.

I had the distinct opportunity yesterday in Guelph and in Cambridge to meet with owners of some of the plants and many of the workers in some plants located in that part of Ontario.

I want to assure them, together with members of our caucus, that the solution to this issue which has been promised before the end of the year will indeed be forthcoming.

• (1455)

VETERANS AFFAIRS

Mr. Anthony Rota (Nipissing—Timiskaming, Lib.): Mr. Speaker, the government's veterans independence program has been providing home care, housekeeping and groundskeeping services for veterans for two decades.

Last year the program was extended to provide these services to surviving primary caregivers for life. Unfortunately many deserving widows were left out because of the time of death of their veteran.

What is the government doing to ensure that widows of veterans who died in long term care facilities or who died prior to 1990 are treated fairly and are given the groundskeeping services they need to stay in their homes?

Hon. Albina Guarnieri (Minister of Veterans Affairs, Lib.): Mr. Speaker, I thank the hon. member for his timely question.

Today the government is taking an important step to further recognize the efforts and the sacrifice of primary caregivers for veterans.

We are extending VIP housekeeping and groundskeeping services for life to an additional 4,000 surviving eligible caregivers of veterans who were themselves receiving VIP services since the program began in 1981.

* * *

AGRICULTURE

Mr. Barry Devolin (Haliburton—Kawartha Lakes—Brock, CPC): Mr. Speaker, most people agree that one meaningful way to measure the success of a new government program is to look at the take-up rate. For example if 70% or 80% of intended recipients take up a new program, this suggests people know about it, want it and believe it is in their best interest to sign up for it.

By this standard the CAIS program is a complete failure. In Kawartha Lakes it is reported that just 47 out of hundreds of farmers have signed up for CAIS.

Why does the minister continue to defend the CAIS program when it has so obviously failed the vast majority of Canadian farmers?

Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I suspect that those producers who today have received almost half a billion dollars in CAIS payments would totally disagree with the hon. member.

We have worked very diligently with the industry and we have worked very diligently with producers to make sure that we take any actions that we need to so that this program can be delivered in an efficient and timely manner.

Oral Questions

[Translation]

FOREIGN AFFAIRS

Mr. Scott Reid (Lanark—Frontenac—Lennox and Addington, CPC): Mr. Speaker, Canadians are wondering if the Liberal government is taking their safety and well-being to heart when they travel abroad. How many dramatic situations will it take to sensitize this government to the problems faced by Canadian travellers?

Yesterday, the Minister of Foreign Affairs responded flippantly to the Royer family's request. Does he intend to finally contact them, and what resources does he plan to make available to them?

Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.): Mr. Speaker, I can assure the House that the government takes very seriously the plight of Canadian citizens travelling around the world when they find themselves in situations as difficult as Nicolas Royer's current situation.

I have stressed how closely the Canadian ambassador in Lima, Geneviève des Rivières, and all her staff, as well as our officials here in Ottawa, are working together with the Peruvian authorities, who are also trying very hard to find Nicolas Royer. Hydro-Québec is also doing its share with a helicopter that has been searching for the young man since yesterday. I can assure the House that we are taking a great interest in this situation.

Mr. André Bellavance (Richmond—Arthabaska, BQ): Mr. Speaker, despite the government's reassuring statements, the Royer family continues to worry about Nicolas, who disappeared on November 27. His father is critical of the attitude of the Department of National Defence, which he described as pitiful. "They could not even tell me where to find dry food for the expedition", he commented.

How can the Minister of National Defence explain that, despite the urgency of the situation, he has not yet authorized military people from Valcartier to go to Peru and help with the search operations?

Hon. Bill Graham (Minister of National Defence, Lib.): Mr. Speaker, I understand that some service people from Valcartier have volunteered for this task. That is a personal decision, however. They have to assess the danger, if they want to take it on.

My department and the Department of Foreign Affairs are working closely together with the Royer family to find this young man. But it is up to individual Canadian citizens to decide for themselves if they want to go or not. Obviously, for our part, we will not prevent anyone from going.

* * *

● (1500)

[English]

REGIONAL ECONOMIC DEVELOPMENT

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Mr. Speaker, my question is for the Minister of the Atlantic Canada Opportunities Agency and the minister responsible for the Enterprise Cape Breton Corporation.

This past week, the minister was in Cape Breton to make an announcement in the Northside Industrial Park which will see Keata PharmEng, a pharmaceutical manufacturing company, establish an operation on Cape Breton Island.

In light of the debate that is taking place today in this House, with Bill C-9, on the importance of regional economic development, could the minister explain to the House the importance of investments such as this one to the economy of Cape Breton?

Hon. Joe McGuire (Minister of the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, the member for Cape Breton—Canso is quite right. I was in Cape Breton last weekend with my two Cape Breton colleagues and with Premier Hamm and his cabinet to announce loans funding for Keata Pharmaceuticals that will result in over 175 well-paid jobs for the people of Cape Breton. Keata joins companies such as Tesma, CB Castings and EDS, which understand the benefits and value of investing in the people of Cape Breton.

Our government is also providing funds for a new training program in biotechnology and pharmaceutical technology at the University College of Cape Breton, which will assist the youth to stay—

The Speaker: The hon. member for Sault Ste. Marie.

* * *

SOCIAL DEVELOPMENT

Mr. Tony Martin (Sault Ste. Marie, NDP): Mr. Speaker, the Prime Minister in speaking to labour leaders last week said that he needed the private sector to deliver the promised national child care program. The Minister of Social Development knows from the research and the OECD report that for profit equals poor quality.

He and the provincial ministers committed to the principle of quality. Will he commit today to a not for profit delivery system to ensure that this principle is met?

Hon. Ken Dryden (Minister of Social Development, Lib.): Mr. Speaker, as the hon. member knows, we want to create a national child care system based on the best principles. We have made a start. We want to pursue the best and most promising ways to create this national system, based on the quad principles. I might add that the best system that exists now in Canada, in Quebec, provides both private and for profit care.

* * *

PRESENCE IN GALLERY

The Speaker: I would like to draw to the attention of hon. members the presence in the gallery of the Honourable Loyola Sullivan, Minister of Finance for Newfoundland and Labrador, and the Honourable Cecil Clarke, Minister of Energy for Nova Scotia.

Some hon. members: Hear, hear!

GOVERNMENT ORDERS

[English]

SUPPLY

OPPOSITION MOTION—AGRICULTURE

The House resumed from December 2 consideration of the motion.

The Speaker: It being 3:03 p.m., pursuant to order made Thursday, December 2, the House will now proceed to the taking of the deferred recorded division on the motion of the hon. member for Montcalm 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:)

(Division No. 20)

YEAS

Members

Abbott	Ablonczy
Allison	Ambrose
Anders	Anderson (Cypress Hills—Grasslands)
André	Angus
Bachand	Batters
Bellavance	Benoit
Bergeron	Bezan
Bigras	Blaikie
Blais	Boire
Bonsant	Bouchard
Boulianne	Bourgeois
Breitkreuz	Broadbent
Brown (Leeds—Grenville)	Brunelle
Cardin	Carrie
Carrier	Casey
Casson	Chatters
Chong	Christopherson
Clavet	Comartin
Côté	Crête
Crowder	Cullen (Skeena—Bulkley Valley)
Cummins	Davies
Day	Demers
Deschamps	Desjarlais
Desrochers	Devolin
Doyle	Duceppe
Duncan	Epp
Faille	Finley
Fitzpatrick	Fletcher
Forseth	Gagnon (Québec)
Gagnon (Saint-Maurice—Champlain)	Gagnon (Jonquière—Alma)
Gallant	Gaudet
Gauthier	Godin
Goldring	Goodyear
Gouk	Grewal (Newton—North Delta)
Grewal (Fleetwood—Port Kells)	Guay
Guergis	Guimond
Hanger	Harper
Harris	Harrison
Hearn	Hiebert
Hill	Hinton
Jaffer	Jean
Johnston	Julian
Kamp (Pitt Meadows—Maple Ridge—Mission)	Keddy (South Shore—St. Margaret's)
Kenney (Calgary Southeast)	Komarnicki
Kotto	Kramp (Prince Edward—Hastings)
Laframboise	Lalonde
Lapierre (Lévis—Bellechasse)	Lauzon
Lavallée	Layton
Lemay	Lessard
Lévesque	Loubier
Lukiwski	Lunn
Lunney	MacKay (Central Nova)

MacKenzie	Marceau
Mark	Martin (Winnipeg Centre)
Martin (Sault Ste. Marie)	Masse
McDonough	Ménard (Hochelaga)
Ménard (Marc-Aurèle-Fortin)	Menzies
Merrifield	Miller
Mills	Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)	Nicholson
O'Connor	Oda
Pallister	Paquette
Penson	Perron
Picard (Drummond)	Plamondon
Poilievre	Poirier-Rivard
Prentice	Preston
Rajotte	Reid
Richardson	Ritz
Roy	Scheer
Schellenberger	Schmidt (Kelowna—Lake Country)
Siksay	Simard (Beauport—Limoilou)
Skelton	Smith (Kildonan—St. Paul)
Solberg	Sorenson
St-Hilaire	Stinson
Stoffer	Stronach
Thibault (Rimouski-Neigette—Témiscouata—Les Basques)	Thompson (New Brunswick Southwest)
Toews	Trost
Tweed	Van Loan
Vellacott	Vincent
Warawa	Wasylycia-Leis
Watson	White
Williams	Yelich — 164

Supply

NAYS

Members

Adams	Alcock
Anderson (Victoria)	Augustine
Bagnell	Bains
Bakopanos	Barnes
Bélanger	Bell
Bennett	Bevilacqua
Blondin-Andrew	Boivin
Bonin	Boshcoff
Boudria	Bradshaw
Brison	Brown (Oakville)
Bulte	Cannis
Carr	Carroll
Catterall	Chamberlain
Chan	Coderre
Comuzzi	Cotler
Cullen (Etobicoke North)	Cuzner
D'Amours	DeVillers
Dhalla	Dion
Dosanjh	Drouin
Dryden	Easter
Efford	Emerson
Folco	Fontana
Frulla	Fry
Galloway	Godbout
Godfrey	Goodale
Graham	Guarnieri
Holland	Hubbard
Ianno	Jennings
Kadis	Karetak-Lindell
Karygiannis	Khan
Lapierre (Outremont)	Lastewka
LeBlanc	Lee
Longfield	MacAulay
Macklin	Malhi
Maloney	Marleau
Martin (Esquimalt—Juan de Fuca)	Martin (LaSalle—Émard)
Matthews	McCallum
McGuinty	McGuire
McKay (Scarborough—Guildwood)	McLellan
McTeague	Minna
Mitchell	Murphy
Neville	O'Brien (London—Fanshawe)
Owen	Pacetti
Paradis	Patry
Peterson	Pettigrew
Phinney	Pickard (Chatham-Kent—Essex)
Powers	Proulx
Ratansi	Redman

Supply

Regan
Rodriguez
Saada
Savoy
Scott
Silva
Simms
St. Amand
Szabo
Temelkovski
Tonks
Valeri
Volpe
Wilfert
Zed— 125

Robillard
Rota
Savage
Scarpaleggia
Sgro
Simard (Saint Boniface)
Smith (Pontiac)
St. Denis
Telegdi
Thibault (West Nova)
Torsney
Valley
Wappel
Wrzesnewskyj

Boire
Bonin
Boshcoff
Boudria
Bourgeois
Breitkreuz
Brown (Oakville)
Brunelle
Cannis
Carr
Carrier
Casey
Catterall
Chan
Chong
Coderre
Côté
Crête
Cummins
D'Amours
Demers
Desrochers
Devolin
Dion
Doyle
Dryden
Duncan
Efford
Epp
Finley
Fletcher
Fontana
Frulla
Gagnon (Québec)
Gagnon (Jonquière—Alma)
Galloway
Gauthier
Godfrey
Goodale
Gouk
Grewal (Newton—North Delta)
Guarnieri
Guergis
Hanger
Harris
Hearn
Hill
Holland
Ianno
Jean
Johnston
Kamp (Pitt Meadows—Maple Ridge—Mission)
Karygiannis
Kenney (Calgary Southeast)
Komarnicki
Kramp (Prince Edward—Hastings)
Lalonde
Lapierre (Lévis—Bellechasse)
Lauzon
LeBlanc
Lemay
Lévesque
Loubier
Lunn
MacAulay
MacKenzie
Malhi
Marceau
Marleau
Martin (LaSalle—Émard)
McCallum
McGuire
McLellan
Ménard (Hochelega)
Menzies
Miller
Minna
Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)
Murphy
Neville
O'Brien (London—Fanshawe)
Oda
Pacetti

Boivin
Bonsant
Bouchard
Boulianne
Bradshaw
Brison
Brown (Leeds—Grenville)
Bulte
Cardin
Carrie
Carroll
Casson
Chamberlain
Chatters
Clavet
Comuzzi
Cotler
Cullen (Etobicoke North)
Cuzner
Day
Deschamps
DeVillers
Dhalla
Dossanjh
Drouin
Duceppe
Easter
Emerson
Faille
Fitzpatrick
Folco
Forseth
Fry
Gagnon (Saint-Maurice—Champlain)
Gallant
Gaudet
Godbout
Goldring
Goodyear
Graham
Grewal (Fleetwood—Port Kells)
Guay
Guimond
Harper
Harrison
Hiebert
Hinton
Hubbard
Jaffer
Jennings
Kadis
Karetak-Lindell
Keddy (South Shore—St. Margaret's)
Khan
Kotto
Laframboise
Lapierre (Outremont)
Lastewka
Lavallée
Lee
Lessard
Longfield
Lukiwski
Lunney
MacKay (Central Nova)
Macklin
Maloney
Mark
Martin (Esquimalt—Juan de Fuca)
Matthews
McGuinity
McKay (Scarborough—Guildwood)
McTeague
Ménard (Marc-Aurèle-Fortin)
Merrifield
Mills
Mitchell
Myers
Nicholson
O'Connor
Owen
Pallister

PAIRED

Members

Cleary
O'Brien (Labrador)

Eyking
Sauvageau— 4

The Speaker: I declare the motion carried.

* * *

CANADA EDUCATION SAVINGS ACT

The House resumed from December 6 consideration of the motion that Bill C-5, an act to provide financial assistance for post-secondary education savings, be read the third time and passed.

The Speaker: The House will now proceed to the taking of the deferred recorded division on the motion at the third reading stage of Bill C-5.

Hon. Karen Redman: Mr. Speaker, I rise on a point of order. If the House were to agree, I would propose that you seek unanimous consent that the members who voted on the previous motion be recorded as having voted on the motion now before the House with Liberal members voting in favour, except those members who would like to be registered as voting otherwise.

The Speaker: Is there unanimous consent to proceed in this fashion?

Some hon. members: Agreed.

Some hon. members: No.

● (1525)

[*Translation*]

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

(*Division No. 21*)

YEAS

Members

Abbott
Adams
Allison
Anders
Anderson (Cypress Hills—Grasslands)
Augustine
Bagnell
Bakopanos
Batters
Bell
Bennett
Bergeron
Bezan
Blais

Ablonczy
Alcock
Ambrose
Anderson (Victoria)
André
Bachand
Bains
Barnes
Bélangier
Bellavance
Benoit
Bevilacqua
Bigras
Blondin-Andrew

Paquette
 Patry
 Perron
 Pettigrew
 Picard (Drummond)
 Plamondon
 Poirier-Rivard
 Prentice
 Proulx
 Ratansi
 Regan
 Richardson
 Robillard
 Rota
 Saada
 Savoy
 Scheer
 Schmidt (Kelowna—Lake Country)
 Sgro
 Simard (Beauport—Limoilou)
 Simms
 Smith (Pontiac)
 Solberg
 St-Hilaire
 St. Denis
 Stinson
 Szabo
 Temelkovski
 Basques)
 Thibault (West Nova)
 Toews
 Torsney
 Tweed
 Valeri
 Van Loan
 Vincent
 Wappel
 Watson
 Wilfert
 Wrzesnewskyj
 Zed — 273

Paradis
 Penson
 Peterson
 Phinney
 Pickard (Chatham-Kent—Essex)
 Poilievre
 Powers
 Preston
 Rajotte
 Redman
 Reid
 Ritz
 Rodriguez
 Roy
 Savage
 Scarpaleggia
 Schellenberger
 Scott
 Silva
 Simard (Saint Boniface)
 Skelton
 Smith (Kildonan—St. Paul)
 Sorenson
 St. Amand
 Steckle
 Stronach
 Telegdi
 Thibault (Rimouski-Neigette—Témiscouata—Les
 Thompson (New Brunswick Southwest)
 Tonks
 Trost
 Ur
 Valley
 Vellacott
 Volpe
 Warawa
 White
 Williams
 Yelich

NAYS

Members

Angus
 Broadbent
 Comartin
 Cullen (Skeena—Bulkley Valley)
 Desjarlais
 Julian
 Martin (Winnipeg Centre)
 Masse
 Siksay
 Wasylcia-Leis — 19

Blaikie
 Christopherson
 Crowder
 Davies
 Godin
 Layton
 Martin (Sault Ste. Marie)
 McDonough
 Stoffer

PAIRED

Members

Cleary
 O'Brien (Labrador)

Eyking
 Sauvageau — 4

The Speaker: I declare the motion carried.

(Bill read the third time and passed)

* * *

[English]

TLICHO LAND CLAIMS AND SELF-GOVERNMENT ACT

The House resumed from December 6 consideration of the motion that Bill C-14, an act to give effect to a land claims and self-government agreement among the Tlicho, the Government of the Northwest Territories and the Government of Canada, to make related amendments to the Mackenzie Valley Resource Management Act and to make consequential amendments to other acts, be read the third time and passed.

Supply

The Speaker: The House will now proceed to the taking of the deferred recorded division on the motion at the third reading stage of Bill C-14.

● (1535)

[Translation]

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

(Division No. 22)

YEAS

Members

Adams
 Anderson (Victoria)
 Angus
 Bachand
 Bains
 Barnes
 Bell
 Bennett
 Bevilacqua
 Blaikie
 Blondin-Andrew
 Boivin
 Bonsant
 Bouchard
 Boulianne
 Bradshaw
 Broadbent
 Brunelle
 Cannis
 Carr
 Carroll
 Chamberlain
 Christopherson
 Coderre
 Comuzzi
 Cotler
 Crowder
 Cullen (Etobicoke North)
 D'Amours
 Demers
 Desjarlais
 DeVillers
 Dion
 Drouin
 Duceppe
 Efford
 Faille
 Fontana
 Fry
 Gagnon (Saint-Maurice—Champlain)
 Gallaway
 Gauthier
 Godfrey
 Goodale
 Guarnieri
 Guimond
 Hubbard
 Jennings
 Kadis
 Karygiannis
 Kotto
 Lalonde
 Lapierre (Lévis—Bellechasse)
 Lavallée
 LeBlanc
 Lemay
 Lévesque
 Loubier
 Macklin
 Maloney
 Marleau
 Martin (Winnipeg Centre)
 Martin (Sault Ste. Marie)
 Matthews
 McDonough

Alcock
 André
 Augustine
 Bagnell
 Bakopanos
 Bélanger
 Bellavance
 Bergeron
 Bigras
 Blais
 Boire
 Bonin
 Boshcoff
 Boudria
 Bourgeois
 Brisson
 Brown (Oakville)
 Bulte
 Cardin
 Carrier
 Catterall
 Chan
 Clavet
 Comartin
 Côté
 Crête
 Cullen (Skeena—Bulkley Valley)
 Cuzner
 Davies
 Deschamps
 Desrochers
 Dhalla
 Dosanjh
 Dryden
 Easter
 Emerson
 Folco
 Frulla
 Gagnon (Québec)
 Gagnon (Jonquière—Alma)
 Gaudet
 Godbout
 Godin
 Graham
 Guay
 Holland
 Ianno
 Julian
 Karetak-Lindell
 Khan
 Laframboise
 Lapierre (Outremont)
 Lastewka
 Layton
 Lee
 Lessard
 Longfield
 MacAulay
 Malhi
 Marceau
 Martin (Esquimalt—Juan de Fuca)
 Martin (LaSalle—Émard)
 Masse
 McCallum
 McGuinty

Supply

McGuire
McLellan
Ménard (Hochelaga)
Minna
Murphy
Neville
Owen
Paquette
Patry
Peterson
Phinney
Pickard (Chatham-Kent—Essex)
Poirier-Rivard
Proulx
Redman
Robillard
Rota
Saada
Savoy
Scott
Siksay
Simard (Beauport—Limoilou)
Simms
St-Hilaire
St. Denis
Stoffer
Telegdi
Thibault (Rimouski-Neigette—Témiscouata—Les Basques)
Thibault (West Nova)
Tonks
Ur
Valley
Volpe
Wasylycia-Leis
Wrzesneswskyj

McKay (Scarborough—Guildwood)
McTeague
Ménard (Marc-Aurèle-Fortin)
Mitchell
Myers
O'Brien (London—Fanshawe)
Pacetti
Paradis
Perron
Pettigrew
Picard (Drummond)
Plamondon
Powers
Ratansi
Regan
Rodríguez
Roy
Savage
Scarpaleggia
Sgro
Silva
Simard (Saint Boniface)
Smith (Pontiac)
St. Amand
Steckle
Szabo
Temelkovski
Torsney
Valeri
Vincent
Wappel
Wilfert
Zed- — 198

Tweed
Vellacott
Watson
Williams

Van Loan
Warawa
White
Yelich- — 94

PAIRED

Members

Cleary
O'Brien (Labrador)

Eyking
Sauvageau- — 4

The Speaker: I declare the motion carried.
(Bill read the third time and passed)

* * *

● (1540)

[*English*]

**ECONOMIC DEVELOPMENT AGENCY OF CANADA FOR
THE REGIONS OF QUEBEC ACT**

The House resumed consideration of the motion that Bill C-9, an act to establish the Economic Development Agency of Canada for the Regions of Quebec, be read the second time and referred to a committee.

The Speaker: The House will now proceed to the taking of the deferred recorded division on the motion at seconding reading stage of Bill C-9.

Hon. Karen Redman: Mr. Speaker, if the House would agree, I would propose that you seek unanimous consent that the members who voted on the previous motion be recorded as having voted on the motion now before the House, with Liberal members voting in favour, except for those members who would like to be registered as voting otherwise.

The Speaker: Is there unanimous consent to proceed in this way?

Some hon. members: Agreed.

Mr. Jay Hill: Mr. Speaker, Conservative members present this afternoon are in support the motion, unless directed by their constituents to vote otherwise. I would like to note that the hon. member for Cypress Hills—Grasslands is absent in the House.

[*Translation*]

Mr. Michel Guimond: Mr. Speaker, the members of the Bloc Québécois are voting against this motion.

Mr. Yvon Godin: Mr. Speaker, the members of the New Democratic Party are voting in favour of this motion.

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

(*Division No. 23*)

YEAS

Members

Abbott
Adams
Allison
Anders
Angus
Bagnell
Bakopanos
Batters
Bell
Benoit
Bezan

Ablonczy
Alcock
Ambrose
Anderson (Victoria)
Augustine
Bains
Barnes
Bélangier
Bennett
Bevilacqua
Blaikie

NAYS

Members

Abbott
Allison
Anders
Batters
Bezan
Brown (Leeds—Grenville)
Casey
Chatters
Cummins
Devolin
Duncan
Finley
Fletcher
Gallant
Goodyear
Grewal (Newton—North Delta)
Guergis
Harper
Harrison
Hiebert
Hinton
Jean
Kamp (Pitt Meadows—Maple Ridge—Mission)
Kenney (Calgary Southeast)
Kramp (Prince Edward—Hastings)
Lukowski
Lunney
MacKenzie
Menzies
Miller
Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)
Nicholson
Oda
Penson
Prentice
Rajotte
Richardson
Scheer
Schmidt (Kelowna—Lake Country)
Smith (Kildonan—St. Paul)
Sorenson
Stronach
Toews

Ablonczy
Ambrose
Anderson (Cypress Hills—Grasslands)
Benoit
Breitkreuz
Carrie
Casson
Chong
Day
Doyle
Epp
Fitzpatrick
Forseth
Goldring
Gouk
Grewal (Fleetwood—Port Kells)
Hanger
Harris
Hearn
Hill
Jaffer
Johnston
Keddy (South Shore—St. Margaret's)
Komarnicki
Lauzon
Lunn
MacKay (Central Nova)
Mark
Merrifield
Mills
O'Connor
Pallister
Poilievre
Preston
Reid
Ritz
Schellenberger
Skelton
Solberg
Stinson
Thompson (New Brunswick Southwest)
Trost

Blondin-Andrew
Bonin
Boudria
Breitkreuz
Broadbent
Brown (Leeds—Grenville)
Cannis
Carrie
Casey
Catterall
Chan
Chong
Coderre
Comuzzi
Crowder
Cullen (Etobicoke North)
Cuzner
Davies
Desjarlais
Devolin
Dion
Doyle
Dryden
Easter
Emerson
Finley
Fletcher
Fontana
Frulla
Gallant
Godbout
Godin
Goodale
Gouk
Grewal (Newton—North Delta)
Guarnieri
Hanger
Harris
Hearn
Hill
Holland
Ianno
Jean
Johnston
Kadis
Karetak-Lindell
Keddy (South Shore—St. Margaret's)
Khan
Kramp (Prince Edward—Hastings)
Lastewka
Layton
Lee
Lukiwski
Lunnay
MacKay (Central Nova)
Macklin
Maloney
Marleau
Martin (Winnipeg Centre)
Martin (Sault Ste. Marie)
Matthews
McDonough
McGuire
McLellan
Menzies
Miller
Minna
Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)
Murphy
Neville
O'Brien (London—Fanshawe)
Oda
Pacetti
Paradis
Penson
Pettigrew
Pickard (Chatham-Kent—Essex)
Powers
Preston
Rajotte
Redman
Reid
Ritz

Boivin
Boshcoff
Bradshaw
Brison
Brown (Oakville)
Bulte
Carr
Carroll
Casson
Chamberlain
Chatters
Christopherson
Comartin
Cotler
Cullen (Skeena—Bulkley Valley)
Cummins
D'Amours
Day
DeVillers
Dhalla
Dosanjh
Drouin
Duncan
Efford
Epp
Fitzpatrick
Folco
Forseth
Fry
Galloway
Godfrey
Goldring
Goodyear
Graham
Grewal (Fleetwood—Port Kells)
Guergis
Harper
Harrison
Hiebert
Hinton
Hubbard
Jaffier
Jennings
Julian
Kamp (Pitt Meadows—Maple Ridge—Mission)
Karygiannis
Kenney (Calgary Southeast)
Komarnicki
Lapierre (Outremont)
Lauzon
LeBlanc
Longfield
Lunn
MacAulay
MacKenzie
Malhi
Mark
Martin (Esquimalt—Juan de Fuca)
Martin (LaSalle—Émard)
Masse
McCallum
McGuinty
McKay (Scarborough—Guildwood)
McTeague
Merrifield
Mills
Mitchell

Myers
Nicholson
O'Connor
Owen
Pallister
Patry
Peterson
Phinney
Poilievre
Prentice
Proulx
Ratansi
Regan
Richardson
Robillard

Rodriguez
Saada
Savoy
Scheer
Schmidt (Kelowna—Lake Country)
Sgro
Silva
Simms
Smith (Pontiac)
Solberg
St. Amand
Steckle
Stoffer
Szabo
Temelkovski
Thompson (New Brunswick Southwest)
Tonks
Trost
Ur
Valley
Vellacott
Wappel
Wasylycia-Leis
White
Williams
Yelich

Supply

Rota
Savage
Scarpaleggia
Schellenberger
Scott
Siksay
Simard (Saint Boniface)
Skelton
Smith (Kildonan—St. Paul)
Sorenson
St. Denis
Stinson
Stronach
Telegdi
Thibault (West Nova)
Toews
Torsney
Tweed
Valeri
Van Loan
Volpe
Warawa
Watson
Wilfert
Wrzesnewskyj
Zed— 240

NAYS

Members

André
Bellavance
Bigras
Boire
Bouchard
Bourgeois
Cardin
Clavet
Crête
Deschamps
Duceppe
Gagnon (Québec)
Gagnon (Jonquière—Alma)
Gauthier
Guimond
Laframboise
Lapierre (Lévis—Bellechasse)
Lemay
Lévesque
Marceau
Ménard (Marc-Aurèle-Fortin)
Perron
Plamondon
Roy
St-Hilaire
Basques)
Vincent— 51

Bachand
Bergeron
Blais
Bonsant
Boulianne
Brunelle
Carrier
Côté
Demers
Desrochers
Faille
Gagnon (Saint-Maurice—Champlain)
Gaudet
Guay
Kotto
Lalonde
Lavallée
Lessard
Loubier
Ménard (Hochelaga)
Paquette
Picard (Drummond)
Poirier-Rivard
Simard (Beauport—Limoilou)
Thibault (Rimouski-Neigette—Témiscouata—Les

PAIRED

Members

Cleary
O'Brien (Labrador)
Eyking
Sauvageau— 4

The Speaker: I declare the motion carried. Accordingly, the bill stands referred to the Standing Committee on Industry, Natural Resources, Science and Technology.

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

* * *

[English]

DEPARTMENT OF SOCIAL DEVELOPMENT ACT

The House resumed consideration of the motion that Bill C-22, an act to establish the Department of Social Development and to amend and repeal certain related acts, be read the second time and referred to a committee.

Supply

The Speaker: The House will now proceed to the taking of the deferred recorded division on the motion at second reading stage of Bill C-22.

Hon. Karen Redman: Mr. Speaker, if the House would agree, I would propose you seek unanimous consent that the members who voted on the previous motion be recorded as having voted on the motion now before the House, with Liberal members voting in favour, except those members who would like to be registered as having voted otherwise.

[*Translation*]

The Speaker: Is there unanimous consent of the House to proceed as indicated?

Some hon. members: Agreed.

[*English*]

Mr. Jay Hill: Mr. Speaker, Conservative members present in the House this afternoon are in support of the motion, unless directed by their constituents to vote otherwise.

[*Translation*]

Mr. Michel Guimond: Mr. Speaker, the members of the Bloc Québécois are voting against this motion.

[*English*]

Mr. Yvon Godin: Members of the NDP vote yes on the motion.

[*Translation*]

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

(Division No. 24)

YEAS

Members

Abbott	Ablonczy
Adams	Alcock
Allison	Ambrose
Anders	Anderson (Victoria)
Angus	Augustine
Bagnell	Bains
Bakopanos	Barnes
Batters	Bélangier
Bell	Bennett
Benoit	Bevilacqua
Bezan	Blaikie
Blondin-Andrew	Boivin
Bonin	Boshcoff
Boudria	Bradshaw
Breitkreuz	Brisson
Broadbent	Brown (Oakville)
Brown (Leeds—Grenville)	Bulte
Cannis	Carr
Carrie	Carroll
Casey	Casson
Catterall	Chamberlain
Chan	Chatters
Chong	Christopherson
Coderre	Comartin
Comuzzi	Cotler
Crowder	Cullen (Skeena—Bulkley Valley)
Cullen (Etobicoke North)	Cummins
Cuzner	D'Amours
Davies	Day
Desjarlais	DeVillers
Devolin	Dhalla
Dion	Dosanjh
Doyle	Drouin
Dryden	Duncan
Easter	Efford

Emerson	Epp
Finley	Fitzpatrick
Fletcher	Folco
Fontana	Forseth
Frulla	Fry
Gallant	Galloway
Godbout	Godfrey
Godin	Goldring
Goodale	Goodyear
Gouk	Graham
Grewal (Newton—North Delta)	Grewal (Fleetwood—Port Kells)
Guarnieri	Guergis
Hanger	Harper
Harris	Harrison
Hearn	Hiebert
Hill	Hinton
Holland	Hubbard
Ianno	Jaffer
Jean	Jennings
Johnston	Julian
Kadis	Kamp (Pitt Meadows—Maple Ridge—Mission)
Karetak-Lindell	Karygiannis
Keddy (South Shore—St. Margaret's)	Kenney (Calgary Southeast)
Khan	Komarnicki
Kramp (Prince Edward—Hastings)	Lapierre (Outremont)
Lastewka	Lauzon
Layton	LeBlanc
Lee	Longfield
Lukiwski	Lunn
Lunney	MacAulay
MacKay (Central Nova)	MacKenzie
Macklin	Malhi
Maloney	Mark
Marleau	Martin (Esquimalt—Juan de Fuca)
Martin (Winnipeg Centre)	Martin (LaSalle—Émard)
Martin (Sault Ste. Marie)	Masse
Matthews	McCallum
McDonough	McGuinty
McGuire	McKay (Scarborough—Guildwood)
McLellan	McTeague
Menzies	Merrifield
Miller	Mills
Minna	Mitchell
Moore (Port Moody—Westwood—Port Coquitlam)	
Moore (Fundy Royal)	
Murphy	Myers
Neville	Nicholson
O'Brien (London—Fanshawe)	O'Connor
Oda	Owen
Pacetti	Pallister
Paradis	Patry
Penson	Peterson
Pettigrew	Phinney
Pickard (Chatham-Kent—Essex)	Poilievre
Powers	Prentice
Preston	Proulx
Rajotte	Ratansi
Redman	Regan
Reid	Richardson
Ritz	Robillard
Rodriguez	Rota
Saada	Savage
Savoy	Scarpaleggia
Scheer	Schellenberger
Schmidt (Kelowna—Lake Country)	Scott
Sgro	Siksay
Silva	Simard (Saint Boniface)
Simms	Skelton
Smith (Pontiac)	Smith (Kildonan—St. Paul)
Solberg	Sorenson
St. Amand	St. Denis
Steckle	Stinson
Stoffer	Stronach
Szabo	Telegdi
Temelkovski	Thibault (West Nova)
Thompson (New Brunswick Southwest)	Toews
Tonks	Torsney
Trost	Tweed
Ur	Valeri
Valley	Van Loan
Vellacott	Volpe
Wappel	Warawa
Wasylcia-Leis	Watson
White	Wilfert

Williams
Yelich

Wrzesnewskyj
Zed— 240

NAYS

Members

André
Bellavance
Bigras
Boire
Bouchard
Bourgeois
Cardin
Clavet
Crête
Deschamps
Duceppe
Gagnon (Québec)
Gagnon (Jonquière—Alma)
Gauthier
Guimond
Laframboise
Lapierre (Lévis—Bellechasse)
Lemay
Lévesque
Marceau
Ménard (Marc-Aurèle-Fortin)
Perron
Plamondon
Roy
St-Hilaire
Basques)
Vincent— 51

Bachand
Bergeron
Blais
Bonsant
Boulianne
Brunelle
Carrier
Côté
Demers
Desrochers
Faille
Gagnon (Saint-Maurice—Champlain)
Gaudet
Guay
Kotto
Lalonde
Lavallée
Lessard
Loubier
Ménard (Hochelaga)
Paquette
Picard (Drummond)
Poirier-Rivard
Simard (Beauport—Limoulo)
Thibault (Rimouski-Neigette—Témiscouata—Les

PAIRED

Members

Cleary
O'Brien (Labrador)

Eyking
Sauvageau— 4

The Speaker: I declare the motion carried. Accordingly, the bill stands referred to the Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities.

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

* * *

[English]

WAYS AND MEANS

MOTION NO. 2

Hon. Karen Redman (Kitchener Centre, Lib.): Mr. Speaker, discussions have taken place between all parties and you would find that there is consent to deem ways and means Motion No. 2 carried on division.

The Speaker: Is there unanimous consent to proceed in this way?

Some hon. members: Agreed.

• (1545)

Hon. Ralph Goodale (Minister of Finance, Lib.) moved that a ways and means motion to implement certain provisions of the budget tabled in Parliament on March 23, 2004, be concurred in.

An hon. member: On division.

The Speaker: I declare the motion carried.

(Motion agreed to)

The Speaker: I wish to inform the House that because of the deferred recorded divisions government orders will be extended by 40 minutes.

Government Orders

Hon. Don Boudria: Mr. Speaker, I wish to seek unanimous consent to return to presenting reports from committees to enable me to present the 19th report of the Standing Committee on Procedure and House Affairs. I believe if you were to seek it, you would find unanimous consent for that.

The Speaker: Is that agreed?

Some hon. members: Agreed.

ROUTINE PROCEEDINGS

[Translation]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I have the honour to present in both official languages the 19th report of the Standing Committee on Procedure and House Affairs regarding the preliminary report of the Electoral Boundaries Commission for Miramichi and Acadie—Bathurst.

The committee was informed that the members of these ridings had no objections to the recommendations in the preliminary report. The representatives of the officially recognized parties in the House of Commons indicated that they had no objections either.

GOVERNMENT ORDERS

[Translation]

REMOTE SENSING SPACE SYSTEMS ACT

The House resumed consideration of the motion that Bill C-25, an act governing the operation of remote sensing space systems, be read the second time and referred to a committee.

The Speaker: Prior to oral question period, the hon. member for Saint-Jean had the floor and he has 14 minutes remaining to complete his remarks.

Order. Would members please take their conversations outside.

The hon. member for Saint-Jean.

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, I will not go so far as to say it is unpleasant but it does break one's stride a bit to have to stop a speech and then resume it later. In order to get back into it, I will go over what I have said so far.

I said that this was a very different world than the one we lived in thirty years ago. First of all I would never have thought I would end up as an MP, and second that we would be discussing a bill relating to legislating satellites.

Government Orders

The world may have changed, but I think that we need to fulfill our responsibilities by legislating on this. I also said that there is legislation already in place for everything on earth, land and sea, so it is important for parliamentarians and the various governments on this planet to ensure that there is some degree of stability and order in the development of international trade.

We are now into the development of space commerce. Indeed, any group of shareholders can reach an agreement with NASA or the French to put satellites into orbit. We know there are currently about 800 satellites orbiting around the earth. Consequently, I think that the time has come for Canada, among other countries, to say that we need a legal foundation for these remote sensing satellites. That is the intent of the bill before us today.

However, before question period, I also pointed out that there is an element of caution. Indeed, it is strange that at the time when this bill is being introduced, there is extensive discussion on the missile defence system. We will have to see whether there are possible links with this. We are concerned about that. Consequently, we will have to ensure in committee that these satellites are only for commercial purposes.

There is somewhat a paradox in Bill C-25. Indeed, the ministers of national defence and foreign affairs can intervene concerning signals and the disposal of data. They may suspend signals or have priority access, that is, have precedence on the commercial aspect for reasons of state.

Let me get back to the heart of the matter. The government has decided to solve the issue by establishing a licensing regime. I think it is the best way to go. As you know, satellites are used these days for several purposes. In my riding, at the old military college, I had the opportunity to look at very detailed photos taken by military satellites. We could see a lot of things in the Parc des Laurentides. In a photo taken hundreds of kilometres away, we could see campers lighting a fire.

So, we absolutely need to regulate this area. To do so, the government has chosen to issue licences. I think that is appropriate. It gives us some control on how the process will work and on who will deliver the licences. The bill also specifies who will have to comply with the new legislation.

On that issue, some of my hon. colleagues and I have reservations about potential privacy breaches. Once the bill is referred to the committee, it would only be fair to have the privacy commissioner come before the committee and ask him if the bill could invade the privacy of Canadians. We need to find out if the government's intentions are clear on this issue.

We have seen a certain carelessness at that level, a certain laxness concerning the protection of privacy. I am referring among other things to the notorious antiterrorism bill, where it seemed to us, in the Bloc, that matters of national significance were prevailing over the privacy of people. There has been a lot of criticism on that score.

With the evolution of the bills before us, we might leave too much to one side the question of people's privacy. I feel that the Privacy Commissioner would be a good witness for the consideration of the bill at second reading.

There is the whole question of introducing mechanisms for licences. I was saying a while ago as well that we should provide for the possibility of temporarily interrupting the remote sensing system. I understand that and it is altogether legitimate on the part of the government. Indeed, a commercial company could hold rights over a sensing satellite passing over troops in an operational theatre. In taking photographs for other reasons, it might inadvertently pick up the movement of troops and other things.

I think that there is indeed a problem. It is important to mention it in the bill and to state that we can temporarily interrupt remote sensing if, for instance, it jeopardizes military operations in which Canada or its allies are involved. I think this is important.

There is also priority access in case of need.

• (1550)

Similarly, if a commercial remote sensing satellite were to fly over a theatre of operations and that was needed for the purpose of national defence, I believe the satellite should be used to see what is going on. It would be justified.

There are provisions prohibiting the transfer of operations outside Canada. I believe it is important that the whole question of following up and processing data as well as marketing, both regarding international affairs and national defence, should not be managed by people outside Canada. They should not start operating here and then move elsewhere for commercial reasons.

It would create problems since it is harder to control what is going on outside Canada and there could be the danger of some slippage.

The minister will be able to delegate some of his powers. In the absence of the minister, there will be provision for the deputy minister to make decisions. However, that raises concerns and we have some reservations about the bill.

I have already mentioned the issue of privacy. I would like to digress a while to speak about national defence. I am concerned that the Minister of National Defence could decide on his own what is in the national interest and would have the power to interrupt communications or override a satellite. We should consider the possibility of having the governor in council, the cabinet, make this kind of decision.

I do not see these decisions as urgent. If there is a need for a decision, there is nothing to prevent the government from calling a meeting of the cabinet—ministers meet every week anyway—and to ask for its authorization before going ahead.

We also have reservations regarding the fact that a single minister using his discretionary powers, taking into account his reading of the various elements around him and future events, could make such an important decision.

Government Orders

Second, there is a huge difference between commercial satellites and military satellites. However, this is not mentioned in the bill. It only talks about commercial satellites. There is a difference in terms of detection since a military satellite can detect objects as small as a tiny land mine from several hundred kilometres above the earth. The resolution is extremely high.

The remote sensing system for commercial satellites is less precise, but it is starting to improve. We are talking about one to three metres here. Vehicles, planes or troop movements could be detected by these satellites. So, I think it is important that a distinction is made between the two.

We also find it a bit odd that, with all the talk these days about the missile defence shield, this type of bill has been introduced in the House. Perhaps there is more to this bill than meets the eye. Debate on this bill is at the second reading stage and, while we support the general principle of the bill, it will have to be studied and its implications carefully considered.

Could these satellites have military uses? For example, could Canada be asked to participate in some way with NORAD or the agency that will oversee the missile defence shield?

• (1555)

I heard the Parliamentary Secretary to the Minister of National Defence say no earlier, but you can never be too careful. Some things in our world that were not created for military purposes are now being used to this end.

With its long tradition of pacifism, Canada should not involve itself in the missile defence plan. I do not want to spend too long on this topic, since the Bloc's position on this is clear.

We want to ensure that this bill does not give the government or the Minister of National Defence too much control over these satellites, so they could use them for purposes other than that intended in the bill.

A while ago, I asked the parliamentary secretary a question. I do not understand how the Minister of National Defence can intervene to forbid anything or assert priority over a commercial aspect, when a network of treaties binds Canada and the United States. That is something we will have to look into.

During the committee's deliberations, I will ask about access to the satellites. Certainly there is access to the NORAD satellite, because Canada is a co-chair at Cheyenne Mountain, Colorado. I know they are very advanced down there. In 30 seconds they can see a missile being launched anywhere on the planet. In five minutes they can calculate its trajectory and its route going into space.

Are there any agreements between Canada and the United States concerning access to these satellites? Does our military have access to the American satellites, of which more than 100 are used for military purposes?

Can our American friends make marketing contracts affecting Canadian satellites planned for space that will probably have some legal basis in this bill? Will the shareholders of these satellites be able to send data to our American friends and vice versa? If they are

allowed access to Canadian data from these satellites, will Canadians also be allowed access to data from American satellites?

Commercialization is another important aspect. The present discussion is about commercial satellites, held by private interests, but the primary clients of these companies are governments.

I want to serve notice that during second-reading debate we will often raise jurisdictional issues. Is it right that things are being detected above the territory of Quebec or other provinces? Will the provinces automatically have access to the data if this happens to them? These are things we will be watching for.

In general, we are in favour of this bill at second reading. However, we will be examining the points I have mentioned very carefully. I think we will have very interesting discussions during the work in committee.

We intend to call witnesses who will be very helpful to us. This is a new field and the members of Parliament sitting on this committee will need some assistance from people who know much more than we do about this subject.

• (1600)

Hon. Dan McTeague (Parliamentary Secretary to the Minister of Foreign Affairs, Lib.): Mr. Speaker, I just wanted to make sure that the member knows that, even if I appreciate his comments to move this bill forward, I hope to have the opportunity to hear him and his colleagues from the Bloc at the Standing Committee on Foreign Affairs.

I would also like to emphasize to the member that there are other advantages to this satellite. We see the ice melting, particularly in the Arctic. That has environmental consequences. In addition, this measure will help us monitor ecological aspects. Of course, this will also touch on some commercialization aspects.

However, we must stop thinking that this bill will have an impact on privacy or that it will be used for harmful purposes. I would not want to leave the House under the impression that this bill has defence or anti-ballistic purposes; instead, it has more valuable purposes, humanitarian purposes, namely understanding the drought we have in some areas of our country, as well as ecological repercussions elsewhere.

I am therefore asking the member to take into consideration the fact that the bill that we are proposing sets the tone for a better technological reality. However, the technological aims and objectives will also improve knowledge of our country and of the world we live in.

Given our intention of supporting the Kyoto Protocol, it is very important to be up-to-date so that we can not only solve problems that might exist, but also know exactly where we stand now. This would help us ensure that we have a better overview of our country as is now, particularly in terms of peace

Mr. Claude Bachand: Madam Speaker, there are two points I want to make.

Government Orders

First, earlier, I heard the Parliamentary Secretary to the Minister of Defence say, during his speech, that this type of satellite could be very important for the surveillance of our remote regions.

The Parliamentary Secretary to the Minister of Foreign Affairs now argues that the satellites would be used for very peaceful purposes, such as monitoring the environment, climate change, and so on. However, it seems to me that I heard the Parliamentary Secretary to the Minister of National Defence just say that they would also be used to provide surveillance of remote areas and Canada's Arctic coasts.

Therefore, they would not be used solely for meteorological and agricultural purposes, but also for military purposes. We want to restrain their use for military purposes and find out just how far we will go in that area.

What will we do with these data afterwards? Will they be released to someone else? Will the Americans be able to get their hands on them? These are all questions we want to address in committee.

The second thing that I wanted to say as well to the Parliamentary Secretary to the Minister of Foreign Affairs concerns the entire question of jurisdiction. This lets me raise this question of jurisdiction.

The government says it wants to study natural resources management. I presume that it wants to examine the state of the forests, for example, to see whether there are pests that are destroying our forests and what we can do to stop this. I agree with that.

As for the management of agricultural products, I have seen remote sensing at the agricultural research centre in Saint-Jean. This was on pest species. Satellite images could perhaps provide a means to fight them, and it would have been impossible to know that without the images coming from a satellite. It is the same for environmental disasters. We are able to predict them, and once the disaster has happened, we can develop an action plan with these satellites.

I want to remind the parliamentary secretary that these are provincial jurisdictions. Consequently, I am not talking about an agreement. However, I agree that the federal government has jurisdiction in space. When matters under provincial jurisdiction are going to be examined from space, there needs to be some intergovernmental relationship there somewhere.

For example, if this satellite looks at Quebec forests to try to assess the damage caused by a pest, will Quebec be able to have this data? Since this is a provincial jurisdiction, it will often be Quebec that remedies the situation or provides the means to fight this pest.

The data should not remain with the Government of Canada, especially if provincial jurisdictions are affected from space. This issue should be discussed further.

• (1605)

Hon. Dan McTeague: Madam Speaker, I am certain that the purpose of this bill is to clarify the use of the best technologies solely in the interest of our country, whether at the provincial or municipal levels or for commercial reasons.

Obviously exchanges of information will be possible, but this bill proposes a regulatory system to ensure that the people who gain access have valid reasons for doing so. I do not want to forget the purpose of the bill. I understand the hon. member's concern, but we must also take into consideration that when a satellite takes a picture of our country or any other place there is no division or separation, especially in terms of the disastrous problems that he mentioned earlier.

Furthermore, if a ship from another country is in the Hans Island region, which is Canadian territory, we still do not have the resources for immediate surveillance. It is very important on a national and international level to ensure that we know who is there and why they are there.

I think it would be not only cost-effective, but worthwhile to use this knowledge not necessarily for military purposes but for defence reasons, in order to ensure that the entire territory of our country is protected.

Another consideration is to learn whether our troops—who might be in Haiti or Afghanistan—are safe or facing some threat. We want to know that the people with access to this information have the proper authority and that they are not using it for harmful purposes.

Mr. Claude Bachand: Madam Speaker, the parliamentary secretary to the Minister of Foreign Affairs confirms what the parliamentary secretary to the Minister of National Defence has said. The satellites are not only being used for ecological or climate surveillance purposes. They are also used for military purposes.

The Bloc Québécois has always been very prudent in matters of national defence. I remind the parliamentary secretary that the bill before us states, time and again, that the Minister of National Defence has a role to play, whether to control the satellites or to stop the signals where necessary.

We will want to encompass and especially limit the role of the Department of National Defence. We will have to hear from the experts in the field. It is important for us. It is unequivocally an area of federal jurisdiction. Of course, the federal government is under no obligation to consult with any province on military matters.

However, in our capacity as legislators in Ottawa coming from that part of the country known as Quebec, we are very glad that these benchmarks do not intrude too much on areas under Quebec jurisdiction. Whenever we talk about Quebec defence and jurisdictions, we do have the right to call in experts during committee study to ask them if they think that this is acceptable.

We have the same situation with the Privacy Commissioner. After the events of September 11, we are always concerned that the rights of citizens could be ignored in bills for the sake of collective interests or interests other than privacy. We have always been very prudent in that regard. We will continue to be prudent.

It will be an excellent thing to do when the bill is referred to committee.

Government Orders

• (1610)

[English]

Mr. David McGuinty (Ottawa South, Lib.): Madam Speaker, it is a pleasure to speak to Bill C-25, the remote sensing space systems bill. I will begin by picking up where the hon. member left off, and that is to remind the House that there are national security implications with respect to the use of satellites. I would like to speak a little more directly to the natural security implications and address some of the important economic and ecological implications around the regulation that is provided through the remote sensing bill.

In tabling the legislation, we are recognizing that Canada has become a force in the highly competitive global niche market of earth observation. It is a major component of Canada's high tech sector and there are, in my region alone in the national capital region, over 1,500 high tech companies, many of which have provided contributions to this very area of remote sensing.

The Government of Canada is committed to using state of the art earth observation satellites, sensors and technology to monitor and manage our crops, forests, oceans and other natural resources. Many of which, we do not even know exist because they have not necessarily been catalogued or form part of any inventory.

These satellites and technology are intended to, for example, monitor climate change as the impacts of climate change are felt on the fragile ecosystem in Canada's far north. These technologies are helping our scientists learn more about our planet. They are providing the government with important information, policy and decision making information.

Through the legislation, we are also acknowledging that space based remote sensing is a critical resource that is helping the Government of Canada ensure the safety and security of Canadians while asserting the sovereignty of our nation from coast to coast to coast. Government departments and agencies are using remote sensing to aggressively monitor and catch polluters, for example, in our coastal waters.

Orbiting some 800 kilometres above the earth, operating day and night, in all weather conditions, Canada's satellite, called RADARSAT, is peering through the darkness and the fog to identify offenders, and alert authorities in the Gulf of St. Lawrence, on the Great Lakes, and on both the east and west coasts of Canada.

Across the government, departments are working together with the Canadian space program, using space technologies and remote sensing to deliver better services to Canadians faster and more efficiently. A host of government and academic partners are studying wetlands, coastlines, the arctic ice sheet and Canada's forests.

Extreme dry conditions in British Columbia in the summer of 2003 led to the worst forest fire season on record. More than 2,400 fires consumed over 255,000 hectares of prime Canadian forest. The final cost was a staggering \$545 million just to fight the fires and the loss of more than \$5 billion worth of lumber to the Canadian forest industry.

Pilot programs are directing telecommunications and remote sensing resources to mobilize firefighters in real time, dispatching

critical resources to save lives, homes, forests and wildlife. In Canada alone, natural disasters in the last 10 years have led to the loss of many lives and caused over \$5.5 billion in damages. When the Red River flooded its banks in 1997 and 2000, it forced the evacuation of 28,000 Manitobans.

Images from space helped monitor the flood conditions. They helped plan and speed rescue operations, and determined damage to local infrastructure like the highways. The data produced by remote sensing satellites is also being used to improve the management of agricultural sustainability. This information could one day help our farmers increase their crop yields and implement better agricultural practices such as zero tillage.

Advanced remote sensing in the future could help a sector that annually generates exports worth \$24 billion, representing about 8.3% of our national GNP. Fisheries and Oceans and the Canadian Space Agency have launched a study that looks at sea surface, temperatures, currents and other characteristics of our oceans. Space based remote sensing satellites are providing key information to all levels of government, to the fishing sector and aboriginal groups to better manage our marine resources while protecting our ocean and coastal environments. It is not a small and unimportant feat as we strive to implement our oceans management strategy.

• (1615)

Other departments are working with the Canadian Space Agency to monitor ice flows, sea ice, glaciers, ice caps and frozen ground in Canada's north. The Canadian Ice Service is one of the largest single users of this data. RADARSAT images are helping the Canadian Coast Guard analyze ice flows, directing ships as they navigate through Canada's ice filled waters.

We know that earth observation images will provide important information on the sustainable development of our northern resources and the possible impact of such activities on our aboriginal peoples, their communities and their lands.

Observing our country from space also helps Canada's commitments to the Kyoto agreement by providing the government with critical information. No where is this more obvious than in the environment and sustainable development indicators initiative of the Government of Canada and launched by the Prime Minister when he was the minister of finance in the 2000 budget. He instructed the national round table on the environment and the economy to devise Canada's first suite of environmental and sustainable development indicators, so we could report more accurately to Canadians on the overall health and wealth of our country using measurements other than simply economic measurements.

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We know that the data provided by RADARSAT will be of great assistance as we seek, for example, to report on the extent of Canadian wetlands. It is said that Canada possesses 25% of the planet's wetlands. Wetlands are a perfect water and air filtration system. This kind of data will help us diagnose the extent to which we still possess those wetlands, and to what extent if any we are draining them. This is important as we seek to meet our Kyoto agreement targets.

Just last week my colleague, the Minister of the Environment, hosted 51 nations that came to Ottawa as part of an international undertaking called GEO, Group on Earth Observation. Canada and these nations are absolutely committed to pooling their space, scientific, and technological expertise and resources to develop a global system of systems that will literally take and monitor the pulse of our planet.

Canada continues to gain and has gained valuable experience using remote sensing satellites and technologies to provide help way beyond our borders. Canada works with other countries and the United Nations, for example, to provide images from space that could help speed rescue missions and aid mitigating natural disasters like oil spills, earthquakes and landslides around the world. In the last four years the world has called upon space satellites over 60 times to provide critical lifesaving information.

Canada's remote sensing is assisting developing nations by helping locate sources of drinking water in Africa, for example, and by identifying regions at risk from diseases, such as malaria in Kenya. That is not an insignificant matter as malaria sweeps through sub-Saharan Africa. It is also predicting rice crop yields in the Mekong River Delta in Southeast Asia.

Designed by the leading Canadian space companies and launched in 1995 with an estimated lifetime of 5 years, RADARSAT-1 has now entered its 10th year of operation. Through a public-private partnership, RADARSAT International and the Canadian Space Agency have built a solid global reputation for Canada in remote sensing.

RADARSAT International has certified a global network of 24 ground stations and built a market for precision RADARSAT data, serving more than 600 government and commercial clients in more than 60 countries.

●(1620)

Today Canada claims fully 15% of the global market for remote sensing products and services. Canada's next generation of remote sensing satellite, RADARSAT-2, is being readied for launch in late 2005. RADARSAT-2 is being assembled and tested not far from here, at Canada's space qualification facility, the David Florida Laboratory at Shirley's Bay. I take this opportunity to invite my esteemed colleagues from all sides of the House to visit the space agency's lab to see RADARSAT-2, a leading edge satellite that will address the needs of government and the growing global commercial market.

In short, space is a strategic asset for our country. Space and remote sensing are helping our government meet its priorities, especially in areas related to environmental protection, sustainable development, climate change, cities as they grow, and connecting

Canadians' security and sovereignty. Space can provide solutions to government policy and service delivery challenges by putting space capability in the hands of our policy advisors and service providers.

Canada's commitment to leveraging the power and potential of space is positioning Canada as a technology leader among nations. Satellite remote sensing is an important and mature industry that provides Canadians and the world with unmatched tools for monitoring the environment and managing natural resources.

This legislation provides a very clear regulatory framework in which private remote sensing activities can evolve, a framework which also recognizes the importance of meeting our security concerns and obligations. This remote sensing legislation will also help ensure Canadian companies remain global leaders in remote sensing technology and services, and help them to continue to deliver social and economic benefits to Canada and Canadians.

The Acting Speaker (Hon. Jean Augustine): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Hon. Jean Augustine): The question is on the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

The Acting Speaker (Hon. Jean Augustine): I declare the motion carried. Accordingly, the bill stands referred to the Standing Committee on Foreign Affairs and International Trade.

(Motion agreed to, bill read the second time and referred to a committee)

* * *

●(1625)

**CANADIAN FOOD INSPECTION AGENCY
ENFORCEMENT ACT**

(Bill C-27. On the Order: Government Orders)

November 26, 2004—the Minister of Agriculture and Agri-Food—Second reading and reference to the Standing Committee on Agriculture and Agri-Food of Bill C-27, an act to regulate and prohibit certain activities related to food and other products to which the acts under the administration of the Canadian Food Inspection Agency apply and to provide for the administration and enforcement of those acts and to amend other acts in consequence.

Hon. Lucienne Robillard (for the Minister of Agriculture and Agri-Food): Mr. Speaker, I move:

That Bill C-27, an act to regulate and prohibit certain activities related to food and other products to which the acts under the administration of the Canadian Food Inspection Agency apply and to provide for the administration and enforcement of those acts and to amend other acts in consequence, be referred forthwith to the Standing Committee on Agriculture and Agri-Food.

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Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Madam Speaker, I am pleased to begin debate today on Bill C-27, the proposed Canada Food Inspection Agency enforcement act. The objective of the bill is to enhance the protection of Canada's food supply and animal and plant resources by modernizing, consolidating and enhancing the Canadian Food Inspection Agency's inspection and enforcement authorities.

The House would find it useful to consider this bill as a second step in a three part process. The first step was the creation of the Canada Food Inspection Agency in 1997. It brought together under one agency the responsibilities to administer and enforce 13 federal acts and their respective regulations. Of these 13, 10 have provisions for inspection and enforcement.

The second step today is included in this bill, which is the modernization and consolidation of our enforcement and inspection legislation.

In the future we will begin work on the third step which will involve the modernization, consolidation and enhancement of a regulatory base as part of an overall government move toward smart regulation.

In the meantime, we must take this step to address inconsistencies and gaps between the powers and authorities that were brought together when the CFIA undertook responsibility for the various patchwork of legislation within its mandate. At present, in certain cases, we have an antiquated and inconsistent approach to inspection and enforcement activities. This bill would change that. It would modernize, consolidate and enhance our inspection and enforcement powers to meet present and future needs.

I would like to assure the House that the bill would not alter the basic structure of the regime we have put in place. It would not change, expand or diminish the minister's authority or that of the Minister of Health. The Minister of Health remains responsible for setting policies and standards for food safety and nutritional quality. Through the CFIA, the Minister of Agriculture and Agri-Food Canada will continue to be responsible for enforcing these standards, as well as setting and enforcing other standards, such as those for animal and plant health.

What the bill would do is it would enhance, modernize and consolidate current inspection and enforcement authorities.

Members who were present in 1999 will recall Bill C-80, the Canada Food Safety and Inspection Act, which died on the order paper when Parliament was prorogued that October. It too sought to consolidate the federal inspection and enforcement authorities. Members may recall that we consulted widely with stakeholders in preparation for Bill C-80. Those who were consulted included consumers, producers, industry, the provinces and the territories. Although this initiative is not Bill C-80, it does include similar enforcement and inspection authorities to those contained in the previous Bill C-80, which were generally supported by stakeholders.

For example, Canadian industry associations have been requesting several of the proposed authorities, such as a provision prohibiting a person from tampering with, threatening to tamper with or falsely claiming to tamper with products. This bill would allow the CFIA to

address, for instance, the issue of injection of cyanide into turkeys. Industry has also been asking for a "hold and test" provision similar to that contained in United States legislation. Both industry and producers have been asking that domestic and imported products be subjected to the same regulatory requirements thereby creating a level playing field. This legislation would do that.

In the past, the CFIA has faced some criticism from members of Parliament, standing committees and stakeholders for its outdated and inconsistent inspection and enforcement authorities. This legislative proposal addresses those issues.

The bill addresses several inconsistencies in the current patchwork of legislation which the CFIA relies on to deliver its mandate. It would provide new and enhanced enforcement and inspection powers and authorities, thereby streamlining existing powers and authorities.

The bill would give all inspectors the same powers. Currently, because they are governed by different acts, inspectors responsible for fertilizers have different authorities from those who inspect meat. These are different, again, from those who inspect fish, or feed or seed.

• (1630)

We want to strengthen the authority to administer food, agricultural and aquatic commodities, agricultural inputs, animal and plant legislation by giving all inspectors the same arsenal of inspection and enforcement powers that they need to do their job, ensuring, therefore, the integrity of our food supply and animal and plant resource base upon which safe food depends. We want every inspector to have recourse to the entire group of powers available.

The bill would reduce overlap and duplication of inspection enforcement authorities. For example, some inspectors now have the authority to examine records but not copy them, while others do not have the authority to examine or copy records. The proposed authorities would allow inspectors to be guided by a single piece of enforcement and inspection legislation, resulting in consistent inspection and enforcement activities throughout the system.

With the bill, all inspectors would have the same authority to stop the operation of equipment used to prepare a product or a production line in order to carry out an inspection. All inspectors would have the same authority for seizure, detention and forfeiture, and the authority to conduct searches and administer oaths.

The bill would also bring inspectors' powers in line with modern information technology. Innovations, such as telewarrants and the use of electronic information, would allow inspectors to more effectively and efficiently do their job.

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The bill includes enhanced enforcement and inspection authorities needed to protect Canada's food supply and animal and plant resource base from such dangers as toxic substances, animal pathogens and viruses such as anthrax or ebola. The bill would enhance this ability by licensing persons to contain, use and dispose of animal pathogens, animal disease agents, toxic substances, veterinary biologics and plant pests.

The bill helps to create similar authorities and powers to that of our largest trading partner, the United States. The Canadian and U.S. economies are highly integrated. There are many similarities between our regulatory objectives and systems but we need to modernize our system. The bill contains a number of powers and authorities similar to those contained in the recent United States legislation.

Finally, the bill consolidates and modernizes a number of inspection and enforcement related regulation making authorities that currently exist in the CFIA's legislation. It also adds new regulation making authorities to support provisions contained in the bill. Among these are the requirements to keep records, the establishment of quality management systems and a formal mechanism to address complaints respecting public health and safety issues.

These detailed regulations would be phased in and subject to standard regulatory process, specifically open and transparent consultations with stakeholders.

I am sure my colleagues on both sides of the House would welcome this new legislation. It would enable the CFIA to keep pace with and respond to new and emerging issues, and allow the CFIA to better deliver on its mandate of food safety, animal health and plant protection.

Canada's food inspection system is important to both producers and consumers. For as much as globalization and knowledge-based production have changed the food industry over the years, two things have not changed: Canada's reputation as a source of high quality foods and the right of Canadians to food that is safe, healthy and nutritious.

Canada has one of the best food inspection systems in the world and the proposed Canadian Food Inspection Agency enforcement act is designed to make a good system even better. I hope members will see that as correct and support the bill in its entirety.

• (1635)

Ms. Diane Finley (Haldimand—Norfolk, CPC): Madam Speaker, I rise in the House today on Bill C-27, an act to provide the Canadian Food Inspection Agency with enforcement and inspection authorities.

When the CFIA was created in 1997, the objective was to facilitate a more uniform and consistent approach to food inspection in Canada. Instead, the legislative framework governing the CFIA resulted in a hodgepodge of legislative authority that was anything but uniform and consistent.

Employees of the CFIA have been administering and enforcing 13 different statutes without a uniform set of powers, rights or obligations, which this proposed act would finally give them.

Seven years after the creation of the CFIA, our veterinarians, inspectors, systems specialists, support employees, financial officers, researchers and laboratory technicians may finally receive the tools they need to do their jobs effectively. It is high time.

In the agriculture minister's news release on Bill C-27, the minister praised the Canadian Food Inspection Agency by stating, "Canadians have one of the best food inspection systems in the world".

I must say that, as the official opposition critic for agriculture and agri-food, I echo the minister's comments in this regard. The fact that Canada's food supply is safe makes the closing of the U.S. and Japanese borders to the trade of Canadian livestock all the more frustrating since we all know that the U.S. and Japanese border closures had more to do with opportunism than fact and sound science.

That being said, we in the official opposition are heartened by the U.S. president's recent commitment to do all that he can to expedite the rule making process in order to resume trade of Canadian livestock. We are committed to working with the Canadian government and our U.S. counterparts to help ensure that this border is reopened just as soon as possible.

The minister claims that Bill C-27 would address a number of inconsistencies in existing enforcement and inspection legislation. He also claims that Bill C-27 is intended to provide the CFIA with new enforcement and inspection tools, similar to border enforcement provisions introduced by our major trading partner, the United States.

While the goals of the legislation are laudable, we in the official opposition have several concerns with the current legislation.

First, the Conservative Party of Canada generally supports a less intrusive approach to regulatory policy in Canada. For far too long, agriculture and agri-food producers in this country have had to deal with an ever increasing number of regulations imposed by various levels of government, creating unnecessary stress and burdens on Canadian producers.

Granting the CFIA authority to make regulations dealing with mandatory record keeping, food quality and safety programs could result in regulations being created without adequate consideration for the implications felt from these by the agriculture and agri-food industries.

In this respect, we are concerned that the key agriculture and agri-food stakeholders impacted by this legislation have not been adequately consulted in preparation of this bill.

While the minister claims that consultations have taken place in the development of Bill C-27, we do remain skeptical as to the degree of this consultation.

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During a briefing my office received from the CFIA officials, I took the opportunity to ask them precisely which stakeholders had been consulted in this process. The best they could do was assure me that consultations did in fact take place. However they failed to specify with whom they had consulted.

Just yesterday my office was informed that neither the Canadian Federation of Agriculture nor its key stakeholder members had been consulted in any way in the development of this proposed legislation.

To come up with legislation that can have such a large impact on agriculture and agri-food producers without consulting them in the process is indicative of this government's approach to agriculture policy. That is a top down approach with a certain disregard, if not outright contempt, for Canadian agricultural producers.

We trust that the government will ensure that agricultural and agri-food processes are truly consulted in a responsible, open and transparent manner.

We in the Conservative Party will be pushing for these consultations to take place when this bill is referred to the agriculture committee and we will do all that we can to ensure that the concerns of agricultural producers are heard and acted on accordingly.

Although the legislation is a step in the right direction, it is unfortunate that the government took so very long to provide food inspection and enforcement officers with the necessary tools to do the job to the best of their ability.

I find it hard to believe that since the Canadian Food Inspection Agency's inception in 1997 the Liberal government waited seven whole years to make the CFIA fully operational. This delay and inaction from the Liberal government has presented the CFIA from doing the job it needs to do when responding to emergency situations affecting Canada's food supply.

● (1640)

The CFIA's inability to deal effectively in a crisis recently came to light in a troubling internal review of the CFIA's handling of the BSE crisis. This internal review, made public by the *Vancouver Sun* through access to information, underscores some very worrisome findings.

It stated that the Liberal government's response to the mad cow crisis was plagued by poor planning, staffing problems and repeated failures to share information. Furthermore, it highlighted several gaping holes in the CFIA's ability to deal with future emergencies, such as a possible outbreak of foot-and-mouth disease or a repeat of avian flu.

The review, completed for the Canadian Food Inspection Agency on December 10, 2003, by an outside consultant, warned that if the CFIA did not take steps to fix some of the problems identified, they "could undermine CFIA's ability to respond to more complex or time-critical emergencies", raising questions about the agency's handling of last spring's avian flu outbreak in the Fraser Valley.

It came to our attention that this review, entitled "CFIA BSE Emergency Response Assessment Report", was actually written several months after the cow infected with BSE was discovered in

Alberta, but before an Alberta-born cow with BSE was discovered in Washington state in late December.

In fairness, the assessment concluded that in general the CFIA's response to the BSE crisis was a success, but there were many areas of concern, including the following.

While the CFIA had declared an agency-wide emergency to respond to the BSE crisis, it did a poor job of communicating that, even to its own staff. As a result, several months after the crisis, many of the staff believed that an emergency had not even been declared.

Another concern included the finding that the CFIA's chief veterinary officer was designated as the agency spokesman on BSE, despite a standing policy not to assign spokesperson's duties to someone with critical responsibilities. "As a result," the report says, "some key activities were not taken or were not completed on time".

In addition, another finding showed that the start-up of an emergency operation centre in Ottawa to handle the BSE crisis was delayed, leading to confusion in procedures for obtaining decisions and in communicating decisions to those who needed them.

There was no plan in place to provide backup staffing. "Primary response participants were exhausted by the end of the response period and a longer response could not have been sustained with the same staff," the report states.

In general, the report concluded, problems with communications and information sharing meant that "time that should have been spent focusing on the emergency response was spent on developing communications procedures and tools instead".

The report makes 23 recommendations, including upgrading emergency operations facilities and rotating emergency response staff.

In light of the CFIA's refusal to say how many of the recommendations of the review were acted upon, I have called upon the Minister of Agriculture to publicly state what steps he has taken to address the numerous concerns outlined in this review. To this day I have had absolutely no response from the minister's office.

The safety of Canada's food supply demands the minister's prompt and decisive action in this regard, so I ask the minister again to stop hiding behind this internal review and publicly state what steps he has taken to address the many concerns outlined in this critical report.

● (1645)

With regard to Bill C-27, the CFIA has stated that this bill will enhance consumer protection by addressing new and emerging threats to the safety and security of human, animal and plant health.

It is important to note that this bill fails to ensure necessary protection for our Canadian livestock producers facing potential new and emerging threats. While we can all agree that consumer protection is essential, we must not forget the threats that face the farm.

This Liberal government currently has no concrete action plan—

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The Acting Speaker (Hon. Jean Augustine): Excuse me. Your time has expired. I was letting you finish your sentence. Would you like to finish?

Ms. Diane Finley: Madam Speaker, I apologize. I thought I had another 10 minutes.

I would just add that our primary concern with Bill C-27 is that it does not incorporate any aspect of accountability for fair and effective enforcement on the part of the CFIA, an organization that has acknowledged it is known for its lack of accountability.

[*Translation*]

Ms. Denise Poirier-Rivard (Châteauguay—Saint-Constant, BQ): Madam Speaker, I rise to speak on Bill C-27 as a goat farmer and producer of raw milk goat cheese.

As you know, Quebec has its own food inspection agency, the Centre québécois d'inspection des aliments et de santé animale, which for a number of years has been imposing much more stringent standards than those found elsewhere in Canada. I want to mention this centre particularly to illustrate the rigorous quality of sanitary inspections in Quebec and the lessons that Canada could learn.

In my work with goats, the herd management process is very stringent, well supervised and very well regulated. In my case, I have a herd of purebred goats for which I have health insurance certificates. My goats have been treated against worms and eat no animal meal. There has never been a case of tuberculosis or brucellosis. They are examined by a veterinarian twice a year.

Monitoring of the dairy operation is essential and is carried out by agents of Macdonald College, McGill University, within the Quebec Dairy Herd Analysis Service, or PATLQ. Inspections of this quality make it possible for us to produce excellent goat cheese, which I hope to offer to you some day. Milk is a living raw material. We must take all the precautions necessary to ensure its quality. Quality is essential to making a highly appreciated local product, raw milk cheese.

Just to provide some history, on March 30, 1996, Health Canada, in theory to improve the level of public health protection, proposed amendments to the Food and Drug Regulations. The proposed amendments dealt with unpasteurized cheeses made from raw milk. It would require all cheese being sold to be pasteurized. That would mean the disappearance of fine cheeses from the grocery shelves.

According to Health Canada, this measure was going to improve the protection of public health. There was nothing to justify such a measure, since the last case of food poisoning related to unpasteurized cheese in Canada goes back 61 years.

I would like to point out that there are—and always have been—many plans for new cheese factories using raw milk. If they go ahead, they will involve merchants, restaurants, distributors and possibly exporters.

Had it not been for the Bloc's intervention both inside and outside the House of Commons, defending our methods and our producers, the measures contemplated by Health Canada would have no doubt put an end to this burgeoning market sector. In part to develop these new markets, Quebec adopted inspection measures a long time ago, measures that Ottawa is in the process of copying.

The bill we are debating today aims primarily to streamline and update federal legislation and clarify the mandate of inspectors. The Bloc Québécois supports this principle, especially since the bill allows the government to get its own house in order. The bill also aims to facilitate trade between Canada and its major trading partners. Specifically, it aims to bring certain practices in line with those recently adopted in the United States.

I would now like to talk about respecting areas of jurisdiction. The governments of Quebec and the provinces have been working with the federal government for some time now to try to harmonize health practices. In 1998, the Parti Québécois government signed the framework agreement governing the division of responsibilities with the federal government.

That said, food security is still a complex practice, involving multiple laws, regulations, government agencies and non-government organizations. This is a prime example of how much easier things would be if there were one level of government in Quebec.

The Bloc Québécois will ensure that the bill does not weaken the scope of the 1998 framework agreement. The Bloc Québécois will also ensure that the federal government does not try to interfere in Quebec's areas of jurisdiction, especially in establishing policies and standards. Even with the framework, the Bloc Québécois will continue to be vigilant so that Ottawa does not force Quebec and the other provinces to take over federal inspections as a way of saving money or try to play a greater role in establishing policies and standards.

• (1650)

The Canadian Food Inspection Agency has contradictory duties. The preamble to the Canadian Food Inspection Agency Act sets out the agency's fundamental problem. It has three contradictory duties: access to markets, food safety and consumer protection.

Genetically modified foods are a perfect illustration of the perpetual conflicts of interest faced by the CFIA at a time when consumers and producers are becoming increasingly concerned with the effects of genetically modified foods on their lives. The CFIA is refusing to apply the principle of precaution.

I want to also point out certain flaws in the CFIA appointment process. Section 5 of the Canadian Food Inspection Agency Act states that the president and executive vice-president shall be appointed by order of the governor-in-council. The Bloc Québécois condemned this situation when the CFIA was established. Since the government has committed to consulting the partners on important appointments, it should set out in the legislation the requirement to consult Parliament when appointing a president or executive vice-president.

For example, we can consider the appointment of the current CFIA president. He was appointed by the former Prime Minister in September 2000. He is a career civil servant who worked mainly for the Office of the Auditor General of Canada. He was deputy clerk of the Privy Council, where he was counsel and coordinator, security and intelligence.

We believe that the individuals appointed to this position must have prior experience so they can fully develop their expertise, as well as have an intimate knowledge of this area.

There is one other point we consider important. We must adopt a regional approach to health practices. When a single case of BSE was detected in Canada, all the provinces were affected by the embargo imposed by our foreign partners. The American embargo applies to all ruminants. I am a goat breeder and, along with the sheep farmers, we have been hard hit by this situation, because that country is our main customer. Quebec producers are paying for a single case of mad cow in Alberta, 5,000 kilometres away.

It is not normal for Canada to be considered as one single health region. The UPA president, Laurent Pellerin, came to the same conclusion at a press conference on May 21, 2003, when he said, and I quote:

If we were separate provinces each with its own distinct inspection system and if we had a more regional approach to product marketing systems, only one province would have to deal with this problem.

The president of Maple Leaf Foods, Michael McCain, recently spoke out in favour of dividing Canada into regional zones from the point of view of animal health. We believe that Ottawa should quickly enter into discussions with Quebec to decentralize certain elements of the food inspection system.

Had such a regional approach to health practices been taken in the past, Quebec's producers would have been spared the crisis. The predecessor of the current Minister of Agriculture and Agri-Food took a regional approach in response to the crisis caused by Newcastle disease in poultry.

It would appear that the territorial approach is good for everyone but Quebec. During oral question period, on September 22, 2003, in response to a question by the hon. member for Drummond, the former agriculture minister said, "When a reportable disease takes place in a country, unfortunately the whole country is recognized as having that. We are a country, and this country is Canada".

Yet Canada itself applied this territorial approach less than a year ago.

As was said earlier, Newcastle disease is a contagious and fatal viral disease affecting all species of poultry. It can kill entire unvaccinated flocks. When various American states were affected, what did CFIA do? In April 2003, it imposed restrictions on poultry import and entry into Canada, but only for the four states affected: California, Nevada, Arizona and Texas.

If Canada was able to recognize that only certain American states were at risk, it could have done the same during the mad cow crisis and spare Quebec the horrible crisis we are facing.

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ROUTINE PROCEEDINGS

• (1655)

[English]

COMMITTEES OF THE HOUSE

CITIZENSHIP AND IMMIGRATION

Hon. Karen Redman (Kitchener Centre, Lib.): Madam Speaker, there have been discussions among the parties and I believe you would find unanimous consent for the following motion. I move:

That, in relation to its studies on the new citizenship legislation, recognition of foreign credentials and family reunification, seven members of the Standing Committee on Citizenship & Immigration be authorized to travel to St. John's, Newfoundland, Halifax, Nova Scotia, Fredericton, New Brunswick, Charlottetown, Prince Edward Island in February and March 2005, and that the necessary staff do accompany the committee.

The Acting Speaker (Hon. Jean Augustine): Does the hon. government whip have the consent of the House to propose the motion?

Some hon. members: Agreed.

The Acting Speaker (Hon. Jean Augustine): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to)

Hon. Karen Redman: Madam Speaker, I rise on a point of order. In the spirit of cooperation, notwithstanding the extension to government orders because of the recorded divisions just taken, I believe you would find consent to have government orders end at 5:30 p.m. in order to proceed to private members' hour.

• (1700)

The Acting Speaker (Hon. Jean Augustine): Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

CANADIAN FOOD INSPECTION AGENCY ENFORCEMENT ACT

The House resumed consideration of the motion that Bill C-27, an act to regulate and prohibit certain activities related to food and other products to which the acts under the administration of the Canadian Food Inspection Agency apply and to provide for the administration and enforcement of those acts and to amend other acts in consequence, be read the second time and referred to a committee.

Mr. Charlie Angus (Timmins—James Bay, NDP): Madam Speaker, it is always a great honour to rise in the House and speak about business that affects the people of Canada, particularly people of rural Canada who produce our food.

Government Orders

I am honoured to speak to Bill C-27 in our first round of discussion. As someone representing agricultural interests, whenever a bill comes forward on agriculture, the first thing I ask is what kind of consultation and input has come from agricultural producers. In fact, that was one of the very first questions I asked at the briefing. At that time, I received a rather vague answer, but I was assured there had been consultations.

I phoned a number of the agricultural organizations that I trust and with which I have worked. None of them were aware really of any of the details about Bill C-27 until it was announced. That disturbed me. I believe the support of our agricultural community is vital for a bill like this to pass.

One thing we can all agree on is that food safety and customer confidence will be the number one agricultural issue in the 21st century. We see how changing consumer tastes on a number of matters can affect our ability to produce and how it can affect our markets. When we talk about food safety, we have to look at the complexity of the issue, and it is a good to talk about the role of the CFIA. The other element that is crucial is consumer confidence.

I have a number of concerns about the bill which could potentially undermine consumer confidence, and that would reflect badly on our role as legislatures.

There are some serious questions we have to ask about our willingness to create a bill such as this. To me, it appears to be a very large omnibus bill. There are a lot of devils in the details, as we always say, and issues that will be dealt with by orders in council. I am very concerned about the kind of sweeping powers we might see. We use the term smart regulations. That is a bit of a buzz phrase. Maybe I am a child of Orwell, but whenever I hear a term like smart regulations, it sounds to me like an oxymoron or perhaps something of which I should be very wary. I tend to take a second glance at these. I am worried that in some cases smart regulation is moving us toward dumbing down our regulations to appease our American neighbours.

Hon. Peter Adams: I think it would be piggymoron if it was Orwell.

Mr. Charlie Angus: If it were Orwell, yes, it would be a piggymoron. I thank the hon. member for interrupting me and taking away some of my valuable time, but the English lesson is well enjoyed.

A poll done recently said that even after the BSE crisis in Canada, some 90% of Canadians still had confidence in our beef supply as opposed to something like 60% to 68% of Americans about their own domestic food supply.

When we talk about bringing into line our regulations with American regulations, there are serious questions we have to ask. We know that across the United States there has been intense pressure from large agricultural business on regulatory policies. There have been a number of times that consumers have fought these issues. In Canada there have been times when we have had to stand up. When we talk about merging our regulatory practices with the United States, we have to once again ask, are we dumbing down our regulations to go for cross border sales? In the long term that will

affect consumer confidence and if it affects that confidence, it could affect our domestic markets. I am very concerned about that.

I am particularly concerned that we are looking toward expanding our trade with the U.S., which of course in a North American context is important. However, that kind of trade tends to favour the very large producers. In Canada we have a serious problem in that our smaller producers cannot trade food products interprovincially, thanks to CFIA rules. I and the member for Abitibi—Témiscamingue raised in the House the other day the fact that cattle was brought across the Quebec border into northern Ontario, North Bay, to be slaughtered. The CFIA intervened and shut that down, even though we all agreed that there was a huge crisis in cattle. We agreed that the CFIA must work with the provincial organizations, but we had support of the meat inspectors out of the Rouyn area. There was no problem until the CFIA stepped in and said that cattle could not be killed and then send it back.

An hon. member: Unless it's in a federal slaughterhouse.

Mr. Charlie Angus: This was a provincial slaughterhouse, but we are in a major crisis. The fact is we have a regional food economy. Small producers are unable to sell products to other provinces, say Manitoba sausage to Ontario or Quebec cheese to another province. There is continual interference in this area. We are talking about making smart regulations to move massive amounts across the U.S. border. However, within Canada, the CFIA has acted as a stop for a number of areas where we could open up our domestic agricultural trade and people could benefit.

● (1705)

The CFIA backgrounder talks about improved border enforcement tools, the creation of the Canada Border Services Agency and some of the CFIA regulatory powers will be transferred to that.

In light of some of the concerns that we are hearing over the U.S. homeland security act and the continual interference on Canadian sovereignty, we have to raise serious questions about handing over these powers to the United States and the potential of limiting our own CFIA inspectors here.

There are some other serious concerns in terms of our foreign inspection arrangements, that we recognize certificates of inspection issued by inspection providers recognized by the agency. Perhaps I am not reading this properly, and I would not doubt that, but are we talking about the ability of the CFIA to download responsibility to other contractors or to accept U.S. recommendations simply carte blanche? If that is the case, we will have serious questions.

Government Orders

In talking about foreign inspection arrangements on imports, the bill states, "In exercising its responsibility the agency may enter into arrangements with a foreign government, a foreign government agency or a foreign government organization respecting the importation of regulated products into Canada if the agency is satisfied that the legal requirements", blah, blah, blah.

What we are talking about is streamlining our regulatory processes with the United States. Again, we have set certain standards that Canadians trust. In terms of trying to integrate a North American market, we always know that our standards will be lowered to meet their standards.

In terms of the BSE crisis, I am very concerned about this, because Canadians have pushed for, and we are continuing to push for, very strong cattle policies. We have not seen similar support from the United States on that.

We talk about the issue that food safety should not be negotiable. Yet clause 11, which deals with foreign inspections, says that we will rely on the results of inspections conducted by other agencies, other departments. I think the United States would agree with this, but again, how does the Canadian consumer react to this?

There is one other area I will touch on tonight, because this will be going back to committee and we will be looking at a lot of the aspects. We were given a slide show presentation on paper. We do not get real slide shows any more; we just get the paper. The government members talked about bringing in a complaints mechanism relating to public health and safety. Of course, that sounds like a motherhood issue and we should all support that.

The question I asked at the time, and I have not heard an answer, was what about whistleblower legislation? It should be enshrined for people who bring forth concerns, civil servants such as the Health Canada officials who raised serious concerns about regulatory processes in Canada and it resulted in their being fired. That is shameful. That sets the lowest standard possible. If we are talking about any kind of complaints mechanism, we should be talking about protecting our own civil servants and scientists from Health Canada or from CFIA who come forward with legitimate concerns which may impact upon the health of Canadians.

Before the bill goes any further, I would like to see that kind of language put in very clearly.

• (1710)

[*Translation*]

Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.): Madam Speaker, I am pleased to take a few moments to briefly talk about Bill C-27, the Canadian Food Inspection Agency Enforcement Act.

I listened to what some of our colleagues said earlier in this House. For instance, a Bloc member praised the senior official managing the agency, who happens to be my former deputy minister. He is, in fact, a career public servant, who has worked at the Privy Council and previously at the Treasury Board. He is very familiar with sound management practices. The member was right to praise him. He is highly qualified and very capable of managing the agency, which he is already doing very well.

However, I heard other things, which I do not agree with. The Bloc member compared the Newcastle disease to the mad cow disease. She said that, when the Newcastle disease struck the United States, Canada decided to segregate and import only from some states and not from the states fighting the disease, and so on.

That might be so, but let us not forget that the decision was made by the importing country, namely Canada. But that is not how things are working out this time around. Canada did not decide to stop exporting beef to the United States because of the discovery of a single case of mad cow disease almost two years ago. Every country in the world stopped importing Canadian beef. It is not the same thing. I am sorry, but we cannot say that a measure should apply to one, two or three regions of Canada. That is not how things are done.

Foreign countries decided to stop importing products from all over Canada. That is my first point.

Second, naturally, I am told that the incubation period for a disease such as Newcastle disease is very short. We can say there are some cases in this province, in that country, meaning the United States, and that there are none in others. It is not the same for mad cow because the incubation period is much longer. Furthermore, there has been no proof, to date, that any other importing country said yes, there is a case in Alberta but it does not apply to Saskatchewan, Quebec, Ontario or elsewhere. No other country has shown an interest in saying that the animals could come from one province instead of another.

That is why I think that the hon. member's comments do not apply whatsoever to mad cow. If it is applicable, I would really like to have an example proving that the animals could come from one province and that the United States has shown interest in opening the border.

But it has been proven, and it is very clear, that there is no such interest. It has been proven to all the international organizations, including the World Health Organization and others, that there is no proof of contagion, that it concerned a single animal, that there were no other cases and all the rest. Even so, the United States has not reopened the border.

Knowing there is none anywhere in Canada, they still have not opened up the border. Even if they had been told there was none in the other nine provinces, they would not have opened it any more promptly. There was none anywhere. That is why I feel that what has been said here a little earlier was not valid.

I have been listening to my colleague from Timmins—James Bay speaking about certain measures relating to provincial abattoirs. I do not share his opinion. I think that the Canadian Food Inspection Agency has always had very high standards and that the standard in a given province must not be reduced at any point. If the provincial agencies want to raise their standards to the Canadian Food Inspection Agency's level, that is fine with me.

Government Orders

The hon. member said that standards must not be lowered, safety compromised and so forth. We cannot have it both ways. He cannot claim, as far as the abattoir in his riding is concerned, that the Government of Canada ought to have lowered its requirements to the provincial level—and these are not either interprovincial or international standards—and also say that the standards ought not to be lowered.

I think that instead an effort ought to be made to have all provinces raise their standards where applicable. I am not accusing any province specifically, not saying that one has standards absolutely identical to the federal ones while others' standards are higher or lower. An effort needs to be made by all provinces to have a standard that is as high as the federal one.

•(1715)

Perhaps we need to have a dual rating system. So if a company did business within a province, the stock could be slaughtered in a provincial abattoir, but if there was going to be interprovincial or international export, a federal abattoir would have to be used. That way the higher standard would be used.

I do not believe that it would be appropriate to bring provincial standards down in order to bring them in line with the standards in some other province. The reverse should be done, in fact, in order to maintain our excellent world reputation.

Even in the case of mad cow, we know that was an isolated case that did not spread, as I have already said. So even there we have every reason to be confident.

[English]

One thing that is interesting to note is that in the case of the mad cow disease, contrary to what occurred in Europe, particularly in Britain, there was no reduction in consumer confidence in our country. I am very proud of that. I am very proud of the Canadian Food Inspection Agency for its part in that. After the mad cow incident in Canada, beef consumption actually went up in our country. A sympathy on the part of the Canadian consumer manifested itself. That is the exact opposite of what occurred in Europe.

Mr. James Bezan: It had to do with the price.

Hon. Don Boudria: Some members are saying that it had to do with the price. Where was the evidence of lower price at the retail level? As a matter of fact that has been a complaint. There was no evidence of that. Still there was an increased demand on the part of consumers. I am very proud of that and very proud of what the Canadian Food Inspection Agency did in that regard. I see this is agitating a few people as I mention this in the House.

One final point is the issue of whistleblowers. I am in favour of what the hon. member said about whistleblower protection, but I do not think we should put that in individual pieces of legislation. We should have an overarching whistleblowing law that applies to all federal government departments and agencies and not insert an amendment in every single bill.

The problem is we would have whistleblower legislation for one department and not for another. It would be a checkboard across the government. I just think that is bad policy making. Instead, I

would favour an overall one. I know the government has presented something in that regard. It is being worked on, possibly improved if that is what needs to be done. I am not in favour of the checkerboard approach, even though the idea of the hon. member is one which I do support, but I support that it should be across government departments.

Those are the brief comments I wanted to make in favour of the bill that is before us. I wish the agency continued success in defending the protection of the health of Canadians and our excellent reputation for the food that we grow and sell in this country.

•(1720)

Mr. Leon Benoit (Vegreville—Wainwright, CPC): Madam Speaker, I am pleased to make what will probably be the final presentation on this bill for tonight. I really want to speak to this bill because I have some very serious concerns about it.

This bill would broaden and enhance the powers of the CFIA, especially the top brass in the CFIA. Most of the people on the ground are excellent people, very capable and really do a great service for Canadians in providing food safety. Unfortunately, the top bureaucrats simply are not like that. They interfere way too often and they have proven that they can hurt business and food safety. They can really be a negative body when it comes to providing agriculture production. For that reason, I will not support this bill.

Part of the intent of the bill is certainly something that I desire and that my party desires. We would like to consolidate and modernize the Canadian Food Inspection Agency and the responsibilities that it has. However, until such time that we see clearly that the top bureaucrats are reigned in and made to work for Canadians rather than to protect their own interests and to protect some possible difficulty they would have in facing the consequences of decisions they make, I will not support any legislation which will give them more power.

In fact, when the Canadian Food Inspection Agency was presented as a concept by the government back in 1995, I opposed it and my party opposed it. We opposed it for the very reason that establishing an agency presented us with some concern that there would not be proper ministerial control of that body, and that bureaucrats could get out of control. Eight years of operating under the CFIA has demonstrated that it was a very legitimate concern. It has happened and has led to some very disastrous consequences for Canadian farmers in particular.

There are four different issues that I want to tie in with this presentation, by pointing out that the top brass of the Canadian Food Inspection Agency are simply providing unreasonable barriers to Canadian farmers.

The first is the packer issue. If we look at the Canadian Food Inspection Agency's people on the ground, most of them have behaved admirably through this period where we desperately need new packers to start up. However, again and again, the top brass in Ottawa, people who really do not know what is going on in western Canada or across Ontario or Quebec, have interfered with good decisions made by people on the ground.

Government Orders

This is truly a bureaucracy out of control. As a result, we had to fight with the top brass of the CFIA kicking, scratching and shouting to even get the Blue Mountain Packers operating. All the CFIA people on the ground indicated this should go quickly. It took months for it to finally happen.

We desperately need at least two more packers, but two more that are well on their way to being built, so that we can have the packing capacity we need to deal with this BSE crisis. We need to process our beef right here in this country instead of exporting live animals to the United States. The CFIA has provided roadblocks for these packers that are completely unacceptable. It will continue to do so until the bureaucrats here in Ottawa are reigned in. Until we see a different attitude on the part of the top brass in the CFIA, I cannot support any broadening or enhancement of their powers.

The second issue comes from two different small business people in my constituency who want to import beef products from the United States. They have been doing this for several years. They have come a long way toward building up very successful import businesses. These are products they could not get in Canada, although I hope that will change over the next few months. There is no reason at all that we could not be producing these products in Canada, but that is another story.

Both of these people have had their businesses destroyed due to unreasonable intrusion by the Canadian Food Inspection Agency. In spite of my efforts and efforts of others to get the CFIA to look at this in a reasonable fashion and to back off from unreasonable interference. It has interfered to the point that these people have, in effect, gone out of business. They cannot continue to make a profit operating like this.

The third area where the CFIA is intervening and interfering, in a way that is negatively impacting farmers and business in this country, is in the area of interprovincial trade and agriculture products in particular. It is a matter of empire building and protecting an empire which has led to this problem.

We all know that provincial meat inspectors are as good as any federal inspectors anywhere in the country. Alberta meat inspectors are trained with the same standards as the federal inspectors. Why on earth can we not have provincial inspectors inspecting beef at small plants across the country and then exporting that beef to anywhere else in the country, not out of the country? We need the federal inspection regime for exports.

● (1725)

We need to have free movement of beef within our country for farmers to deal effectively with the BSE problem. Yet, here we are complaining that we cannot get free trade with the United States because there is unreasonable interference in moving our live animals and some animal parts to the United States. That is a problem, and it is unreasonable the way the United States has held that up. But it is shameful that we cannot get beef moving freely within our own country.

It is costing farmers their farms. It is costing plants because they could expand and become much better businesses, and create even more jobs than they are creating right now in our local communities. That is holding them back. I blame the Canadian Food Inspection

Agency to a large degree and its empire protection. I blame it for the fact that we still have no free movement of meat products across this country. That is unbelievable. That is the third area.

I have heard unreasonable talk and unreasonable action coming from the Canadian Food Inspection Agency. That is another thing that leads me to believe that it should not have its powers expanded until the top bureaucrats are reigned in.

I want to repeat again that many of the employees at the Canadian Food Inspection Agency are truly marvellous employees. They provide a great service for Canadians by inspecting various agricultural products and ensure a safe food supply. It is the people at the top who are to blame, the people who are locked away in some room here in Ottawa and cannot understand what is going on. Rather than face a tough decision, they put decisions off that cost farmers unbelievably and also cost consumers because those decisions drive up prices.

There is a fourth area and one that I was involved in quite closely. It involves certain elk herds in Alberta and Saskatchewan which were destroyed when chronic wasting disease came along a few years ago.

I have talked on several occasions with the Ferrances and McAllisters, who own elk farms in Alberta and Saskatchewan. They understood the need for their herds to be destroyed. It was tough on them, but they did not argue with that. They argued with the disgusting way that the CFIA carried this out. I must admit that they were absolutely right on.

CFIA put restrictions on the production of other livestock such as bison or cattle on these farms. It told these farmers that they simply could not produce any ruminant livestock in spite of the fact that there was no evidence that chronic wasting disease could spread to other animals. The CFIA told them this in spite of the fact that the McAllisters and Ferrances went to great cost and great effort, and spent probably \$100,000 cleaning up the land so that they could put other livestock on it. After they went to that expense, then and only then, the CFIA stepped in and said they could not produce bison or cattle or any other livestock on that land. That was wrong.

As a result of those heavy-handed actions and poor judgment on the part of the top brass in CFIA, I am not going to support this legislation. I do not believe my party will either and I hope other members will do the same.

● (1730)

The Acting Speaker (Hon. Jean Augustine): It being 5:30 p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper.

*Private Members' Business***PRIVATE MEMBERS' BUSINESS**

[English]

UKRAINIAN CANADIAN RESTITUTION ACT

Mr. Inky Mark (Dauphin—Swan River—Marquette, CPC) moved that Bill C-331, an act to recognize the injustice that was done to persons of Ukrainian descent and other Europeans who were interned at the time of the First World War and to provide for public commemoration and for restitution which is to be devoted to public education and the promotion of tolerance, be read the second time and referred to a committee.

SPEAKER'S RULING

The Acting Speaker (Ms. Jean Augustine): Before beginning private members' business I would like to read a ruling on Bill C-331, an act to recognize the injustice that was done to persons of Ukrainian descent and other Europeans who were interned at the time of the First World War and to provide for public commemoration and for restitution which is to be devoted to public education and the promotion of tolerance.

The Chair has examined Bill C-331, the Ukrainian Canadian restitution act, to determine whether its provisions would require a royal recommendation and thus prevent the Chair from putting the question at third reading.

The Chair has considered the restitution provisions in this bill and has concluded that they do not require a royal recommendation as any payment is contingent on the successful completion of a negotiation process, the details of which are hypothetical at this point.

There is, however, a question in my mind about the clause that proposes the establishment of a museum at the site of one of the first world war internment camps.

At first glance, it appears to me that to build, maintain and staff even a small museum would require public funds. Since the necessity for a royal recommendation can be a complex question, I am raising the issue at this moment in order to invite the sponsor of the bill and any other members interested in the matter to make a submission to the Chair explaining their views on whether or not this bill requires a royal recommendation.

I want to give hon. members enough time to look into the matter. I would suggest that interested members contact the private members' business office to schedule their interventions.

I have asked these officials to coordinate such submissions, so that they can take place before the bill is next debated, thus allowing the Chair time to consider their arguments when making a ruling at the resumption of the second reading debate.

Today the debate on the motion for second reading will begin. We will now proceed as scheduled.

SECOND READING

Mr. Inky Mark: Madam Speaker, I thank the member for Vegreville—Wainwright for seconding the motion.

It is a great honour today to rise to debate Bill C-331, an act to recognize the injustice of the Ukrainian internment. Bill C-331 has been tabled in the House three times but never debated.

Madam Speaker, I welcome the information on the bill that you have presented this evening.

The first time the whole issue of Ukrainian redress was debated was through a motion in September 1991 that was put forward by the member for Kingston and the Islands. This motion received support from all parties but had no effect on the government.

How did Bill C-331 come about? Bill C-331 was put together through collaboration with the Ukrainian community in Canada, which today numbers close to one million. It is supported by the Ukrainian Canadian Congress and the Ukrainian Canadian Civil Liberties Association.

At this time I want to thank the president of the Ukrainian Canadian Congress, Paul Grod, for his support. I want to thank the Ukrainian Canadian Civil Liberties Association chairman, John Gregorovich, and Dr. Lubomyr Luciuk and Borys Sydoruk. I also want to thank the president of the Taras Shevchenko Foundation, Andrew Hladyshevsky. There are also thousands of other Canadians of Ukrainian descent who have worked very hard over the last two decades.

Bill C-331 is in essence a bill that belongs to the Ukrainian community of Canada. The Ukrainian community in Canada has been calling for redress for internment for over 20 years. That is a long time. Most of that time, this call has fallen on deaf ears. There have been numerous broken promises throughout the last two decades, promises made by politicians, the people who sit in this House.

The most famous promise was made by our former prime minister, Jean Chrétien. In fact, tonight I want to read for the House a letter that he wrote to Mr. Thor Bardyn, the president of the Ukrainian Canadian Congress in June 1993, when Mr. Chrétien was leader of the official opposition. He stated:

Dear Mr. Bardyn:

Thank you for your letter and the copies of the "Economic Losses of Ukrainian Canadians Resulting from Internment During World War I" and "Submissions on Behalf of the Ukrainian Canadian Community on the Matter of Redress for Non-Pecuniary Losses Occasioned by Internment and Other State-Inflicted Injuries."

The Liberal Party understands your concern. As you know, we support your efforts to secure the redress of Ukrainian-Canadians' claims arising from their internment and loss of freedom during the First World War and Inter-war period. You can be assured that we will continue to monitor the situation closely and seek to ensure that the government honours its promise.

As Leader of the Opposition, I appreciate the time you have taken to write and bring your concerns to my attention.

Sincerely,

Jean Chrétien.

Jean Chrétien as prime minister had many opportunities to deal with Ukrainian redress over his three terms as prime minister.

Private Members' Business

Obviously he learned nothing from the settlement of the Japanese redress settled by the Mulroney government previous to that. The Mulroney government did the right and responsible thing and brought resolution to the Japanese redress. In fact, I was told that during that time period there were no private members' bills or motions debated in the House on Japanese redress. Yet the government of the day knew what the right thing was and did the right thing.

Let me take some time to talk about the internment, because many of us in this country, and I include myself, did not learn about the internment of the Ukrainians. I did not learn of it until I became a member of Parliament back in 1997. This is not recorded in our history books. It is an event that no one knows about. Obviously the government of the day wanted it to be wiped out. As Canadians, we want to know our history. We need to learn from history. That is why it is important to acknowledge and recognize that the history actually took place.

Bill C-331 calls for that recognition. I must emphasize again that it is a recognition of and not an apology for “the injustice that was done to persons of Ukrainian descent and other Europeans who were interned at the time of the First World War and to provide for public commemoration and for restitution”, which really means the return of properties confiscated by the government of the day. In other words, at that time the private property of the internees was confiscated by the Government of Canada. To this very day it has not been returned. That is what restitution means.

• (1735)

That restitution amount, whatever may be negotiated, is to be devoted to public education and the promotion of tolerance and the role of the Canadian Charter of Rights and Freedoms. That sounds Canadian. It sounds rational and it makes sense.

In other words, Bill C-331 calls for two things to be done.

One is acknowledgement that this internment took place and is part of Canadian history. We in this country cannot run away from our history. We must accept our history. We must accept the past. We have to accept the past; we cannot change it.

Another point, too, is that the government of the day must sit down with the Ukrainian community and work out the establishment of an education foundation for the purpose of telling the internment story to all Canadians so that hopefully this story and this history, this negative event, will not be repeated in the future. That is the main purpose, the main drive behind this redress issue.

It is time for the government to bring resolution to all redress issues. Is it not ironic that the government of the day will be sending up to 500 observers to Ukraine and is willing to pay the bill to ensure that democracy will be protected in Ukraine?

I support the government's decision. There is nothing wrong with it. Yet at the same time the government continues to deny that democratic rights were taken from the Ukraine community in Canada between 1914 and 1920, when over 88,000 Ukrainians were made to register like common criminals. They had to report monthly to the police and have their registration card stamped. Over 9,000 were interned. They were put in prison camps; internment is just a nice word for prison camps. In fact, they had it worse than prisoners

of war because under the Geneva convention a country cannot force prisoners of war to work, to do domestic labour, which is actually slave labour, at no cost to the country.

Over 9,000 people were interned, of which over 5,000 were Ukrainian Canadians. The government has run out of excuses after two decades of denial. The internment of Ukrainians in Canada is a historic fact. I asked the question of the government, “Is acknowledging this too much to ask?”

It is time for the government to do the responsible thing and to acknowledge this historic wrong. I am sure that most Canadians would agree with me. It is time to deal with this issue and other redress issues.

The responsible thing is the acknowledgement, as well as working out a resolution with the Ukraine community. This is a matter of justice. After all, we Canadians like to see ourselves as a just society. In fact, we brag all over the world that we are a country based on rules, justice, tolerance and acceptance. Maybe it is time that we accept our own history for what it is and learn from it.

Justice is long overdue for the Ukraine community in Canada, which is one million strong. I know I am starting to run out of time so I will read for the House a poem written by Kari Moore of Victoria, B.C. A couple of summers ago, this poem was put on a plaque dedicated to the internees at a memorial park on the site of Canada's national Ukrainian festival. The name of the poem is *Internment*. It really tells the story:

Private Members' Business

With this commemorative plaque
 We confer upon you the honour
 Of paying the ultimate price.
 The price of losing your freedom
 In a country that invited you
 And promised you work and freedom.
 You laboured with a pickaxe and shovel
 In the neighbouring mines and forests
 Laying the rails for transport
 Of your days' work to help the economy.
 Then history changed your world,
 Overnight you became an enemy alien
 To be feared and unjustly interned.
 If history could repeat itself
 You could tell us your shame
 And your unimagined confusion.
 You still worked with an axe and shovel
 But from behind a barbwire fence.
 And for years you carried the stigma
 Of becoming an unwanted citizen.
 This plaque shall stand in your memory
 And serve as an educational tool
 To remember this part of our dark history,
 And assure us that future Canadian governments
 With the stroke of a pen shall not
 Again put any citizen behind a barbwire fence.

● (1740)

I close by thanking all members who are taking part in this first hour of debate on Bill C-331 for their support.

● (1745)

Hon. Andrew Telegdi (Kitchener—Waterloo, Lib.): Madam Speaker, I commend the member for Dauphin—Swan River—Marquette. I agree with the thrust of his private member's bill. It is important for Canadians to put this issue in context. What is so important for us as members in the House and for Canadian society to understand is that the Charter of Rights and Freedoms did not come to us out of a vacuum. It is based on injustices that occurred while our country evolved, which is why we have come to the kind of society that we are today.

When we look specifically at the question of what happened to the Ukrainians and the internment during the first world war, it is important to understand some of the history. Ukraine was part of the Austro-Hungarian Empire, an unwilling part of the Austro-Hungarian Empire, I might add. Many Ukrainians left Ukraine and came to Canada because they were not particularly happy with the subjugations they were put under in Ukraine. They came to Canada to find a new life, to become Canadians and to be part of Canadian life.

However, then the first world war comes along and we introduce the Enemy Alien Act where people who were from the Austro-

Hungarian Empire were forced to register and something like 5,000 people were interned, most of them of Ukrainian descent.

One can just imagine how disquieting it would be for new arrivals, new immigrants to this country, to all of a sudden find themselves, because of something that is happening somewhere else in the world, to be interned by us. As the member for Dauphin—Swan River—Marquette said, if people were interned they then had to register with the police on a weekly basis.

How do things like that happen? They happen because at that time there was racism. We had superior races and inferior races. It did not only happen to the Ukrainians. As the member said, it also happened to Canadians of Japanese ancestry who suffered the same horrors during the second world war. We also know that as part of our history we had the Asian Exclusion Act and the Chinese Head Tax. We discriminated against all sorts of minorities. It was a fact of life at that time.

However, I think it was the suffering of all those groups, including the Jews, who, during the second world war, when they were looking for refuge to escape Nazi Germany, were turned away. Given all the suffering in the past, we now have the Charter of Rights and Freedoms. The member talked about doing a more general kind of redress. The Charter of Rights and Freedoms recognizes that, which is why we have it. The charter is our guidance for the future so we do not repeat those mistakes.

● (1750)

Mr. Inky Mark: Madam Speaker, the member is absolutely correct in what he said and hopefully the Charter of Rights and Freedoms will protect us down the road.

However, the fact is that we must accept our past history for what it is. The point the bill tries to make, with all redress issues, is that until the country accepts this, it is like alcoholics, until they accept that they are alcoholics they cannot see the future. I think Canadians expect greater things from their government.

Hon. Sarmite Bulte (Parliamentary Secretary to the Minister of Canadian Heritage, Lib.): Madam Speaker, the Government of Canada understands the strong feelings underlying requests for redress for incidents in our nation's past. As Canadians we all share in the responsibility to learn from the lessons of the past and to ensure that the history of our country in certain instances does not repeat itself ever.

I know firsthand the issues that are being addressed today by the hon. member opposite. My riding of Parkdale—High Park is home to a great number of Ukrainian Canadians, and this is a matter that I have spoken to members of the community about.

The Canadian Multiculturalism Act lays out principles for these adjustments. It gives specific direction to the federal government to work toward achieving equality in the economic, social, cultural and political life of the country. The multicultural program turns those principles into action. Its activities help to combat racism and discrimination, to break down barriers that prevent all Canadians from fully participating in society, to promote freedom and equal opportunity, to improve inter-group relations, and to foster social harmony and a shared sense of Canadian identity.

As Canada becomes more culturally diverse, the challenge we face is maximizing the benefits of a multicultural society, which means respecting differences and being willing to adapt to change.

Since the introduction of Canada's multiculturalism policy in 1971 and the adoption of the Canadian Multiculturalism Act in 1988, Canada's population has continued to become more diverse. This rich ethnocultural, racial and religious diversity has been fostered and supported by a strong multiculturalism policy that encourages people to maintain their culture and identity within a Canadian framework that values fundamental human rights and freedoms.

In order to keep pace with the needs of our evolving and increasingly diverse society, the multiculturalism program focuses on three overall policy goals of identity, social justice and civic participation. Within these policy goals, four priority objectives have been identified for the multicultural program: first, fostering cross-cultural understanding; second, promoting shared citizenship; third, making Canadian institutions more reflective of Canadian diversity; and fourth, combating racism and discrimination.

The government recognizes that creating and maintaining a strong and cohesive society free of racism and discrimination is critical to the continued growth and success of our country. As part of its commitment to fight racism and as part of its forward looking approach with regard to historical acts, the Government of Canada established the Canadian Race Relations Foundation in 1996. As members know, the Canadian Race Relations Foundation is an important asset in helping to build an inclusive society based on social harmony. In establishing the foundation, we have committed to building a better future for young Canadians and a better country for all of us.

[*Translation*]

The mission of the Canadian Race Relations Foundation is to build a framework for the fight against racism in Canadian society. The Foundation sheds light on the causes and manifestations of racism. It provides independent, candid national leadership and contributes to the pursuit of equity, fairness and social justice.

• (1755)

[*English*]

The Canadian Race Relations Foundation is the articulation of the Government of Canada's commitment to fostering racial harmony and cross-cultural understanding. The Canadian Race Relations Foundation is to a great extent at the core of what the Ukrainian community and this bill are asking for: an educational foundation.

Through the Canadian Race Relations Foundation, I am pleased to say that many groups have had grants for initiatives in specific projects against racism. Along with the Canadian Race Relations Foundation, the Government of Canada has and will continue to promote initiatives to improve understanding among Canadians, such as the March 21 campaign of the Department of Canadian Heritage, which is designed to raise the awareness of Canadians against the dangers of racism and racial discrimination.

The March 21 campaign was initiated in response to the need to heighten awareness of the harmful effects of racism on a national scale and to demonstrate clearly the commitment and leadership of the federal government to foster respect, equality and diversity.

Private Members' Business

For more than 10 years, the March 21 campaign has mobilized youth across Canada to rise up and to take a stand against racism. Through their participation in the campaign, Canadian youth have spoken loudly and eloquently. There is no place for racism in their lives.

[*Translation*]

Each year on March 21, the International Day for the Elimination of Racism, many activities are held throughout Canada to raise public awareness about the problem of racism.

The national video competition "Racism: Stop it!" is one of several federal government initiatives to fight racism and encourage thousands of young people from across Canada to stand up and condemn this problem.

[*English*]

Why youth? Youth are the future of our nation. It is only by looking to the future that we will achieve our common goal of eradicating racism and discrimination.

We know that youth are the heart and soul of the annual March 21 campaign. They have the energy, commitment and creativity to advance the struggle against racism. They are the voice of the present and also of the future. They are among the most exposed to racism in their schools and on the streets in villages, towns and cities across Canada. The March 21 campaign engages youth to transcend the boundaries of race, ethnicity and religion, and to embrace diversity.

Historically speaking, this country represents a coming together of many peoples and traditions. It is because we were and are so different in our backgrounds and our beginnings that Canada has learned over time to place an extraordinary premium on respect, equality and mutual acceptance. This is what sets Canada apart from other countries.

The challenge is not to lose what we have gained through past experience, not to assimilate this diversity into a simple mould, but to harness it for the common good.

As we move forward in this new millennium, it is the youth of the world who stand poised to lead us out of the intolerance of the past which too often results in terrible human suffering.

The Government of Canada recognizes the importance of understanding and preserving our complete history, including those times when we have strayed from our shared commitment to human justice. Through various departments and programs, it has supported a wide range of commemorative projects that have helped the Ukrainian community tell their story in their own voice.

The bill before us today asks for commemoration of the historical events by means of the installation of memorial plaques at the site of the internment camps. I would like the hon. members of this House to know that Parks Canada has already worked cooperatively with Ukrainian Canadians to present the story of the first world war internment.

Private Members' Business

As part of an exhibit to interpret the events associated with the first world war internment in the context of human history of Banff National Park, several interpretative panels were installed as part of the permanent exhibit at the Cave and Basin National Historic Site of Canada, as well as at Mount Revelstoke and Yoho National Parks.

Parks Canada has also supported Ukrainian Canadians in their efforts to install a permanent plaque and statue at the site of the Castle Mountain camp in Banff and permanent plaques at the Jasper camp, Mount Revelstoke camp and Yoho camp. The Department of National Defence has also enabled the placement of a plaque on the Niagara Falls armoury.

The National Film Board of Canada has produced an internment and exile film package that includes a segment entitled, *Freedom Had a Price*, which describes the experience of Ukrainian immigrants during the first world war.

In addition, the Department of Canadian Heritage has provided funding for the production of a television series entitled, *A Scattering of Seeds*, which celebrated diversity in Canada and discusses various topics, including the internment of Ukrainian immigrants.

Yes, people of Ukrainian heritage have experienced challenges during their time in Canada. We acknowledge this chapter of our past and vow never to forget it.

The member opposite did say that nothing has been done but many things have been done. When I was parliamentary secretary to the former minister of Canadian heritage, Sheila Copps, she brought the Ukrainian community together to meet with her officials and dialogue was started. Is there much to do? Absolutely. The dialogue has been started. Let us now continue the dialogue.

• (1800)

[*Translation*]

Ms. Meili Faille (Vaudreuil-Soulanges, BQ): Madam Speaker, since Bill C-331 concerns Ukraine, I would like to take this opportunity to encourage all those Ukrainians currently fighting for the sake of their democracy to continue this difficult struggle.

The freedom of peoples is not easily achieved. This is why I want to reiterate the support of the Bloc Québécois for all those who are currently defending their right to democracy. In 2004, every nation should be able to choose its own government. The will of the people must not be thwarted by pressure or fraud.

I would also like to congratulate the Parliament of Canada for the second time in as many weeks, since, once again, it is about to correct an error it made in the past. Last week, it concerned an error in judgment regarding legislation made 25 years ago. Today, even if the events in question go back more than 90 years, it corrects behaviour unworthy of a democratic society.

At the beginning of the 20th century, history witnessed great victories, but also some darker days. Today, we must reflect on one of those days. I do not by any means want to forget the brave soldiers who went to fight in Europe. They stood tall on one of the toughest fronts in history. They gave their lives for loftier ideals than the world itself, and we should never forget that.

Bill C-331 is about the plight of over 5,000 poor people who fled abject living conditions and immigrated to Canada 10 to 20 years

before the 1914-18 events. These people were later interned in labour camps during World War I. Through an order in council, the status of those who did not have their certificate of naturalization was changed. They became "foreign enemies", because their territory of origin was under the control of the Austro-Hungarian empire. They were no longer just Ukrainians, people in exile, as they had been when they arrived here. They had become Austrians, and Austria was an enemy of Canada.

We understand that, throughout this painful period, Canada respected its international commitments on the treatment of prisoners of war. We do not share the view that these people were indeed prisoners of war. We really wonder why these camps were maintained until 1920, considering that the war had ended a couple of years earlier. However, taking cover behind treaties and conventions does not excuse the fact that the treatment given to these people was unworthy of a democratic country. The events for which Canada is blamed should be recognized. To forget them is to risk repeating them again.

I remind hon. members that these prisoners were subject to hard labour, rations and curfews. They were not only prisoners of war; they were forced to work. They were interned in labour camps and deprived of their freedom. The Canadian government really took advantage of them. It used these helpless people to build or repair houses, to clear land, build drains, construct roads between properties and public roads, etc. These people were forced to work hard and they were shamelessly used by Canada. It is high time the government acknowledges this blemish on Canada's record.

I want to remind the House that we did not imprison them because they were fighting against our troops, overseas or at home, because there has never been a single battle between these enemies and the state that took them prisoner.

We took them prisoner because they were from the Austro-Hungarian empire and because they had Austrian passports. Can we blame people, who never had the chance to choose their own destiny, for the colour of their passports? We think not, and that is why we feel that Bill C-331 is logical.

Furthermore, we accepted these people who were fleeing hardship and had come here in search of a better life, as immigrants. Ukrainians were an integral part of the immigration plan back then. We opened our doors to them and then we put them in prison. We told them, "come" and then we told them to "work", at the end of a gun. To us, this is a perfect example of how absurd Canada's immigration policies are.

• (1805)

The Bloc Québécois condemns and regrets the way Canada treated Ukrainians but we are proud to take part in a debate on a bill that seeks to remedy the inexplicable behaviour of a country that, even then, considered itself open and modern.

We join all those who wish to reinstate their personal names, the name of the Canadian government, and who want to say sorry for this unworthy decision adopted by order in council. We ask all the members of this House to support in principle Bill C-331.

It is never too late to learn from our mistakes, to confess and set them right. Parliament has an opportunity today it should not miss. We implore it to do more than the small tourism plaques affixed here and there among the national parks. This is the best thing it has done to date to remedy this enormous error in judgment with regard to an innocent people. It is an insult.

We put our guests in labour camps and we subjected them to hard labour. That is called slavery.

Slavery in the 20th century, in any country, is too serious an issue to pretend it never existed. I defy any member of this House to dare to deny that. Turning a deaf ear for 90 years is already a crime in itself. It is time to tell the whole world that Canada does not agree with decisions it made in the past.

Ukrainians were not an enemy nation: they were invited. We welcomed them as they were, truly welcomed them. We gave them land and the right to work and settle, and then we took those things away. The labour camps were something you might find in a fascist state, not a free and democratic nation. The disgraceful and abominable treatment of a nation of invited immigrants, might, in other times and places, attract much more serious punishment and much greater consequences. We think the Canadian government has a golden opportunity to come out of this with its head held high. We ask the government to support this bill and recognize what it means.

This Parliament could, at least, take responsibility for past actions. The federal parliament must recognize the wrongs that have been done to the Ukrainian community.

Members of this House, fellow MPs, let us not repeat the errors of the past again. When we invite people in with open arms, let us not treat them as second-class citizens. Let us not offer them the privilege of becoming citizens but recognize their full right to citizenship. Let us agree to recognize our affront to the Ukrainians. Let us be the hosts we claim to be. Let us not invite people in with one hand and wave them away with the other. Let us show that we are worthy of a society with 400 years of shared history. Let us offer our wealth to everyone who, because of the twists of fate, have not had the same opportunities we have had here in North America.

Canada must live up to the ideals it proclaims. It must be able to recognize when it has made errors that contradict these ideals. In order for history not to repeat itself, we must seize every opportunity. This is a great one. It is a start. Recognizing the wrongs of the past is a way to make it possible to head into the future in justice and serenity.

• (1810)

[English]

Mr. Bill Siksay (Burnaby—Douglas, NDP): Mr. Speaker, I am pleased to speak on behalf of the New Democratic Party in support of Bill C-331, the Ukrainian Canadian restitution act, introduced by the member for Dauphin—Swan River—Marquette. I want to commend him for his persistence in getting the bill on to the floor of the House this time around. I also want to commend my colleague from Vaudreuil-Soulanges for her speech this evening.

The bill seeks justice for Ukrainian Canadians and other Europeans from the former Austro-Hungarian empire who were imprisoned in special internment camps in Canada during World War

Private Members' Business

I. It is a group of about 9,000 people. The bill calls on the federal government to acknowledge the injustice that was done and to provide restitution for those imprisoned.

The bill mirrors a motion passed 11 years ago in the House, a motion that was proposed by the member for Kingston and the Islands. It is unfortunate that Bill C-331 is still necessary, given the unanimous consent that the 1991 motion received in the House.

At the outset of World War I the War Measures Act was implemented and almost 9,000 people in Canada were deemed enemy aliens, rounded up and forced into internment camps. More than 5,000 of them were Ukrainians who had immigrated to Canada. Another 88,000 Ukrainians in Canada were required to report regularly to police and security authorities during that period.

Between 1914 and 1920, two years after the end of the first world war, these people were held in 24 internment camps. They were forced to do heavy labour under trying conditions. Their assets were seized and they were subjected to state sanctioned persecution.

Never at any time was any evidence presented to show that Ukrainian Canadians were a threat to Canada. In fact, Britain had even advised Canada in 1914 that Ukrainians should be considered friendly aliens.

The bill does not seek direct compensation for the victims of the internment operation, but rather it recommends educational and commemorative measures. We must preserve the memory of these events. Our collective memory of the experience of Ukrainian Canadians here in Canada will help call us to make sure that we never again repeat that mistake as a nation.

Bill C-331 calls for commemorative plaques to be installed at the 24 camps. These plaques would describe the events that took place in the history of the internment. It also recommends a museum be created in Banff National Park, which was the site of one of the largest internment camps.

The park infrastructure of that beautiful natural site was partially built by forced labour. When observing the natural wonders of Canada, one should be reminded of the contribution made by the interned Ukrainian Canadians.

This museum would provide information on the operation of the camp and would acknowledge the role that Ukrainian Canadians played in the building of Canada, then and now.

Bill C-331 also recommends a restitution payment be made to compensate for the confiscation of property and assets from Ukrainian Canadians. Much was taken from them, but not all the confiscated wealth was returned.

Private Members' Business

This payment would be used to develop and produce educational materials that fight racial intolerance and discrimination, which would be distributed to schools and universities. The materials should reflect and promote the values of the Canadian Charter of Rights and Freedoms, broad on the understanding of other religions and cultures and ultimately protect Canadians from future injustices. Other educational projects could be developed in consultation with the Ukrainian Canadian Civil Liberties Association and the Ukrainian Canadian Congress.

In addition, a set of commemorative stamps would be issued. This would serve again to keep the memory alive and to ensure that such unjust treatment never takes place on Canadian soil again.

Finally, the bill calls for a review of the Emergencies Act by the Minister of National Defence who must report back to the House with possible legislative changes that would prevent similar atrocities in the future.

In this post-9/11 world where security concerns are top of mind for many Canadians and for our government, I find this point particularly resonant. We must not implement draconian security measures at the expense of the rights and dignity of people, based on ethnicity, country of origin or religious belief.

I wish I could stand here today and be clear that we had learned from our mistakes. I fear, however, with our security certificate process and the detention of some Canadians and people in Canada, of special rules for evidence and special trials that are now allowed in Canada, that we are travelling down that road once again. I fear that racial profiling of some Canadians is taking us there yet again.

I am concerned that proposals to allow for the revocation of Canadian citizenship will set up a system where there are two classes of Canadian citizenship. I am glad that the Standing Committee on Citizenship and Immigration has spoken very clearly to that particular issue and the proposals that were made in the past.

These are all issues that demand our attention in light of the experience of Ukrainian Canadians. Should the bill pass, these are all issues that might be addressed in the kind of educational work that would be undertaken.

Canadians rightly take pride in the multicultural nature of our society. At the same time we recognize that we have not always treated all groups equally. We must not forget the Japanese internment during World War II, for which an apology has been made and redress has been negotiated.

We must not forget the experience of Chinese Canadians who were forced to pay a head tax and were subjected to the Asian Exclusion Act. I hope that Parliament will soon address the matter of redress for those who paid the Chinese head tax. Justice must finally be done for Chinese Canadians as well.

• (1815)

We have seen the War Measures Act used against our citizens in other troubling ways in 1970.

I understand that there is only one Ukrainian Canadian who was detained and is still alive today. Mary Manko Haskett was detained at the Spirit Lake internment camp in Quebec. I was moved by a plea

written by her in 1994. One of the things she wrote about was how Spirit Lake camp no longer appeared on maps of Canada. She was unable to show her children and grandchildren where it was on a map of Canada.

At the same time Mrs. Haskett was in detention, another Ukrainian Canadian was fighting in Europe as a member of the Canadian armed forces. Philip Konowal was born in Ukraine in 1887 and immigrated to Canada in 1913. In August 1917 he was awarded the Victoria Cross for his actions during battle in France. Mr. Konowal returned to Canada and became an employee of the House of Commons, where he served until his death in 1959. Commemorative plaques honouring Mr. Konowal can be found here in Ottawa, Toronto and New Westminster, B.C. It is indeed ironic that while so many Ukrainian Canadians were being held in internment camps here in Canada, Mr. Konowal was distinguishing himself as an outstanding member of Canada's armed forces in Europe.

We have a choice. We can allow our collective memory to fade about the internment of Canadians, becoming like the map that no longer shows the location of Spirit Lake camp, or we can remember and celebrate the many contributions of Ukrainian Canadians to our country, people like Mr. Konowal.

We must take steps to ensure that this troubling part of our history is remembered, that restitution is made, and that through remembering and rededicating ourselves to ensuring basic human rights for all Canadians, that it is not repeated. That is how I understand the goals of Bill C-331.

I am pleased to reiterate the NDP's support for the bill. We were committed to the bill's previous incarnation in the 37th Parliament. As well, we made our support for redress for Ukrainian Canadians imprisoned during World War I very clear during the recent federal election campaign.

We believe that Parliament and the government should act now to acknowledge and preserve the memory of this and other shameful incidents in our history. Let us ensure that this unfortunate episode is not repeated, that no other ethnic or religious minority ever suffers as Ukrainian Canadians once did. As we do so, let us celebrate the many contributions of Ukrainian Canadians to our country.

In recent weeks members of the House and indeed people all across Canada and around the world have been following events in Ukraine very closely. We have expressed our concerns and our hopes about fair elections and democracy in Ukraine. This legislation gives us the chance to show Canadians and people around the world that we as a nation can face up to the challenges and shortcomings of our own history and that we seek to ensure that justice, equality and freedom are enjoyed by all Canadians.

Private Members' Business

•(1820)

[*Translation*]

Mr. Peter MacKay (Central Nova, CPC): Mr. Speaker, I am very pleased and proud to take part in this very important debate on the bill proposed by the hon. member for Dauphin—Swan River—Marquette.

[*English*]

I want to thank him personally for allowing me to represent the Conservative Party in this debate and also to commend him for the passionate advocacy that he brings to this issue and many others. I see him, as do his constituents, as one of the most diligent and conscientious members of the House.

The bill is really about correcting an historic injustice. Clearly, the issue of restitution and redress is part and parcel of how we do that. We will never be able to dial back the clock and somehow give back the lives, the possessions, the lost time and interests that individuals of Ukrainian descent suffered at the hands of a Canadian government.

I find something quite ironic, as mentioned by other members who have spoken eloquently on this issue. At this very moment in Ukraine we are seeing such strife and turmoil and an historic sea of change taking place in that country. The landmark decision to rerun its election bodes well for the future, and I am very confident.

I take this opportunity to congratulate those men and women from Canada who will participate in that process and add to the success of future democratic institutions in the Ukraine.

At the core of democracy, should sit freedom, and the expression of our will to recognize the wrongs of the past. What matters most in the debate is the fact that we are standing ready to recognize the injustice of what was done to persons of Ukrainian descent and persons of other European descent during the first world war. The bill is a great first step in addressing the considerations of a generation of Ukrainians who were made to sacrifice through no fault of their own. Only by virtue of their homeland, their country of descent, were they stigmatized and removed from Canadian society at that time.

Canadians, with justification, take great pride in their country, as a land of cultural diversity. We measure our success based on the interpretation of our citizens, our allies and the global community as a whole. As a multicultural society where freedom of speech does not hinge on one's ethnicity, we know that we are regarded as one of the best countries in the world in which to live. Yet it is something we should never take for granted.

As we have seen throughout our history, there have been dark days in this country. There has been reference made to the internment of Japanese and Canadian persons of Chinese descent. Within our country's history, we have sadly seen people fleeing their home because of severe oppression that was brought to bear and boat loads of refugees from Germany of Jewish descent who were turned back during the second world war.

This I believe is in that category. This is another dark chapter of Canadian history that sadly is a blank chapter. It is not written.

As my colleague from Dauphin—Swan River—Marquette has indicated, much of what we are doing in this exercise is simply setting the record straight or putting in place at least a recognition of what did happen. We cannot start to heal if we continue to cover this up. This situation, as it occurred, did not happen overnight. It was a long process. It was something that was then put to one side, and for generations there was an attempt made to simply forget it.

However, my colleague's motion is not without precedent. In the past, the government has taken action to right the wrongs of previous injustices. We have seen this with Japanese Canadians and their internment. There is a very real precedent that we can look to, the loss of property that they suffered during the second world war. The Conservative government of the day took the opportunity to do the right thing. I would suggest that this is very much at the root of what the bill is about: simply doing what is right in addressing this.

Unlike previous matters of recognition, the motion does not call for a specific monetary redress to individuals or families who suffered the fate, albeit perhaps justified. Rather the bill calls upon the government to return what was unjustly taken and to make restitution in the form of educational materials, dealing with Canada's past internment policies and activities.

I am told that the removal or the confiscation of personal items was somewhere in the range of millions of dollars. It included farm implements and personal items of great sentimental value that could never be replaced. Those who were interned were forced to work unpaid labour, something again that was highlighted and which was not even inflicted upon prisoners of war.

Within our country, we like to embrace the fact that we are a tolerant society, that we have the Canadian Charter of Rights and Freedoms to protect the rights of minority groups within our boundaries. Yet at that time those protections clearly did not exist. During the war between the years 1914 and 1920 the Government of Canada unjustly confiscated untold dollars and property from Ukrainians and other Europeans. That money was never returned. The bill would see the government at least return a contemporary value of what would be applied to the various educational projects through this incentive to have a commemorative and educational project recognizing this historic injustice.

•(1825)

I am reminded that the War Times Election Act disenfranchised 140,000 Ukrainians of their vote, another element to this which dehumanized Ukrainians of that era.

My colleague from the NDP referenced the name of Philip Konowal, a Victoria Cross recipient who, as a Canadian of Ukrainian descent, fought in the battlefields of Europe for which he was recognized with the highest military honour. What perverse and sad irony that he would return to his country only to toil for years here in the House of Commons, having served the country in such a substantive way, and only to see his countrymen of Ukrainian descent interned in our country. In many cases they were taken away from their homes to several provinces, thousands of miles away, to be interned.

Government Orders

I believe it is very important to recognize that the bill would benefit the country as a whole. There can be no substitute for education. If we are to avoid the failures of the past and if we are to avoid those same failures in the future, we must take lessons from what occurred, not only recognizing the injustice of those of Ukrainian and European descent, but through the construction of a permanent museum in Banff National Park, a permanent fixture in which future generations could learn from those mistakes. We would be sending a message of tolerance and understanding to those future generations.

From experience that has been passed on to me by my grandfather, who met some of these same Ukrainians when they came through Pier 21 in Halifax to work in the forests of Nova Scotia, many of whom continued across the country and helped to populate the west, Ukrainians were among the most hard-working, dedicated and industrious of Canadians of that generation. Again, simply recognizing what took place is a giant step forward in restoring the dignity of the families of those Ukrainians who were interned.

The bill, specifically clause 2(1)(a), calls upon the government to erect these plaques at concentration camps, which currently do not support those insignias, describing the events which occurred and the regrets of present day Canadians. These plaques would be of course in both official languages as well as Ukrainian. At the gateway to North America, I referenced Pier 21, which would be an appropriate place to commemorate these injustices.

I know the member for Dauphin—Swan River—Marquette also hails from a region that is rich in those cultural differences. Through his hard work and perseverance, he has brought the bill forward a number of times. It has also been noted that the bill appeared as a motion by the current Speaker of the House of Commons in 1991. In *Canada's Ukrainians: Negotiating an Identity* is a chapter entitled "Peopling the Prairies". As the member will know, this is exactly what the Ukrainians did. As they immigrated to Canada, they settled in Manitoba, in constituencies like Dauphin, Shoal Lake, Cook's Creek and Whitemouth, to name but a few, and travelled to larger urban centres. The vast majority stayed and worked on the land. Without those settlers, Canada would not be the country it is today.

All members should be quick to embrace the bill that brings about a historic address and redress of this injustice. The Conservative Party as well represents the face of Canada with the diversity of members of Parliament within our caucus. We are very supportive of our colleague's effort.

The bill would go a long way in answering the unjust practice of interning Ukrainians and other Europeans. I am proud to stand in support of my colleague from Dauphin—Swan River—Marquette and his efforts to bring about this historic redress and historic healing that the bill represents. I would ask all members to similarly support this effort.

• (1830)

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

Pursuant to order made Thursday, December 2 the House will now resolve itself into committee of the whole to consider Government Business No. 6.

[*Translation*]

I do now leave the chair for the House to go into committee of the whole.

GOVERNMENT ORDERS

[*Translation*]

CREDIT CARDS

(House in committee of the whole on Government Business No. 6, under Mr. Proulx in the chair)

Hon. Tony Valeri (Leader of the Government in the House of Commons, Lib.) moved:

That this committee take note of credit cards.

[*English*]

The Deputy Chair: I would like to begin this evening's debate by making a short statement on how the proceedings will unfold.

Tonight's debate is being held under Standing Order 53.1. It provides for a take note debate to be held following a motion proposed by a minister following consultation with the House leaders of the other parties. The motion providing for tonight's debate was adopted by the House on December 2.

Each member speaking will be allotted 10 minutes for debate, followed by 10 minutes for questions and comments. The debate will end after four hours or when no member rises to speak. Pursuant to the special order adopted earlier today, the Chair will receive no dilatory motions, no quorum calls, and no requests for unanimous consent.

Pursuant to the rules used in a committee of the whole, members are permitted to speak more than once, provided that there is sufficient time. At the conclusion of tonight's debate, we will rise and the House will adjourn until tomorrow.

We will now begin tonight's take note debate. The Chair will recognize the hon. Parliamentary Secretary to the Minister of Finance.

Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Chair, the debate is on credit cards and of course that is a bit of a broad topic. Nevertheless, I know that Canadians have an interest in this particular subject from time to time. I hear at a constituency level from those Canadians who are in fact interested.

I want to make a few points about the general environment in which we find ourselves with respect to credit cards. The first and foremost point has to do with the fact that a credit card is a payment tool. It is a form of payment, whether one wants to use a credit card, a cheque or cash.

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The benefit of putting it on a credit card as opposed to paying cash or cheque is that one can get up to 51 days of free credit. In other words, the money does not come out of one's account until upwards of 51 days. Most credit cards do not offer that kind of privilege, but nevertheless there are credit cards that in fact do that.

It also gives a form of unsecured credit to those who might not otherwise obtain credit. I will use my son as an example. He is in third year at the University of Toronto. He has no assets, his income is sporadic, and he is in school. He would not be considered by most banks and lending institutions to be credit worthy, yet he has a credit card and he is building up a credit record with the use of his credit card in a judicious and strategic fashion.

It is a form of extension to credit to those who would not otherwise qualify for credit. This is a 24/7 worldwide access. One can pretty well travel almost anywhere in the world and get access with a credit card. That is an enormous benefit for those who are both in the larger urban centres but also in more remote areas as well.

There are apparently something in the order of about 30 million worldwide outlets that use credit. This is quite advantageous for small and medium enterprises because these SMEs use this as a form of controlling their costs and a form of payment security. They much prefer to receive a credit card for the transaction on which they know they may have to discount it maybe four, five or six points. It will actually provide a security of payment versus a cheque which may or may not clear the account. It is a form of cost control. It is also a form of security for small and medium enterprises.

It also gives consumers options. The credit card can be linked to a line of credit, both a secured and an unsecured line of credit, and of course the more security given the bank or lending institution, rates on the card will come down. Some credit cards come are calculated at a point or two points above prime. I was reading some statistics that said one can get an unsecured credit card at 1.9% above prime.

Canadians seem to love their credit cards and they seem to be getting quite enthusiastic and sophisticated about the most advantageous use of credit cards. Statistics show us that 68% of Canadians pay off their credit card balances on a monthly basis. That leaves about 32% of people who carry balances on their cards. That has actually been declining over time. Canadians realized that carrying a balance at an interest rate is not always advantageous to them and either they pay cash and pay off that line of credit or they switch to more advantageous forms of credit in order to be able to pay down the balance on their credit card.

Apparently, there are 50 million credit cards in circulation in this country. The population is only 32 million, so that works out to well over one card per person in the country. That is quite an interesting statistic, but apparently it pales in comparison to the U.S. rate. The Americans have four credit cards for every American citizen.

Interestingly, only about 10% of credit card users max out on their balances and run it right up to the limit. Most pay off on a fairly regular basis. Interestingly as well, the delinquency rate is relatively quite low. It is only 2.4% and members should bear in mind that the 2.4% is among folks who might not otherwise get credit in any other circumstances. That compares to the Americans who have a delinquency rate twice that of Canadians. Canadians tend to be

fairly conservative or prudent may be a better word. They certainly have seen the light and are not big C Conservatives. They in fact use the credit cards the way they are intended to be used, as a credit facility, a convenience payment and in fact pay down the balances over time.

• (1835)

Canadian institutions have in fact been leaders in the evolution of low rate credit cards. Canadians enjoy a huge competition among a variety of people who put forward credit cards.

Apparently, there is something in the order of about 600 credit cards that Canadians have to choose from, so that they can make choices among interest rates, the amount of money they have to have, the period of time that there is to pay it off, the benefits that are on the card, the rewards that are tied to a particular affinity program, et cetera. Canadians have enormous choice among the 600 cards to basically fashion a credit card that most suits their lending needs.

We also have a fairly decent level of protection. We have disclosure regulations that are required under the Bank Act when these credit cards are set up. In 2001 we made changes to the Bank Act which created the Financial Consumer Agency of Canada, FCAC. That is currently headed by a former NDP member of Parliament, Mr. Bill McKnight from Saskatchewan. He has been the head of that agency and by all reports he is doing quite a good job in terms of communicating to Canadians their rights, protecting them by way of a good regulatory environment, and informing them about things such as the cost of borrowing.

Canadians are urged to go to the website. There is material there to assess the kind of credit card that a person should have. Individuals fill in certain blanks as to the interest rate they are prepared to pay, the credit limit that is required, their income, availability for income, the payment frequency, and things of that nature. It will work out a chart for the cost of your borrowing.

The FCAC also protects consumers on application disclosure requirements and also on the agreement disclosure requirements. The Government of Canada protects vulnerable borrowers with very aggressive prosecution of corporate fraud and market illegality. The government has allocated something in the order of about \$30 million annually to pursue those who would otherwise take advantage of vulnerable borrowers.

As well, the government has received the Wise Persons' Committee report, which is suggesting a single securities regulator. That is a good way to go when there too many jurisdictions competing in a regulatory environment. All it does is create an endless stream of paperwork, ratchets up the cost and for no discernible purpose.

Government Orders

We take the view that being involved in the marketplace and capping rates, and things such as that, as has been suggested by others is not the brightest idea that will ever see the light of day. In fact, the market provides a whole range of low cost credit cards that are currently available to Canadians and a very strong regulatory environment.

We also take the view that it would have the unintended consequences, if the government decided to cap rates, of cutting people out of entitlement to credit who might otherwise not be entitled to credit. The FCAC actually helps people shop for a card. It breaks out people's budgets and give them their limits. Then people can pick a credit card that most suits their particular environment.

• (1840)

[*Translation*]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Chair, I have listened with interest to my colleague's speech. The figures I have on credit card use are slightly different. According to them, in 2003, approximately 65% of Visa and MasterCard holders paid their account in full every month. This means that the other 35%, or about one person in three, was paying 18% interest most of the time.

He explained that when people can afford it, they pay off their card monthly. That may be true, but I remember when I was 20 or 25. We did not necessary have the same means then, particularly in the period leading up to Christmas with the pressure to buy consumer goods.

I would like to know whether my colleague would consider it appropriate to follow up on a bill introduced by a senator aimed at lowering the maximum percentage that can be charged. At the moment money-lenders can charge up to 60%, Ought that not to be brought down to around 35%?

That would have an effect not only on the maximum that could be charged. Might it not also be an incentive to have lower rates in general? We cannot say that the Canadian financial system is in dire straits at this time. The surpluses reported by the banks are sizeable, we must admit, in the context of a healthy economy.

Are there not a couple of messages that ought to be being sent out by the federal government? For example, the maximum allowable rate could be dropped. It would become illegal to charge over 35%, for instance. Other means could also be developed for informing people who are in dire financial straits. It must be acknowledged that the people most likely to misuse credit cards are often the ones most in need of short-term credit.

Would my colleague be prepared to take steps to get his government to look at such measures?

• (1845)

[*English*]

Hon. John McKay: Mr. Chair, the member properly points out that there is a usury rate set out in the Criminal Code. If any institution or any entity charges a usurious rate they of course will be subject to prosecution under the Criminal Code.

The problem with the suggestion put forward by the hon. member, which is essentially a regulatory interference by the Government of Canada into what is essentially a market economy, is that it would create a variety of unintended consequences. The very people he wishes to help, for example, those who are the most vulnerable, those who are the least creditworthy, those who cannot possibly get credit under any other circumstances, those who have no assets, those who have sporadic income, those who, so to speak, meet the profile of my son, would simply be cut off credit. They would be forced back into either a cash economy or a cheque economy, because the institutions would not therefore be able to shape their credit card according to the risk profile of the individual.

In my view, rather than helping people who are in difficult economic circumstances, he would in fact be creating greater difficulties for those in difficult economic circumstances.

As I said earlier in my speech, we must bear in mind the fact that most Canadians are very sophisticated about their use of credit. A very small percentage, something in the order of 2.1%, actually end up in delinquency difficulties. I would suggest that there is a bit of the tail wagging the dog. I do not think we need to modify our current aggressive regulatory regime in order to be able to address something that affects a very limited scope of people.

Mr. Bradley Trost (Saskatoon—Humboldt, CPC): Mr. Chair, I want to make a brief comment and then perhaps the hon. parliamentary secretary could respond. I listened very carefully to the member's speech and was quite interested in it.

There was one small discrepancy that I would like to give him the chance to correct. He mentioned a former distinguished member of the House, Mr. Bill McKnight, the former member for Kindersley. He was quite right; Mr. McKnight was distinguished. He was a former minister of national defence. However, my colleague should be aware that the member came from Saskatchewan and in Saskatchewan there is no greater offence than to call a Conservative a New Democrat. I am pretty certain my colleague misspoke. To be referred to as a socialist for people from my province who believe in free enterprise and hard work is something which I am sure we would not want to be left on the record. I will give the hon. parliamentary secretary a chance to revise his remarks.

Hon. John McKay: Mr. Chair, I can appreciate that being called a socialist if one is of a conservative persuasion is something of an insult beyond all insults, but nevertheless I thought I was referring to Mr. William George Knight, who is presently the head of the FCAC. His profession is that of teacher. His political party is that of the New Democratic Party. He was elected in 1971. He was re-elected in 1972 and defeated in 1974 and 1979. I thought I got it right.

An hon. member: You said McKnight accidentally.

Hon. John McKay: I apologize. Thank you.

•(1850)

[Translation]

Mr. Paul Crête: Mr. Speaker, I was quite surprised to hear my colleague say that if the criminal interest rate were lowered from 60% to 35% it would hurt people who need credit. This same argument was used 100 years ago; if people needed money they could borrow it at a rate that the lender was prepared to charge. It is justification for a usurious rate. The attitude is that the market must completely regulate and standardize the situation.

Does the government not have a responsibility to ensure that at the end of the day people are treated fairly? In many cases laws are there to protect people from themselves and from their own positions.

According to the Canadian Bankers Association, in 2003 there were 22.2 million accounts with unpaid balances and 50 million Mastercard and Visa cards in circulation. These unpaid balances totalled \$49 billion.

I would like the hon. member to reconsider his position a little and tell me whether he would not find it more pertinent—it is not a question of creating a situation whereby people would no longer have access to credit—for people to have access to reasonable rates.

Bringing the current maximum rate of 60% down to 35% is not really a measure that would stop people from getting credit. Furthermore, someone who is willing to pay 60% to borrow money has more serious problems that should have been resolved ahead of time. The solutions on this side are much more directed toward having the means to fund agencies to help people in difficult situations like that and to allow the market to simply move forward.

If the entire population heard this type of remark this evening, it would say this is not what a society would want at the beginning of the 21st century.

[English]

Hon. John McKay: Mr. Chair, I would be interested if the hon. member could demonstrate any credit card issued by a bank that charges a 60% interest rate. That would be an interesting analysis in and of itself.

What the member may be referring to are institutions such as payday companies, which I think basically bet that a person is going to get paid that month and will then lend money based upon the anticipated cheque to be received. There he may be right that the rates are in fact fairly significant.

However, first, this is not an area within the federal jurisdiction, and I know my hon. colleague from the Bloc Québécois loves to jealously guard any intrusions, real or imagined, by the federal government into those kinds of areas of “provincial jurisdiction”. Also, having said that, that area is not credit cards. Those are other forms of lending and presumably other forms of lending that are usurious can in fact be pursued pursuant to the Criminal Code.

Mr. Bradley Trost (Saskatoon—Humboldt, CPC): Mr. Chair, it is a real honour to approach a subject tonight which is very much in the practical sense, not to imply that anything and everything else we do here is not practical.

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This is a very relevant question, particularly around Christmas-time, as many consumers will take out their plastic, take out their cards, make purchases and perhaps come to regret them later. It may be the amount of the purchase they will regret and not necessarily the purchase or the giving of the gift itself.

This is a topic that has a very practical and direct relevance and which we as parliamentarians should address and interact on, even if we do not put forward or bring out legislation from this debate.

This is very important, because the educational aspect, the empowering of consumers, is one of the most mighty things that we can do when it comes to credit cards and purchasing by credit. When I was looking through some data today in preparation for an outline of this speech, I noted that approximately \$156 billion, according to the numbers that I read, is spent every year through credit cards in this country. That is an immense sum.

One of the other things I noted in going through the data, looking at its relevance and trying to see how this actually does apply to people in their day to day lives, was the amount of credit card fraud. While it is somewhat small when compared to the \$156 billion, in the neighbourhood of \$200 million it is significant. It is one of the reasons that the banks often give for their higher interest rates.

I have to admit, though, I tend to be skeptical of all lawyers and all bankers.

An hon. member: And all politicians?

Mr. Bradley Trost: Since I have attained this honourable position, I have lessened my skepticism of politicians. I have now come to believe everything I hear from the other side of the House regardless of what party.

An hon. member: Oh, oh!

Mr. Bradley Trost: Let me say that I speak in jest, Mr. Chair, just in case someone reading *Hansard* may take that in all seriousness.

In a more practical manner, what can we do to address credit card fraud? Looking at that \$200 million, I think if we put more resources into combating and fighting credit card fraud we could actually deal with it to the point that we could get an economic return which would trickle down and help consumers to a certain degree.

I find it particularly interesting that all members of the House want to call it helping consumers, or helping to bring down the charges and the costs and making it more affordable and accessible for all consumers everywhere, yet in the justice committee of Parliament we had a vote the other day on whether or not to reallocate \$20 million from the gun registry to the RCMP. That is \$20 million. Instead of wasting this money on the gun registry by putting little stickers onto guns and losing paper files, on absolutely throwing money down the drain, and we all know that is what the gun registry is, we could have spent this money combating credit card fraud.

We could have given the police more resources, more ammunition and more tools to get out there and deal with the organized criminals that go after the poor people, the grandmothers, the students and the hard-working people who use credit cards as a means of payment, as a means to get through month to month.

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Instead, the government chose to continue, with the support, if I may say so, of the Bloc Québécois and the NDP—

An hon. member: Oh, oh!

Mr. Bradley Trost: Mr. Chair, I am being slightly heckled so I will remind the hon. members across the way that my emphasis in this party is on the noun of the old party's name, not on the adjective, and that is why I am a part of this party.

Again, as we point out, all that wasted money that went into the gun registry should have gone to legitimate law enforcement. It should have gone legitimately to the RCMP to fight various things such as credit card fraud.

There we had a practical measure that we could have dealt with to help Canadian consumers and help tackle the high cost of credit cards, yet three parties in this House, the Liberals, the NDP and the Bloc Québécois, failed on that opportunity. It was a disgrace. It was an absolute shame that instead of attacking the gun registry and dealing with the problem, just as this member here has done and members in this party and on this side of the House have done in all their various incarnations over the years, they chose instead to funnel it right back. It was a wasted opportunity to deal with all sorts of crimes.

We also must be practical. I was speaking earlier on the purpose of education and what we can do even without legislation. One thing we can do as parliamentarians, members of the public and distinguished public servants is reach out and discuss with our constituents what they can do.

I am a Conservative. I believe that government is not all powerful and all knowing. It cannot solve all problems. Problems are often solved by giving them directly into the hands of the people. I believe that the people themselves can take charge and make decisions and that society is shaped as people themselves take on their own responsibilities; that balance of freedom with responsibility forms freedom. What we can do to enhance and encourage that is increase their knowledge and their background in order to deal with issues.

• (1855)

In that light, with the full knowledge that there are people watching and people who will read *Hansard*, let me give to hon. members some suggestions of information they could put in their householders, things they could discuss when they conduct town hall meetings, as I am sure all hon. members do in their constituencies. These are practical applied purposes and points that members can get out there, regardless of partisan persuasion.

I am sure that no one in the House supports credit card fraud. One, it is the taking of unlawful assets. Two, as the old joke goes: do not steal; the government hates competition.

With those words in mind, let me give a few points for people to consider to protect themselves from credit card fraud. There are a considerable number of resources. The RCMP has a website. There are articles from the *Regina Sun*. There are consumer websites. There are a considerable number of websites to use, but let me give a few practical ideas that members can pass on to their constituents during their town hall meetings.

Number one is to protect that PIN, personal identification number. Do not tell anyone. That is very important.

Number two is something I always forget to do. Never leave credit cards unattended at work or school. The workplace is the number one place for thefts. Again, working in an atmosphere where the government continuously taxes, one should be reminded not to leave one's money lying around. Someone will pick it up.

Number three, people should not leave their credit cards in their cars. Cars are the second most likely place where credit cards will be stolen.

Number four, people should always check their credit cards when they are returned after a purchase.

Number five, when travelling people should make sure that their credit cards are with them, or in a safe location.

Number six, people should sign the backs of new credit cards immediately, as soon as they arrive. The reason is if there is a discrepancy, that signature will be compared with the one on any receipt given in the future. That is very important. I know of friends and family members who have forgotten to do this. It is good to remind everyone of this.

Number seven, people should make a list of all credit cards and their numbers, and keep the list at home. They should not keep the list with the credit cards, because if someone else gets hold of the credit cards, he or she will have all the information needed to use them.

Number eight, people should check their monthly statements. Mistakes can happen. No one wants to pay for a criminal's fraud. Most parents are unhappy enough when they see that their child has used the credit card without telling mom and dad about it. We definitely do not want to give criminals that opportunity.

Number nine, people should never give out a credit card number over the phone unless they are dealing with a well-known company, or if they called the company first.

Those are just some practical suggestions I wanted to put on the record to help members. They are ideas for their householders, town hall meetings, et cetera, so they do not just have the theoretical, but they also have the practical.

I will sum up my points. Number one, we should more aggressively combat credit card fraud instead of wasting money on unnecessary things like the gun registry. Number two, people themselves have the greatest power to deal with it through information to fight back. My final point is that we as public servants should go out there and educate, spread the word, and give information. We are in the public eye many times in our constituencies. Let us do some good. We all know we do good through our legislation. Let us do it in some practical aspects, interacting with people on what is essentially a non-partisan issue.

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• (1900)

Ms. Judy Wasylycia-Leis (Winnipeg North, NDP): Mr. Chair, we are having a debate on public policy. It is wonderful that the Conservative member from Saskatchewan has chosen to do a show and tell exercise, but I want to remind him that we are here to debate and discuss solutions to some very serious problems in society today.

I understand that the member thinks the most important issue right now is to share information. However, that information is readily available through such agencies as the Financial Consumer Agency of Canada, which is headed by Mr. Bill Knight, who is a well-known expert in the area and just happens to be a former New Democrat MP, a credible, experienced individual who heads up an organization that provides very valuable advice. I would suggest that the member simply refer his constituents to that agency. The website address is readily available from the brochures.

Tonight we are supposed to be having a serious debate about what direction to go in with respect to credit cards. We are talking about Canadians using credit cards because of our cashless society and being stuck with incredibly high interest rates. We are talking about people who end up losing everything because they get caught up in a system for which there are no checks and balances and where the government has thrown up its hands and said that it cannot do anything because the banks would get mad at it. We are talking about trying to come together to put some proposals to the government so that people do not get ripped off.

One of the questions we have to talk about tonight is, what is an appropriate interest rate? It is not good enough to say that the Criminal Code sets the usury rate at 60% and anything above that means a person could be charged under the Criminal Code. We are talking about rates that are five times more than the prime lending rate. We are talking about charges of 19%-plus on credit cards which cause Canadians to go into debt and to be indebted to the banks forever.

I hope the member has some policy to give us from his party. What is his position with respect to the appropriate cap on credit card interest rates, or is he saying there should be none? Is the Conservative Party still saying, as it said in 1990 under the Mulroney government, that there should be no cap, that we should just let the banks charge what they want up to 60%?

Does the member have any suggestions? The fact is that Christmas is upon us, people are relying on their credit cards because they have to and because we do not have a proper system in place, they end up paying exorbitant charges over a lifetime. It is time we as a House actually gave the government some advice on that issue.

I look forward to some policy from the member.

• (1905)

Mr. Bradley Trost: Mr. Chair, I appreciate my hon. friend's comments. I am dealing with this in a very serious manner. Let me be clear. I am a Conservative. I do not believe that government is the all powerful, almighty, all way to do it.

The hon. member suggested that if we put a cap on it, that would solve the problem. The banks know how to make a billion dollars a year. I think they are smart enough to figure out a way around it.

They will do it with fees, with extra monthly charges, with extra charges on merchants who have to deal with it.

The underlying most powerful thing in any economy, in any society is not the government. That is where we have a very clear difference in philosophy. We can make laws here but those laws have to conform with reality. They have to actually deal with what goes on out there. We cannot repeal the law of gravity no more than we can repeal the law of supply and demand, no more than we can repeal the bankers' ability to make money. They are very talented at it.

While I appreciate the suggestion that they are trying to help and so forth, ultimately the solution is futile. It is a band-aid. It is a propaganda tool. It is nothing more than a charade. It does not help people. It helps electioneering. It helps with slogans. It helps on the campaign trail, but it does not actually solve the problem.

The problem rests more with the people. That is why I concentrated on education. I used a device to catch members' attention, to wake them up to the fact that ultimately we need to give people the tools. People themselves would be more powerful in dealing with the banks, in dealing with corporations, by using the tools that we gave them than we as the government would be.

There is a very clear ideological and philosophical divide between me and the hon. member on that point. That is where I come from on this matter. Legislation is not the answer to everything. If we push down on one, inevitably another will spring up. If we continue to regulate and continue to put pressures here and there, how does it help Canadians if we cannot at the end of the day put more money in their pockets? We do that by growing the economy, by cutting taxes, by cutting payroll taxes, areas that actually put more money in people's pockets.

The hon. member's party supports higher taxes but less money given to the credit card companies in interest rates. At the end of the day, the money is still out of Canadians' pockets. That the NDP members want to take with their left hand and give back with their even farther left hand does not help. Canadians need money in their pockets. They need it because of a productive economy. They need it to grow.

The solution, while it is great for propaganda, does absolutely nothing to help Canadians over the long term because ultimately the banks will get around it, so what is the point?

• (1910)

Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Chair, I heard a couple of members talk about usurious rates of 60% and things of that nature. I have in my hand information from the Financial Consumer Agency of Canada. The question I will direct to the hon. member is on standard credit card rates. I am looking at the low credit card rates and the lowest is about 7.9% and goes up to about 10.5% and then it gets into regular credit cards. The highest rate that I see on regular credit cards appears to be about 19.5%.

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I would be interested in the hon. member's comments as to whether he is aware of any credit card that charges upward of 60%. I can think possibly of some of the retail credit cards where the rates are in fact quite high on outstanding balances, but they are certainly nowhere close to 60%.

Mr. Bradley Trost: Mr. Chair, I may have misheard the member and I apologize. I thought I heard him say McKnight in the previous exchange and we naturally think of Conservative members as distinguished members so we hear their names more readily.

In doing my research I also did some comparing. I found one credit card that charged prime plus 2%, which I believe was the hon. member's reference. In looking through my research, I am not aware of any credit card that charges a 60% interest rate. I would be very surprised to know that anyone would actually use such a credit card.

The highest rate I found, after recently looking through all the store credit cards and so forth, was approaching 30%. That was a charge card with more of a penalty for not paying it. I think the underlying view was that the stores did not want this as a borrowing mechanism. They wanted it merely as a convenience for paying. The high penalty was there to discourage people from even considering it as a borrowing fee.

I appreciate that parliamentary secretaries do more research. My staff is looking into this and will continue to do so, as I am sure his staff will. I think it is imperative that the public bring forward any stories or tales of this so we can deal with the problem and expose it. It was brought to light that if some people did not understand their options financially and so forth, they may end up using some of these usurious instruments of finance. As we educate people and let them have full knowledge, at that point they will find what the market defines as lower rates and move to what is more naturally better for them.

[*Translation*]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Chair, at the beginning of my speech in this take-note debate on credit cards and interest charges, I would like to thank the people who work for organizations like Option consommateurs, who are dedicated to advocating for consumers and defending those most in need, to teach them a thing or two about how credit works. They may be more sensitive to the situation people are facing, to the constant pull of consumerism that is an integral part of our society.

I tip my hat to those in that line of work. They deserve our support. They are the ones who know about the reality. They know that financial institutions charge high interest rates on their credit cards. For example, department stores charge up to 28% interest on their cards, while the Bank of Canada rate has gone down very significantly since the early 1980s.

In fact, this may be one of the first recommendations that could be made: to tie the maximum rate to the Bank of Canada rate. In that respect, the obligations of lenders have been out of step with the economic reality. Interest rates have remained much higher than they should have in the past.

These people at Option consommateurs regularly meet consumers who are having a little difficulty. They can see that credit card

companies engage in massive and aggressive solicitation campaigns to increase their business. They do so through the mail, or with stands in cegeps, colleges or at the door of cinemas. Their latest offensive, in recent years, has targeted young people.

I have children barely out of adolescence who are systematically being offered credit cards. Some restrictions could be put on this type of behaviour without the sacrosanct market being affected, while still ensuring appropriate behaviours.

This organization also made a very practical recommendation to us. At present, the detachable part of credit card bills only shows the minimum payment required, not the total amount due. For a total amount of \$1,500, for instance, the stub you are returning to the company may show a minimum payment of \$70, \$75 or \$80. This gives people the impression that, as long as they pay this minimum, they do not have to make the monthly payment. But the interest continues to accrue.

This kind of recommendation deserves the government's attention, to ensure that corrective action is taken. We are indeed living in a buy now, pay later society.

The total cost of a good is not necessarily indicated. We purchase cars. We buy them for \$199 per month instead buying them for \$15,000. This whole practice of pushing consumerism to its limits is part of our society today. As a result, many people need better protection. I am talking about individuals who are most susceptible to the appeal of credit and who, unfortunately, cannot take proper responsibility for it.

For example, credit card interest rates are 18.9%—sometimes even higher—for cards issued by financial institutions, and from 24% to 28% for cards issued by major chain stores and oil and gas companies. That is huge, especially since the Bank of Canada interest rate, as I mentioned earlier, has never been lower.

It would be preferable for the maximum interest rate to be tied to the Bank of Canada rate, as it was prior to 1983. This would, ultimately, decrease debt loads, especially for the most disadvantaged in our society.

People with significant credit card debt are not necessarily those who shamelessly abuse their credit. One example is people who lose their job in the fall. Christmas comes. They need to meet the needs of their families on a regular basis. They have no money. They can use their line of credit and, in the months that follow, January, February and March, they have to meet the payments. This is not for unnecessary expenditures. Often, the money is not used for luxury items.

When people are low-income earners, for example, those on social assistance or those who have lost their job and who do not have a very high income, they accumulate debts they would not accumulate under normal circumstances. Of course, we must educate people. People need to be able to assume their responsibilities.

However, we also have a responsibility, in an organized plan that ensures results in the medium term, to adopt a systematic approach in this sector. We could, in addition to education, limit usurious lending rates.

The speakers recently have been asking whether what we want is credit cards with 60% interest. Not in the least, but if the rate were dropped, for example, down to 37% or 38%—that is the Bank of Canada rate plus 35%—this would tend to bring all the other rates down as well.

• (1915)

If the bank and store credit card interest rate were cut from 28% to 26%, 25% or 24%, this would at least be a small saving for the consumers needing that kind of credit.

It would be important for the federal government to regulate the spread between the central bank rate and the credit card rate, to lower the maximum legal interest rate from its current 60% level, and to adopt regulations similar that those in place in the Quebec consumer protection legislation as far as the unilateral increase in credit card limits is concerned.

Quebec has long had regulations that are ahead of the federal ones in this connection. The federal government would be well advised to follow its example as far as its responsibilities are concerned. Last of all, the financial institutions need to start acting more like good corporate citizens.

I remember seeing bank representatives visit our schools to give the students information sessions on credit and budgeting. There should be more of those. This practice, be it on the part of banks or credit unions, should be increasingly promoted. This way, the public could understand better the impact when they borrow money, what rates they have to pay and what implications their actions ultimately have.

On the one hand, this area should definitely not be regulated to death. But on the other hand, the status quo is not acceptable either. There is a step to take, which the federal government ought to take to ensure that people who have debts have an appropriate behaviour, so that as few as possible get into difficult or unacceptable situations. Ultimately, these situations have all sorts of other social implications. Often, because of the stress of heavy debt, people engage in social behaviours, in their family or elsewhere, which are unacceptable or even aggressive.

We must ensure that people do not fall into this trap and that we improve the situation. On this aspect, the federal government is now adopting a much too neo-liberal attitude, letting the market forces rule, despite opportunities to improve the situation.

Why is it that the federal government, with its amazing \$9 billion surplus in the past year, will not take one step toward fixing the fiscal imbalance? It would enable Quebec and the provinces to help the agencies that look after consumer education. Then these agencies could get the money they need to have a real impact on people who have to change their behaviour. We must give the most general information to the population as a whole and in addition target the groups that need this kind of information.

Government Orders

It should not be necessary to repeat the kind of debate we are having tonight every year. We should be able to see progress, the same way we have with tobacco use. If the federal government had taken the same approach toward tobacco use—saying that people themselves can decide whether or not to smoke, and letting them do it even though it was dangerous to their health—we would not be seeing a decline in the number of tobacco users today.

Why not draw from this, choose a systematic approach, and, down the line, have fewer and fewer people falling into the trap of credit debts beyond their means? Our society is able to provide this kind of education. The federal government has some responsibility for this. A debate like tonight's should not be futile; it should help to improve the situation.

• (1920)

[*English*]

Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Chair, first, the hon. member keeps repeating this business about 60%. I would be interested if he could name for me one credit card that charges 60%. I have gone through the material of the Financial Consumer Agency of Canada on its website and I cannot find anybody who has been charged remotely close to that. I do not know what he is talking about, to be perfectly honest. If he could name one, I would be interested to know, as would probably everyone watching this.

The second thing has to do with the delinquency rate. The delinquency rate is just a touch over 2%. It seems to me we could look at this half full, half empty, but this is 98% full and 2% empty. To be perfectly honest, 98% of Canadians seem to be managing quite nicely their credit as it relates to credit cards. I do not see what the issue is.

Third, the proposal is really even more bureaucracy. I agree with him on the point of more education. However, I cannot quite fathom how anybody who gets a \$1,500 bill on a VISA card and makes a \$70 payment for that month would not understand that there is still \$1,400-odd that has to be paid back. If people do not understand that, probably they should withdraw entirely from the financial system.

While I agree with him on one point that we can always have more education, and that is what the Financial Consumer Agency of Canada is designed to do, he seems to want to either layer on bureaucracy in the form of the federal government, for which all taxpayers then have to pay, or layer on bureaucracy on the credit granting institutions for which in one way or another all credit users will have to pay.

When there is a delinquency rate of somewhere around 2% and 98% are managing quite nicely, why would we create a whole big bureaucracy, be it government or be it a private sector bureaucracy?

Government Orders

• (1925)

[*Translation*]

Mr. Paul Crête: Mr. Chair, let me say again that there is none so deaf as those who will not hear. As I pointed out a few times, I was saying that credit cards had a 60% rate. Like Mrs. Madeleine Plamondon, the independent senator who sponsored Bill S-19, I argue that if we were to reduce the criminal interest rate from 60% to 37% or 38%, it would have a general impact on the overall loan structure and would eventually lead to much more reasonable interest rates.

Indeed, the maximum amount of the criminal interest rate does have an impact on the overall loan structure. If we could reduce the rate, the interest rates on credit cards, currently at 28% or 30%, could drop to 2%, 3% or 5%, because the maximum would have been reduced. This is the message we need to convey. Why is the government having a take-note debate if it does not want to change anything? It is beyond comprehension.

There is another remark that I do not appreciate. When someone has a debt of \$1,500, but it is indicated on his or her credit account that the maximum is \$50, and that he or she should not have the right to be part of the economic system, I find this deplorable. However, these are citizens, people with qualities and faults and whom we have to deal with. We must also allow them to improve their knowledge. Our recommendation is that the maximum amount of the debt be indicated on the part of the payment that is returned. This would allow people to know exactly how much they owe.

This type of behaviour is unacceptable on the part of a member who represents a government that wasted \$100 million of the \$250 million that went into the sponsorship program.

When we have a problem such as this in our sector, it would be better, before blaming someone else, to take a look at the unacceptable behaviour there has been. In fact, when people who are in a difficult situation regarding their credit look at what the federal government has done with their money, they have a lot of trouble accepting this.

I think that the government representative should apologize for his condescending attitude, because, in a take note debate, this type of behaviour seems totally unacceptable to me. We have a responsibility in society, and it is not only to deal with people who are independent, who have money and who are able to fend for themselves. We must allow others also to fend for themselves. This is the heart of the issue. We must educate these people and allow them to borrow at reasonable terms. The government's attitude in this regard is totally irresponsible.

Ms. Judy Wasylycia-Leis (Winnipeg North, NDP): Mr. Speaker, I would first like to congratulate the member for the Bloc Québécois on his remarks on this important subject. I support his call for regulating credit card interest rates.

I believe he has identified a very serious problem felt throughout Canada. It is the do-nothing approach of the federal government, which does not want to deal with this serious problem affecting our society.

I would therefore like to ask the member a question.

NDP policy is to cap interest rates at five percentage points above prime. I think this is a constructive idea, and I would like to know whether the Bloc would accept this policy or whether it has another suggestion to make in this regard?

• (1930)

Mr. Paul Crête: Mr. Chair, I thank my colleague for her question and I especially want to congratulate her for the quality of her French. She deserves credit for expressing herself here in the language used by most Quebecers and many people in Canada.

Her question is very pertinent. Personally, I believe that the range of interest rates should be much lower than the one that exists right now. Usurious rates should not be allowed to get as high as 60%. Credit card interest rates should be lowered, and people in difficult financial situations should be able to find solutions.

I do not believe that the NDP position is the ideal solution for right now. It would take us from one extreme to another. We would go from an irresponsible situation created by the federal government to a situation where the margin in relation to the prime rate is, in my view, not quite enough. The margin has to be higher than that.

However, we are on the same wavelength in that we have to make sure that the people in our society who are having the most difficulty with credit are given opportunities to get out of their difficult situation. The goal is not to put them further in debt. On the contrary, we want to help them manage their credit so that they have enough. After a few years, with support from agencies such as Option consommateurs and many other similar agencies—as long as they have the financial means to give consumers good advice—people will be able to manage their credit properly.

I hope we will achieve such conditions and that this take note debate will help the government set up interesting projects. If not, then we as MPs—any member of the House of Commons who feels like it—will have to take care of this ourselves.

I can imagine better education, the possibility of restricting the spread between the minimum rate and the maximum rate, and making credit card rates much more reasonable in relation to the Bank of Canada rate. All of this should help us create a situation whereby fewer people would fall into a credit trap they cannot control.

[*English*]

Ms. Judy Wasylycia-Leis (Winnipeg North, NDP): Mr. Chair, I believe this is an important debate, especially as Canadians begin thinking about Christmas, about Chanukah, and about buying gifts for loved ones.

Government Orders

It is important for us to acknowledge that people use credit cards on a regular basis and often find themselves in difficulties because they exceed the amounts they are able to handle on a regular basis and because they sometimes get trapped into situations through no fault of their own. There is no question that many tactics and strategies are used by financial institutions to entrap Canadians into a vicious cycle of paying interest over a lifetime. As legislators it is our responsibility to address this public policy issue.

Therefore, tonight is a chance to review current policy, assess where the gaps are and make recommendations to the government. Tonight is not a time to give advice to Canadians about where to put their credit card, how to keep it safe and how to worry about their pin number. That is something Canadians can get on a regular basis through many different services, including the Financial Consumer Agency of Canada. It provides a valuable service in terms of educational information and it deals with consumer complaints dealing with problems that arise under the law as it exists now.

We are talking about what is wrong with the law, with current regulations and legislation, vis-à-vis the area of credit cards.

It is absolutely irresponsible for members of the Conservative Party to stand up and say that there is no place for government in this, that it is up to people and that we have to educate them. It is as if there are no circumstances in which big financial institutions take advantage of ordinary consumers today.

The parliamentary secretary likes to drag out this number of 60%. He suggests that if banks and other financial institutions are not charging this criminal usury rate of 60%, what is the problem. The problem is that between the prime lending rate and 60% interest rate, there is a huge range of possibilities that place an enormous burden on consumers.

It is our job as parliamentarians to convince the government to define a reasonable interest rate on credit card usage. At the same time, it is our job to look at the question of whether the 60% interest rate is a sufficient parameter in terms of criminal activity and in terms of criminally established usuries interest rates.

I might note for the benefit of members of the House that at the present moment there is a bill before the Senate that tries to change the definition of criminal rate and interest in section 347 of the Criminal Code. That bill recommends the 60% be changed to 35%. That is a useful and positive addition to the debate. There are important ramifications for people who are now caught up in the fringe financial services because the banks have either abandoned them or they are unable to access credit on an established normal basis and, yes, who do end up paying extraordinarily high interest rates in the neighbourhood of 60% or just under and for which there are then no criminal penalties.

Therefore, it is important that we actually look at the criminal interest rate that now exists on the books. It is important that we look at what the role of government should be in establishing a reasonable rate of interest on credit card uses, not to simply say let the market prevail, as the parliamentary secretary seems to be suggesting tonight.

We know from statistics, and the parliamentary secretary has this right, that the average credit card interest rate is 19%. That is 14.75

points above what the banks charge their best customers. This is what we are talking about. We are not talking about the 60%, as the Liberal member likes to suggest from his seat. We are talking about the fact that the interest rate on credit cards now is so much higher than the prime lending and for which there are no government regulations.

● (1935)

We are not just talking about the interest charges on credit cards. We are talking about retail credit cards as well, where interest rate charges go as high as 24% and higher. We are talking about an extremely high interest rate for the use of a credit card that has become the norm in our cashless society. We are saying to the government that it must look at this issue. It must put in place some proposal that puts a cap on what banks and financial institutions can charge in terms of credit card interest rates.

The NDP has made a suggestion. The member from the Bloc addressed that and said it might not be the right answer, but at least it is in the spirit of what is needed to be done today. We have called for regulating credit card interest rates to five points above the prime lending rate, as opposed to the 10 to 20 point gap that many credit cards have now. We would require that a floating interest rate cap be imposed either through self-regulation or through legislation on credit card interest rates. Lower interest rates on credit cards would return some of that windfall to consumers, thereby reducing consumer debt and freeing up money to spend on goods and services.

That is a reasonable suggestion to deal with the fact that many people find themselves in very difficult situations paying down their credit cards over their lifetime. Think about the possibilities for growth in the economy if we could avoid saddling people with a lifetime of debt because our government refused to show any kind of initiative and propose any kind of regulations.

Let us look at it from the point of view of students. The parliamentary secretary said he has a son, a youthful person who he referred to in this debate. Let us look at the fact that many students live on a credit card because their loans do not cover their requirements of paying tuition and all that goes with it. Many do not just have loan debt, they also have credit card debt.

Let us look at some of the statistics. The 2001 survey sponsored by the Canada Millennium Scholarship Foundation found that 20% of students under the age of 20 possess and use a credit card. The survey found that 39% of students had accumulated debt on their credit cards; 24% had a debt of less than \$500 and 19% had a debt of more than \$2,500. The more credit cards that students had, the greater their amount of debt. The average debt of students with one credit card is \$90 but rises to \$1,600 for students with two cards, and \$2,500 for students with three or more credit cards.

Government Orders

It is possible to make the suggestion and tell these students to throw away their credit cards, but that does not address their reality of trying to go to school when tuition costs are out of reach, and when all of the books and services that are required to be paid for are way beyond the loans available for students. That requires them to turn to credit cards just to get a basic education.

Banks know how to play the system. They know that they set limits and when we reach that limit, when we pay off our card on a regular basis, they jack up the limit before we know it. We suddenly go to a higher limit and find ourselves in a huge debt situation.

Let us look at the fact that fringe financial services have jumped in to fill a tremendous void when people find themselves in such terrible debt vis-à-vis credit cards. There are all kinds of vultures out there who are prepared to eliminate credit card debt. Just go to a computer on the Internet and look at the number of organizations like worldcash.net, instant quotes, 1,2,3. There is fringe banking on the Internet because the government refuses to put limits on credit card rates and in many instances, the big banks have abandoned ordinary consumers. It is time to act.

● (1940)

Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Chair, I am having difficulty believing that the NDP is serious about putting a cap on five points over prime. In physics, there is a law that for every action there is an equal and opposite reaction. It applies somewhat in financial circles as well.

If in fact we put that cap on and I were a financial institution, which I am not, I would immediately readjust my strategy. I would adjust my strategy to simply pick up the most creditworthy customers because I could no longer afford delinquency and all of the difficulties that come with collecting from less creditworthy customers. I would probably have to scale back the services that I provide because presently there is a 24/7 worldwide system and whether I would be able to continue to provide that would be problematic. Canada has probably the most sophisticated financial system in the world. I would have to scale back some measure of that.

If I were a financial institution, I would have to look very seriously at where I would be getting my revenues. Presumably, I would still get my revenue from the merchants. I would presumably still get some of my fees, although I would not get nearly as many fees as I was getting before, and I would not be able to count on revenues that might be generated from interest.

The equal and opposite reaction would be exactly the opposite of what the hon. member wants. There would be a restriction of credit. There would be fewer reputable institutions in the business. She would effectively create a new pool of people who have to deal with fringe financial institutions and their cost of operating is quite a bit higher. She would have the unintended consequence of actually creating a larger pool of people dealing with fringe financial institutions, paying higher rates of interest, and in fact not doing what she proposes doing. I put it to the hon. member that she cannot possibly be serious about a 5% cap.

● (1945)

Ms. Judy Wasylycia-Leis: Mr. Chair, if there is any contradiction in this place, it is within Liberal ranks. The idea of a cap on credit card interest rates is not an idea of the New Democratic Party; it has been a longstanding policy of the Liberal Party.

I would refer the member back to a debate that happened in 1990, when there was a standing committee on credit card costs. It recommended that interest charges on cards issued by financial institutions not be allowed to go higher than eight percentage points above the bank rate.

In that debate there were speeches made by Conservatives suggesting that this would cause everything that the parliamentary secretary is now saying. Suggestions were made that if we were to put a limit, then the banks would just rise to the limit or they would not be able to pay for all their costs, and therefore they could not be able to lend generously to Canadians when they need it and all this kind of stuff.

At the time, the member for Glengarry—Prescott—Russell, a Liberal member, said that the argument was gibberish. I assume that he would call the parliamentary secretary's argument gibberish as well.

He went on to say that the government on the one hand argues that competitive forces will work to keep interest rates down, but if we impose a limit, the companies will all climb to that limit. Now we have the Liberals in this House doing exactly what they criticized the Conservatives for a number of years ago, wanting it both ways.

The generally accepted public policy in this country is for a positive role by government, especially in the area where credit card interest rates can fluctuate so wildly and place such a tremendous burden on Canadians. It seems to me that we should actually work together to find the right cap that should be placed on credit card interest rates, not dismiss the idea at all.

I never thought I would do this in the context of this debate, but maybe it would be useful to quote the Bible since the Old Testament is pretty clear on usury. The Old Testament forbade lending for any interest. Deuteronomy 23:19 states:

Thou shalt not lend upon usury to thy brother; usury of money, usury of victuals, usury of any thing that is lent upon usury—

If the Bible is not good enough, we could quote the Muslim Quran, which states:

Those who devour usury will not stand except as stands one whom the Evil One by his touch hath driven to madness. That is because they say: "Trade is like usury," but Allah hath permitted trade and forbidden usury.

The idea here is not just a cap on credit card interest rates. It is not just some crazy idea of the NDP. It is found in religious texts. It is found in Liberal policy books. It is found in consumer advocacy organizations. People everywhere are talking about the impact of unregulated credit card interest rates on consumers. We place people in difficult situations and huge debt loads that can only hurt them and their families and, hence, our society.

Government Orders

If the goal is to have economic growth and ensure people are contributing to their full capacity, then surely the member can see that it would be important for the government to find some way to cap interest rates and to work to ensure that the banks and other financial institutions are not taking advantage of consumers and are ensuring that everyone who enters into a credit arrangement has full knowledge and information and is not burdened with a debt beyond their means.

• (1950)

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Chair, I would like to pick up from where my colleague spoke so passionately. I am glad she referred to the Bible and other examples. However, in quoting what the member for Glengarry—Prescott—Russell said 14 years ago about capping it off at 5%, I will not deny that was said, and if we were to look back, that probably was said. However, fast-forwarding 14 years down the road, I say to my colleague from the NDP, capping off and controlling has not worked, as we have seen.

Members keep referring to 16%. The proposal is 5% over prime. Almost a decade ago when I came to this honourable House I remember that we talked about the horrendous interest rates, and the banks listened, which is why the Financial Consumer Agency of Canada, known as FCAC, was formed.

I want to pass on to my colleague and all members that there are credit cards today, which people can have without the so-called bells and whistles, that are at prime rate and maybe two percentage points over.

What is best, 2%, 3% or 5% over prime, as the hon. member says? In capping we may also be going in a different direction, but I believe that financial institutions and the credit card providers heard us a decade or so ago. They started to adjust over the course of the years and today they are offering credit cards or charge cards with a variety of flexibility in terms of rates, programs and what have you.

Ms. Judy Wasylcia-Leis: Mr. Chair, perhaps the member can point to some examples where a bank will offer some credit arrangements at a very low interest rate, but that is not the norm. For the average Canadian with a credit card, the interest rate is 19%. If that person has a retail credit card, we are looking at 24% to 28%.

We must keep in mind that we are looking at more than 50 million Visa cards and MasterCard. We are looking at the fact that Canadians have charged almost \$50 billion to them. We have 24 million more retail credit cards from issuers as diverse as Petro-Canada to the Hudson Bay Company to Canadian Tire. That is quoting from a CBC documentary on September 20, 2004.

That documentary and other experts in the field have raised concerns that Canadians have about the system and how they feel that their lives have been made more difficult by the fact that they are trapped sometimes in paying off their credit cards over a lifetime.

I want to refer to one study completed last month which shows that almost seven in ten Canadians say that they are worried about their ability to manage their debt loads if interest rates keep rising.

The member knows that banks and financial institutions will charge what they can get away with. It is not about competition

because we know that there are very few credit cards that have a 19% interest rate—

The Chair: The time for questions and comments has expired.

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Chair, I appreciate the opportunity to participate in this debate on an issue that probably takes place in every household between students and families. There can be no question that credit cards today are an integral part of our lives. Every household from coast to coast to coast uses credit cards or charge cards.

The Canadian credit card market is one of the most competitive in the world, with more than 600 varieties of cards. Banks, credit unions and retailers, as was mentioned earlier, are the principal users offering a variety of products to meet the credit and transaction needs of its customers. Convenient payment options and low borrowing rates are offered. Point programs, insurance coverage and retail discounts are also among the various services that are offered. Year end bonuses accumulated based on usage over the year are given back to customers.

Credit cards are a flexible and convenient tool today as our society has changed. Visa cards and MasterCard are accepted at an estimated 650,000 outlets in Canada and more than 30 million locations worldwide. In 2003 it was estimated there were 74.3 million credit cards circulating in Canada, 50.4 million Visa or MasterCard and 23.9 million American Express cards, Diner Club cards and merchant issued credit cards from places like The Bay, Canadian Tire, and the list goes on.

These statistics leave no doubt that Canadians are active users of credit cards and will continue to do so in the foreseeable future. As I said to my colleague earlier and have mentioned in years past, this is an option somebody could take on. Nobody has forced me or you, Mr. Speaker, or anyone else to take the card and use it. It is our choice. If I wish to respond to the marketing of a certain credit card company, I will take on that responsibility.

When we were facing this issue 10 years ago we felt that the consumer was not being informed. We felt that there should have been more options to the consumer and I was pleased. I recall that you and I, Mr. Speaker, were on Parliament Hill together after the 1993 election and there were issues that were very important to us. It was not the party affiliation that brought us together. On the contrary, it was issues like this because we cared for the average Canadian.

I remember that there was no party separation on these issues. We worked together on this issue to make sure that the providers of charge cards pointed out the information, that there were flexible terms available and that there was not just one card that was offering all the bells and whistles, insurance, points, et cetera. There were the pared down charge cards that offered literally nothing except the opportunity to use the card if people did not have cash in their pockets or they were short one week. They would pay the service charge on whatever was purchased the following week or at the end of the month.

Government Orders

I am pleased to fast forward to 12 years or so down the road and say that the providers of these charge cards have indeed put out information telling consumers that they can have option A, option B or option C. I have said repeatedly that I believe we are a pretty smart and informed society but that it is incumbent upon us to pick up the information and read it. With the access we have today to the Internet, we have information at the snap of our fingers.

When other members talk about capping interest rates on credit cards at 5% above prime, I wonder why I should pay 5% above prime if I have an option of paying 2% over prime. It does not make sense, does it?

Nevertheless, as I mentioned earlier in my questions and comments, with all this in mind, the government's financial sector decided to create the Financial Consumer Agency of Canada, an agency that was established to consolidate and strengthen the oversight of consumer protection measures in the federally regulated financial sector and to expand consumer education, which is what I have been talking about.

The FCAC's creation was one in a series of initiatives resulting from an extensive period of study and public consultation on the financial sector reform initiative. As I said, we consulted with Canadians. We went out and talked to Canadians. We asked for their input. As a result, we formed the FCAC.

As a government, our vision is to establish and maintain a fair and competitive financial marketplace in which Canadians can easily obtain reliable, objective information to help them make informed financial decisions.

•(1955)

We also believe in the marketplace where financial institutions meet their obligations to consumers, where transparency is the rule rather than the exception and where non-compliance is dealt with swiftly and effectively. This is where the FCAC does come in, and of course there are stats to prove, in terms of the consumer who now has an outlet, that they can go to this body and make their complaint. It is incumbent upon the FCAC to move forward to make sure that these institutions, these card providers or whoever, are complying with the legislation, maintaining the code of conduct and respecting the public commitment it made to protect the interests of consumers.

The FCAC opened 1,437 compliance cases in the past which resulted in 22 cases of non-compliance to voluntary code of conduct and public commitments. There were 39 violations of the consumer provisions leading to 20 cases where compliance measures were taken. Some of the measures taken were three notices of violations and monetary penalties of \$10,000, \$5,000 and \$50,000 were applied. If an organization such as this was not there who would the consumer have been able to go to in order to make a complaint about not being fairly treated? All of a sudden the FCAC is there. That is really what I want to talk about.

Yes, we can get into the interest rates, the charges and the percentages which I think is part of the debate as well. The agency also does something that we talked about back in 1994-95. The agency distributed well over 300,000 copies of publications and brochures just in 2003 and in 2004.

Part of its mandate is to inform the consumer and to make sure the consumer is aware of what is happening. Consumers need to know that it is there if they have a problem, a question or if they feel they have been mistreated or cheated. The organization was established by the government to make sure that consumers are not abused.

The agency has also been mandated to expand consumer awareness on financial issues such as credit cards, but more so, it gives me great pleasure to know that the FCAC publishes a semi-annual report entitled, "Credit Cards and You". I visited high schools, because we talked about our youth, with the Canadian Bankers' Association to talk about a program called, "Managing Your Money". I am pleased that the banks and the institutions have taken the initiative to go out to the community, to go right into the high schools and talk to students.

With respect to the interest rates charged, certainly today some of these figures are exuberant percentages. I first want to say that I do not agree with these exuberant overcharges. However I am also mature and well educated enough to know that if I do not want to use a credit card I simply will not use it. Why would I create debt? Yes, I might go and use it knowing very well that I could make my monthly payment and knowing very well there is an 18%, 17%, 16%, 2% or 4% charge, whatever type of card I have. I have the option at the end of the month to pay the \$200 that I used the previous month and with no interest charge. I look forward to any questions.

•(2000)

Mr. Gurmant Grewal (Newton—North Delta, CPC): Mr. Chair, this is the Christmas season and people are very busy shopping for Christmas. I think the main payment source people in Canada use is the credit card. We know that there are 50 million credit cards in circulation for only Visa and MasterCard and 600 institutions issue Visa and MasterCard. There are also many other kinds of credit cards.

When looking into the credit card issue, two issues come to mind. One is the high interest rate and the other is credit card fraud.

I will focus my question on credit card fraud. It was reported, and admitted by the RCMP, that financial losses due to credit card fraud came to the tune of about \$200 million last year in Canada. According to another report on consumers and businesses, overall losses due to digital fraud amount to about \$14 billion U.S.

We also know that it is the organized criminals who are behind this credit card fraud. I know that because I was a member of the justice subcommittee on organized crime. I heard an eye-opening presentation from the RCMP. The RCMP was pleading with the lawmakers, the members of Parliament, to do something to provide the RCMP with enough resources so that it could compete with the state of the art technology used by the organized criminals.

On the one hand, the government is wasting billions of dollars on the gun registry and using the gun registry to chase the duck hunters. On the other hand, people are getting away with serious crimes like organized crime, particularly digital crime or credit card fraud.

Government Orders

My first question for the hon. member would be this. Would he not chase the criminals who are committing fraud deliberately and knowingly and in an organized manner duping the Canadian economy? Or would his first priority be chasing the peaceful duck hunters by using the gun registry?

My second issue is this. This issue has not been brought forward. It is about identity theft fraud. There are companies in Canada boasting that they are selling high quality products, those products being fake IDs. There is a company called Digital Products, formerly called Photo-ID. It boasts on its website that it is selling fake driving licences for 7 provinces of Canada, 34 U.S. states, and 6 Australian states and territories. It also boasts that it is selling high quality products with hologram and magnetic strips. Looking at the card, it is hard to distinguish if the card is fake or an original identity card sold or provided by a province of a state.

Law enforcement officials cannot do anything about it because they cannot charge anyone until the fake ID card is actually used. To produce and sell fake ID cards is okay according to our law.

We also know that fake ID cards, particularly a driver's licence, can be used for buying airline tickets and boarding a plane.

What is the magnitude of the gravity of the situation? It is serious.

Would the member not urge his government to do something about identity theft? Even possessing or making a fake ID card should be a crime in this country, because there is no good intention behind making a high quality fake ID card with holograms and magnetic strips. I would ask the member to urge the government to change that law.

● (2005)

Mr. John Cannis: Mr. Chair, I will answer the hon. member's two very important questions. I will start with the expenditure in terms of comparing it with the gun registry.

It really saddens me that we use this special time of the year as we head into the Christmas season and use the parallel of the gun registry. The only simple answer I have for the hon. member, who has good intentions, is this. Why does he not ask the police association who have told us "do it, support it"? If he can convince them to tell me as a member of Parliament and all others to scrap it, then I would be glad to stand by his side and say that we will scrap it. I ask him to speak to the police association. Therein lies his answer.

On the second question, my hon. colleague asks why do we not charge them for identity fraud for making these cards. Let us say that somebody stands outside a store and says he is going to rob that store. We live in a civil country. The presumption of innocence is there. Until that person actually goes into that store and commits that crime, the authorities cannot and should not arrest this individual. They can arrest upon action. If the individual goes in and robs that store, then they have the right under the law to arrest this individual.

How do we say this to somebody? I used to work with *Popular Mechanics* and made a few things at home. Maybe sometimes that was infringing on violation of patents, but I did not go out and sell the things. Let us say that I was making a stereo in my house or something. Maybe that was a violation, but if I had gone out to market it, thus violating somebody's patent right, then I should have

been charged with a criminal act. In this case I say to my hon. colleague, how do we do that? The intent to do wrong is there, yes, but on intent alone we cannot charge the individual. The moment they use these new gadgets, yes, we should charge them.

Here is what I have found, and I will close with this. Industry, government and banks—and we have tried it with our passports, for example—are continuing to upgrade the system to make sure that fraud does not occur, but we have heard this over the decade or so we have been here that as much as we upgrade the technology, someone will come along and try to beat the system. Unfortunately, that is society, and it is incumbent upon us to make sure that we invest money properly to beat them as well as they try to beat us.

● (2010)

Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Chair, as I am sure my hon. colleague is aware, at least anecdotally, over the last 10 years transactions in this country have changed substantially. Basically 80% was cash or cheque and now transactions are something in the order of 50% electronic. Of that 50% electronic, 61% is by debit card and 39% is by way of credit cards, so interestingly the debit card has actually eclipsed the credit card. The credit card is starting to be treated or seen by Canadians as less advantageous technology.

The proposal by the NDP is that we should cap interest rates at five points over prime and that we should set up either an industry driven bureaucracy or a government driven bureaucracy to so-called educate people and prevent them having difficulties with their lines of credit.

Given the trend lines that I suggested to the hon. member, I would be interested in his reaction as to whether he thinks those ideas as put forward by both the Bloc and the NDP have any merit whatsoever.

Mr. John Cannis: Mr. Chair, in the past—and again I refer to the fact of your long stay here and I wish you many more years—it was the gasoline pricing. They talked about capping the gasoline prices. We all remember that. Over the years we have had those debates. Of course it is a provincial jurisdiction and there were provinces in Canada that tried to regulate gas pricing. We all know what happened. The prices skyrocketed. Other provinces chose not to go that way.

If we apply the same principle to this industry to regulate it, I believe we are going to have the same outcome. The key here, in response to the parliamentary secretary, is to give people choices, to say that here is a credit card with all the bells and whistles and here is a credit card that offers nothing but maybe a minimal charge, because of course for every service provided there is a charge.

Government Orders

In this case I am responding to the parliamentary secretary by saying that in my view the answer is to provide choices for people. The first choice is if they want to use these credit cards. The second choice is in the types of charges that they are going to be charged on the debt they carry. And if we leave it at that, then I truly believe we live in a democratic society.

Mr. Tom Lukiwski (Regina—Lumsden—Lake Centre, CPC): Mr. Chair, I want to pick up a bit on what we have just discussed. I know that it is not perhaps right on topic with some of the discussion pertaining to capping interest rates and things like that, but I want to talk about identity theft and the relationship credit cards have to identity theft.

My first couple of comments relate to a few comments made by the hon. member across the floor a few moments ago with respect to identity theft and credit cards. My colleague was quite correct in one thing. Right now, and I believe this is a tragedy, if someone is in possession of multiple pieces of personal identification that belong to someone else, it is not a crime. It is not a crime until that identification is used.

My hon. colleague suggested that is the way it should be because someone could stand outside a Kresge's or a department store with someone else's ID but we cannot charge the person because it is a free country until that person uses it. He suggests that we cannot really do anything about that.

I suggest the opposite. I think we can do something about it. I think the first thing we have to do is identify what personal information is and get a definition for it and identity theft in the Criminal Code of Canada.

The second thing we need to do is take action. We need to make it a crime for anyone to carry personal information that is not his or hers without the lawful consent of the individual whose identity that person is carrying, or without a lawful excuse. That is how we do it. My hon. colleague said that we cannot really do anything about it. Sure we can. There are recommendations upon recommendations from institutions like the Canadian Bankers Association on how to deal with this specific issue.

As a matter of fact, I plan to introduce, hopefully as early as next spring, a private member's bill dealing with identity theft. That is how we do it.

Identity theft is the fastest growing crime in North America. In 2002, the latest statistics I have available to me suggest that there were over 160,000 victims of identity theft in Canada. I would suggest that in 2004 we probably have closer to 250,000 or 300,000 victims of identity theft. That number is growing by leaps and bounds.

The relationship between identity theft and credit cards is simply this. Out of all the various ways in which identity theft can be perpetrated upon the public, and I am talking about phone fraud and bank fraud, the largest single aspect of identity theft is through credit card fraud. Over 42% of all identity theft violations deal with credit card fraud. Of that, over half is with new credit cards.

There are two ways in which one could perpetrate a crime with credit cards. One would be to steal a credit card. For example, someone walking down the street lifts somebody's wallet. The credit

card is taken and the thief whips down to the nearest convenience store, supermarket, grocery store or Sears, forges the person's signature, uses the credit card, charges up a whole bunch of bills and then walks away from the crime.

The most serious aspect and the fastest growing component of credit card fraud is how people are getting new credit cards. This is very difficult to police.

How is it done? Here is how it works. It is pretty simple. In this day and age, there are over 600 credit cards or charge cards available in the marketplace. I think that number is increasing. Many times, credit card companies send out pre-authorized credit letters to some of their good clients. In other words, they send out a letter saying that the client is a valued customer of theirs and because the client has performed admirably with the responsibility the client has shown with respect to paying off the current account, the company says it pre-authorizes the client for a new credit card with a \$20,000 limit.

Here is what happens. Many people who receive these letters are not in the market for a new credit card so they just chuck the letter in the garbage. What the identity thieves do then is literally go through people's garbage, pick out these letters and respond to them. They respond to the credit card company by saying, "I am John Doe and I am pre-authorized for a \$20,000 limit on a new credit card". They put the person's address on it or, more than likely, what they say is, "My name is John Doe and I am accepting the offer for a \$20,000 limit on a new credit card, but my address has changed. I do not live at 123 Elm Drive anymore. I have just moved". Then they give the credit card company their own address.

What happens? A couple of weeks later in the mail comes a new credit card made out to John Doe and the new address. This person will take that credit card and start making charges. That is identity theft. Where do the charges ultimately go? The charges go back to John Doe, not the person who has committed the theft. This is the fastest growing crime in North America.

We are all victims of this. The other thing that happens is that this is a great cost to our economy. Again, statistics show that in 2002, with about 160,000 victims of credit card fraud or identity theft, there was about a \$2.5 billion cost to the economy. I would suggest that in this day and age, two years later, the cost to the economy is closer to \$5 billion.

We have to do something about this. It is a very serious crime. If we do not deal with it through legislation, we will not deal with it at all. That is what I am suggesting. We need legislation to deal with this problem.

● (2015)

Again, my hon. colleague across the floor suggested that there is nothing we can do. We can do something about it. That is why we are in this assembly. We are lawmakers. We see a problem, we identify a problem, we create a solution and we deal with it. That is what we need to do here.

Government Orders

There is a great proliferation of credit cards in Canada and throughout the world. We know that. That will not abate. That will not be something that causes people to ask for less credit. The credit card companies themselves clearly will increase the number of products and cards they offer. Knowing this and knowing that identity theft is the fastest growing crime in North America, recognizing that credit card fraud is the largest proponent of identity theft, why do we not just do something about it.

Yes, we can talk about insurance caps on credit cards. In my opinion the real problem is theft. Whether we self-regulate, self-police or cap credit cards, that does not solve the problem of what we do with people who steal our identities, use our credit cards and go on spending binges

Do members know that it takes over a thousand hours and costs over \$675 per person for Canadians who has been victimized by identity theft. This is what it costs to try to rectify the situation. That is an inordinate amount of time and money that innocent victims have to deal with because they have been victimized.

We have an opportunity to fix the problem. All we need to do is pay some attention to the problem itself. I do not think we have a problem with capping expenses or the interest level charged by credit card companies. It goes far beyond that. I think we have a problem with people stealing identities. They are using credit cards for illicit purposes. That is the problem we should be talking about tonight, and that is what I want to address.

I am not going to talk about whether the government should be taking money from the gun registry and putting it into credit card fraud. We have to make a law because no law exists right now. We can do it. Why Parliament has waited this long to deal with a problem that is growing faster than any other crime in North America is beyond me.

Part of the reason I am speaking here tonight is that hopefully I will get some support from members opposite and on this side of the House next year when I introduce a private member's bill. I think it is a fairly simple fix to a very serious problem.

Once again, in my opinion, all we need to do to deal with the problem is this. First, clearly define personal information and identity theft in the Criminal Code of Canada. Second, make it a crime for individuals to possess someone else's personal information unless they have express consent from that individual or if there is a lawful excuse.

Let me give one final example of how ridiculous the situation is right now. A police officer can stop a car and with legitimate cause and purpose get the individual to open the trunk of the car. The police could find 500 credit cards made out to individuals across Canada, but that person cannot be charged with identity theft. It is very simple to say that the person did nothing wrong. We all know the difference between right and wrong. Believe me, if a person has 500 credit cards in his or her possession, he or she is about to commit a crime.

We cannot deal with it now because we have no legislation to do so. Let us ensure that we enact legislation to deal with the problem. Let us fix it.

● (2020)

Mr. Gurmant Grewal (Newton—North Delta, CPC): Mr. Chair, I very much appreciate the hon. member highlighting the issue of identity theft. My previous question to the hon. member from the Liberal side was about identity theft, and I am not satisfied that he addressed the issue to the extent it should have been.

In fact, he said that someone standing in front of a store could not be charged with the intention to rob the store. We can understand that. However, someone could put a gun to a person's head and then say that since he or she did not pull the trigger, there is no intention of harming anyone or using that gun for a criminal purpose. In that instance it would not be true.

Similarly, someone could try to smuggle a weapon onto a plane and say that he or she had no intention of doing anything wrong with it. How would someone know what the intention was? Why would someone pay \$90 for state of the art high technology identity which belongs to someone else while boasting that it is high quality? I believe we as lawmakers are allowing people to do the wrong things in a correct way. We say that it is okay for people to commit fraud, but they should do it right so we cannot charge them. As lawmakers we must stop it, whether the fraud is committed in a right or wrong way. Fraud is fraud and it must be stopped.

The member listened to the comments of the member from the government side. Does he think the government has the political will to stop identity theft crime or introduce some sort of legislation so we can make it illegal to possess someone else's identity for the purpose of committing a crime?

● (2025)

Mr. Tom Lukiwski: Mr. Chair, yes, basically I agree with everything the hon. member has said. I referred to most of those points in my presentation. I think we can put a dent in identity theft, particularly credit card fraud, by taking the steps I have outlined. Once again, I will summarize in case the member did not hear it the first two times.

First, we have to clearly define personal information in identity theft in the Criminal Code of Canada. That has not been done yet. Second, we need to make it a crime for someone to possess someone else's personal information. It is that simple. Can we do it? Yes, we can. Will the government enact legislation? I am not sure. I want to introduce a private member's bill. If the government came forward with legislation dealing with this issue before I introduced a private member's bill, I would gladly support it because it needs to be done.

We are all lawmakers. I go back to the fact that we are all on the same side with a lot of issues. We know intuitively, if not empirically, the difference between right and wrong. We know that people are getting away with identity theft. We can deal with it. We can put a stop to it, and we need to do that.

Government Orders

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Chair, I have listened to the member's remarks and he has perhaps made some useful suggestions. I would not be prepared to accept that no criminal charges would emanate from a scenario where a policeman found an individual with a box full of 500 credit cards belonging to other people. I would ask the hon. member if he is of the same view.

It is similar to someone having another person's cheque book or credit card in his or her briefcase. In this case there are 500 of them in the trunk of someone's car. I think a policeman could infer an attempted fraud in that situation. One could probably also infer the intent just from the existence of all these other identities on credit cards.

I do not want to take away from the member's creative suggestion of looking at other ways to target this type of crime. Would he not accept that we are not clearly out in the cold in this scenario, that a policeman would likely have good grounds to act?

Mr. Tom Lukiwski: Mr. Chair, the hon. member is quite correct that there is a possibility that an individual found in possession of 500 credit cards could be charged with a crime, but not with identity theft. That much we know.

We also know the possession of multiple pieces of identification right now is not a crime. Charges can be laid, but it cannot be for identity theft. Let us not kid around. That is what the person is planning to do, so let us not try and pony up a charge because we do not have the legislation or a law in place to deal with it. We know there is going to be a wrong. One does not have to be Einstein to figure out that if a guy has 500 pieces of false identification, he is not out there for a joyride. He is not going to make a bonfire with all these identifications. He is doing it for a reason. He wants to commit a crime.

Yes, the police can perhaps charge those people, but they cannot charge them with the crime they should be charged with, which is identity theft, and we need to deal with that.

• (2030)

Hon. Jim Karygiannis (Parliamentary Secretary to the Minister of Transport, Lib.): Mr. Chair, I could not help but stand up to make some comments. I listened to my colleague on the other side talk about a gun and the intention to take the gun on a flight.

I want to reassure the member that the Minister of Transport, as well as myself, take those matters seriously. For someone to stand in the House of Commons, say that he has a gun and that it is his intention to carry it on a flight, but he is not guilty, is something of which the hon. member has to seriously be a little careful. I need to remind him that we have laws that would prevent him from doing things like that.

Saying to someone, as my hon. colleague across the way said, that he was going to stick a gun at the guy's head but he did not intend to pull the trigger is not the same as someone having maybe two or three cards from somebody else. Realistically, we have to compare apples and apples and oranges and oranges. Let us not use fearmonger tactics. On this side of the House, we take very seriously the fact that a person has a gun and might take it on a flight.

Does my hon. colleague shares my views or does he share the views of his colleague, which were very inflammatory?

Mr. Gurmant Grewal: Mr. Chair, I rise on a point of order.

The Chair: There are no points of order and no dilatory motions during this debate.

Mr. Tom Lukiwski: Mr. Chair, all I can say is I know my esteemed colleague and I know his intention was only to try to create an analogy. He was referring to comments made by one of the members opposite who said that just because one had something, it was not a crime until he or she went into a store and used it. I am saying, let us make it a crime.

The analogy my esteemed colleague was using was to refute the argument and example given by the member opposite. I do not, for the life of me, think that he was in any way, shape or form encouraging violence or encouraging someone to go out with a loaded revolver or handgun just for the point of showing that it "ain't a crime" until he pulled the trigger. I do not think my colleague even meant that. Quite frankly, the member's inference that he did is an insult to my esteemed colleague.

Hon. Jim Karygiannis: Maybe we could check the blues.

The Chair: Just to set the record straight. I was mistaken earlier. There are no dilatory motions, no quorum calls and no requests for unanimous consent allowed, but there are opportunities for points of order. Is there still a point of order from the member for Newton—North Delta?

Mr. Gurmant Grewal: Mr. Chair. I just wanted to make it clear for the record that I never said I had the intention of carrying a gun onto the plane. I want the hon. member, who implied that I was going to carry a gun to the aircraft, with no intention of doing anything bad, to know I did not say that. I simply gave an example that if someone had a gun and did not pull the trigger, it did not mean that the person was not wrong in his or her intention, similarly about carrying a gun onto a plane. I absolutely have no intention of doing that. I even do not touch guns.

The Chair: I do not think that is a point of order. It is a point of debate. The member is allowed to get up frequently, ask those questions and enter into the debate. The hon. Parliamentary Secretary to the Minister of Transport.

Hon. Jim Karygiannis (Parliamentary Secretary to the Minister of Transport, Lib.): Mr. Chair, I am sure that if we checked the blues, we would find that there were comments made that certainly need to be looked at.

I appreciate the opportunity to speak regarding the financial services sector in Canada. I would like to focus my remarks on the issue of credit cards. As we know, the use of credit cards has become an integral part of how many Canadians handle their personal finances. Indeed the Canadian credit card market is one of the most competitive in the world, with more than 600 card offerings. Banks, credit unions and *caisse populaires* are the principal issuers, however, retailers have also jumped on the bandwagon, offering a variety of financial programs to meet the credit and transaction needs of the customer.

Government Orders

The competition among the companies is fierce. I am sure that hon. members have seen ads offering convenient payment options, low borrowing rates, point programs, insurance coverage, and retailer discounts. It is important that consumers be provided with adequate information so they can make informed choices about their banking services. That is why the government is continuing to work to improve it.

Before I address the specific issues of credit cards, given the predominance of these financial products on the markets, I would like first to take a moment to provide some background to key federal legislation concerning financial institutions in Canada.

Indeed the impact of federal legislation and initiatives designed to protect customers within the financial sector is an important element of the government's ability to service Canadians. Hon. members will no doubt recall Bill C-8, which implemented a new policy framework for Canada's financial services sector.

The legislation was the culmination of a process that began in 1996 with the establishment of the Task Force on the Future of the Canadian Financial Services Sector and the payment advisory committee. In September 1998 the task force presented the government with its report entitled "Change, Challenge, Opportunity", which was subsequently reviewed by two parliamentary committees.

The committees in turn conducted extensive public consultation and presented the government with their own recommendations. The consultation process led to the emergence of a broad consensus of measures to improve the sector. That consensus provided the solid foundation for reforming Canada's financial services sector in "A Framework for the Future", the policy paper released by the government in June 1999.

Bill C-8 contained a number of measures that focused on four main areas: one, promoting the efficiency and growth of the financial services sector; two, fostering domestic competition; three, empowering and protecting consumers; and four, improving the regulatory environments. While all these points are important, I would like to focus my remarks today on the third point, empowering and protecting consumers.

There are concerns that Canadians' personal information given to credit card companies may be subject to the United States of America's patriot act. It has been suggested that Canadian credit card companies and Canadian banks with offices in the United States could be forced to disclose the personal information of their Canadian clients. To this end, the government is committed to doing everything it can to protect the personal privacy of Canadians.

Many safeguards are already in place to protect our rights and privacy. They include the Canadian Privacy Act, the Personal Information Protection and Electronic Documents Act, and Canada-U.S. agreements stipulating conditions under which information can be shared between the two governments. We are also cooperating with the Office of the Privacy Commissioner on the planned audit in 2004-05 of the transfer of personal information between Canada and the United States.

One of the important components of Bill C-8 for consumers was the establishment of the Financial Consumer Agency of Canada.

This agency was established to consolidate and strengthen oversight of consumer protection measures in federally regulated financial sectors and to expand consumer education. While some consumer protection activities existed previously, they were dispersed among various federal entities. The creation of the Financial Consumer Agency of Canada was one of a series of initiatives resulting from the extensive period of study and public consultation of financial sector reform that culminated in the legislation contained in Bill C-8.

Established in 2001, the Financial Consumer Agency of Canada's mandate is to protect and educate consumers of financial services. The agency was established by the federal government to strengthen oversight of consumer issues and expand consumer education in the financial sector.

• (2035)

As a federal regulatory agency, the Financial Consumer Agency of Canada is responsible for enforcing many of the federal laws that protect consumers in their dealings with financial institutions.

The responsibilities of the agencies are to: ensure that federally regulated financial institutions comply with federal consumer protection laws and regulations; monitor financial institutions' business practices, known as voluntary codes of conduct, concerning small business lending and the use of debit cards; educate consumers about their rights and responsibilities; help Canadians get the information they need to be more informed consumers of financial products and services.

It is also important for Canadians to know which financial institutions fall within the mandate of the agency. These financial institutions include all banks as well as insurance companies that are federally incorporated or registered. Also included are trust and loan companies and cooperative credit associations that are federally incorporated or registered.

Through cooperation with other organizations, information programs, a toll free consumer help line and a comprehensive website, the agency promotes greater awareness of financial systems and the rights and responsibilities of consumers.

Again, the protection of the personal information of Canadians is of paramount importance to the government. We will continue to work to ensure that it is protected.

• (2040)

Mr. Gurmant Grewal (Newton—North Delta, CPC): Mr. Chair, the hon. member talked about educating the consumers. That is a very good point. However, I would like to ask the hon. member what effective course of action the Liberals have taken in the past to provide more information about responsible credit card use to Canadians so that Canadians are better informed.

Credit cards are a very convenient form of payment, especially for Christmas shoppers.

Government Orders

The second question I would like to ask the Liberal member is does he think the government should devote its attention to going after criminals who commit credit card fraud, or rather than chasing credit card fraud criminals or other people committing similar frauds, should the government's top priority be to use the gun registry to chase peaceful duck hunters? What should be the government's top priority?

Hon. Jim Karygiannis: Mr. Chair, I have listened to my hon. colleague all night and he keeps going back to the gun registry. Let us set the record straight here, once and for all.

If my hon. colleague could get the Canadian Police Association to back his party's views, I am sure that we on this side of the House would certainly listen to him.

I have to say that not only the Canadian Police Association but every policeman I have talked to supports the gun registry. When the police arrive at a crime scene or at a home, be it for violence or domestic issues, they need to know what is inside.

The Conservative Party is creating this bogus argument. I think those members should wrap their heads around it and really think what the police are telling us on an everyday basis.

Mr. Gurmant Grewal: Mr. Speaker, my point was not simply to focus on the gun registry. I was making a comparison, going after the duck hunters or going after the criminals working within credit card fraud and other organized criminals. What should be the priority between those two was the question.

On the other hand I am a member of the subcommittee on organized crime, which I mentioned earlier. The Canadian Police Association, the RCMP, and various other police and law enforcement agencies are pleading to the lawmakers that they should be provided with enough resources so that they can chase the organized criminals.

In Surrey marijuana grow ops are a serious problem. Auto theft is a serious problem. Other various organized crimes, such as credit card fraud, are very serious problems.

Currently our law enforcement agencies are saying that if we give them 10 leads on organized crime, they do not have enough resources even to follow up with one of those leads, keeping those other nine leads out of the investigating pipeline. Is that fair? Is that the way to combat organized crime, by not providing the police with the necessary resources?

My question was about choosing between choice A, investing all of the scarce resources in going after the duck hunters, or choice B, going after the organized criminals to combat crime. What would be his preference? That was the question.

● (2045)

Hon. Jim Karygiannis: Unfortunately, Mr. Chair, my colleague talks about choice A and choice B. Let me advise my hon. colleague that there is no choice A or choice B. The right choice that the government has made is to make sure that we go after criminals, to make sure that we use the nth degree of the law, so that absolutely no individual who commits a crime in this country gets away with it.

We on this side of the House ensure a safe environment for all our citizens to live in peace and in harmony among each other. We do

not try to pit A against B, as my hon. colleague and his party have certainly done for ages.

Mr. Art Hanger (Calgary Northeast, CPC): Mr. Chair, I have certainly followed the debate over the last few hours. It has taken a swing into areas where criminality is associated with the credit card industry.

Much of what is happening today, and I can attest to this because I have been involved in a number of very specialized police conferences to deal with organized criminal activity, is that organized criminal activity is operating extensively in this country, by foreign criminals, I might add. Many of them have come here with an agenda of their own. They have entered this nation one way or another to fulfill that very special agenda they have.

One of the issues is the whole area of identity theft by organized criminal activity. There have been criminals caught in this country with 150, 200, 300 credit cards which belong to people who are part of the citizenry of this country. Some of those cards have been sent overseas and are used overseas. There is not a section in the Criminal Code that deals specifically with that.

I know that the government is aware of that. The Liberals are very much aware of it, as are the police in this nation. The police have been pressing the government to do something about it, but there is no specific charge that deals with that. Yes, maybe they could try for conspiracy, but it is very difficult to prove conspiracy. They would have to go through this whole issue of intent and then what would they end up with, after a lot of police and government resources are used?

When is the government planning to put forward some very specific legislation to deal with identity thieves, especially the organized ones?

Hon. Jim Karygiannis: Mr. Chair, I listened to my colleague very carefully and there was an underlying tone.

Let me tell the House what I think the underlying tone was because I have listened to the Conservative Party many times. First, citizens of this country are not a problem; and second, persons who are immigrants and are claiming refugee status because they have a problem back in their home country are not allowed. They are not respected. They are criminals. That is what I think I heard from my hon. colleague.

He said that people who come to this country are criminals. Does that mean my father was a criminal when he came to this country? I am an immigrant. Which part of that does he not understand? By saying that all immigrants who are coming here are part and parcel of what he is thinking of, I have to tell you that we on this side of the House have a different view from you have. We invite people to come to this country—

● (2050)

The Chair: Order, please. I would encourage hon. members to direct their comments through the Chair. It can be passionate and can be delivered as forcefully as necessary, but if all hon. members deliver them through the Chair, that way we will keep it according to the rules, civil, proper, but passionate I hope. The hon. parliamentary secretary.

Hon. Jim Karygiannis: Mr. Chair, if I did not deliver my comments through the Chair, I apologize.

However, to infer that about persons who come to this country to make a better life for themselves or to insinuate that is something that really does not sit well with me. I am very passionate about that. We on this side of the House welcome immigrants, who have come to this country, who wish to realize their dreams. We welcome them unlike the other side of the House.

[*Translation*]

Mr. Réal Lapierre (Lévis—Bellechasse, BQ): Mr. Chair, I am pleased to have the opportunity to address this important issue.

Every credit card user has probably already felt the negative impact of this form of financing when one is late in his payments. Just imagine the consequences of excessive rates like those mentioned here for people who live constantly with such a threat over their heads.

It is well known that the indebtedness of Canadians, and that includes all forms of loans, is at a less than enviable high. Indeed, in 2003, the indebtedness ratio of Canadians represented 115% of the total annual income. This means that a large proportion of users are getting poorer by using credit that, in fact, they do not have.

Moreover, again in 2003, there were 74.3 million credit cards in circulation. It is easy to conclude that the vulnerability of users is, unfortunately, too great. Since about 35% of credit card holders cannot make regular monthly payments, they become the victims of excessive rates on the part lending institutions.

If interest rates for credit cards were somewhat similar to the central bank rate, the damage would be more limited. However, since these rates have evolved at a rate that is diametrically opposed to this basic rate, the consequences are catastrophic.

Indeed, since 1995, interest rates for credit cards have reached unprecedented levels. Over the past 20 years, that is from 1984 to 2004, the spread between the rates increased by 11%, from 15% in 1984 to 26% in 2004.

Such a spread is totally unjustified. Again, it is the same people who are the victims of these excessive rates. Regardless of the reasons that may be invoked to justify these rates, these reasons are based on strictly economic criteria, and it is well known that these criteria are far removed from the social values advocated in North America.

Consequently, since interest rates come under federal jurisdiction through the Interest Act, the situation should be corrected. It is in this perspective that Bill S-19, an act to amend the Criminal Code, was proposed to change the criminal interest rate in effect. Since the effective annual interest rate applied on the credit advanced is currently considered excessive if it exceeds 60% of the target rate of financing, Bill S-19 would have the effect of criminalizing any rate that exceeds by 35% or more the target used.

In actual fact, if Bill S-19 were in force, interest rates higher than 37% would be considered criminal, which would have the effect of keeping the annual interest rate in step with the Bank of Canada rate, while putting downward pressure on the financing structure as a whole.

Government Orders

With net profits of \$13.3 billion, a 20.5% increase this year over last, there is no cause for panic for the six leading Canadian banks.

● (2055)

Since half of all revenues of banks come from the difference between the interest earned on loans and the interest paid on savings, there is certainly a way to minimize the damage. To suggest otherwise would be in bad faith.

I did say minimize, because we have to recognize that the \$9.5 billion paid in taxes by the banks is not to be sniffed at, especially since some people are bound to benefit, because most Canadians are shareholders of banks directly or indirectly, through their pension plan or the Canada Pension Plan.

In this context, given how sizeable the debt is in Canada, what attitude should be promoted? On this issue as on many others, it is possible that awareness and information on credit are deficient. As a result, when the federal government cut transfers to the provinces, Quebec had to constrain spending on home economics organizations, which were masters in the art of raising awareness of debt.

First, the federal government has to give back to these social organizations the means to finance such initiatives to raise awareness of unchecked credit. At the same time, the government could require credit card rates to be in line with that of the Bank of Canada.

Finally, the federal government has to take steps to ensure that any future reform of the banking sector will be done with respect for consumers, and not on their backs.

[*English*]

Ms. Libby Davies (Vancouver East, NDP): Mr. Chair, I appreciated listening to my hon. colleague across the way. He made some very excellent points about the problems that we have with extremely high credit card interest rates.

One of the things that really concerns me, and I wonder if he shares this concern, is that this is an issue affecting young people in our society. When students go to university, they are loaded up with student loans and student debt. They are often working in part time jobs. They are trying to cover their bills. They might be living away from home. They are often very short of cash even for the immediate needs of food, shelter and clothing.

Some of the credit card companies and banks offer a special student credit card. In fact, these are marketed on campuses to students. Students go for them because they are economically very desperate. Often, the limit on the credit card is initially very low. They may be allowed \$500 or \$1,000.

I know from speaking with students and my son, when he was a student, they get a credit card and if they are reasonably well managed, before they know it the amount is increased. The \$1,000 goes up to \$2,500 or \$3,000. Then it becomes more of a routine.

Government Orders

I wonder if the member would comment on this. This is a particular aspect of the whole credit card phenomenon that is now really hitting young people in our society. They do not have the financial capacity and resources to deal with the potential of a credit card.

● (2100)

[*Translation*]

Mr. Réal Lapierre: Mr. Speaker, I want to respond to my colleague opposite to the best of my abilities.

What, in my opinion, is problematic is that possibly the criteria used to approve people for credit cards are too permissive.

As a parent, I can admit when my children, at a particular time in their lives, were of age to obtain credit cards, they did so easily. Often, having them really encourages people to spend money.

Here is how I can see things. Since I was a teacher, I do not need to tell anyone that we constantly need to push the envelope to help students learn how to deal with various problems.

I continue to believe that, in each of the provinces—as there are doubtless an extraordinary number in Quebec—there are organizations responsible for providing information and raising awareness in various areas and, consequently, teaching people how to use credit cards wisely.

[*English*]

Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Chair, essentially, this debate boils down to a choice between a superimposed bureaucracy with caps on rates, an education program that is paid for by industry or government, an entire elaborate setup of a bureaucracy to prevent people doing bad things to themselves, and 600 credit cards on the market where we have some choices.

I have a document prepared by the Financial Consumer Agency of Canada and it talks about low rate cards. The National Bank has a menu of features. First, there is no personal income required. It is not specified in order to get a card. Is that a good thing or is that a bad thing?

The credit limit is \$500. Is that a good thing or is that a bad thing? The interest on purchases is 13.9%, on cash advances it is 8.9%, on balance of transfers it is 8.9%, and the number of days in which a customer has to pay it off is 21 days. The first card costs \$15 and everything else is free. On that menu of features, are those good things or are those bad things?

Compare that with, for instance, the Toronto-Dominion Emerald Visa account where customers must have a minimum income of \$12,000 and their credit limit is slightly higher. The card rates fluctuate between 1.9% and 6.9% over prime, so that is a pretty cheap card.

I would have thought that the hon. member would be in favour of giving consumers the choices among all of these menus of options and then letting consumers decide what is most advantageous to them, rather than getting some super-layered bureaucracy on top of it and presuming that government knows best.

● (2105)

[*Translation*]

Mr. Réal Lapierre: Mr. Chair, in answer to my colleague, I am the first to admit that adding more layers of government may not be the way we will eliminate the problems encountered in this issue.

Personally, myself, I made a payment on the weekend. I do not remember exactly which credit card it was for, but they told me that an interest rate of 28% would apply if I missed the due date. I continue to believe that more work is needed on raising awareness. There will never be policies so coercive that they could sensitize the individual consumer better than if he does it himself.

The problem is not with the existence and purpose of credit cards. Nowadays, we cannot hide the fact that they are part of our daily existence. They provide a way to operate smoothly in our society. Consequently, the real problem, in my opinion, is not that these credit cards exist. And in fact, as the hon. member mentioned, there is a wide variety of cards that give many options to all users.

The problem comes from the fact that certain people have not had the training or information, and certainly not the knowledge needed to use credit cards intelligently. We cannot hide from this fact. In today's society, people say they should have the lifestyle they can afford. It is a well-known fact that those who exceed the lifestyle they can afford run into trouble. It is exactly the same thing with the use of credit cards.

Moreover, I do not believe that adding more rules through legislation would be a realistic way to limit the damage, in the same way that even if we were to close all the casinos in one province, the real gamblers would find a way to play in a different province or a different country.

[*English*]

Mr. Art Hanger (Calgary Northeast, CPC): Mr. Chair, I am pleased to take part in this debate on credit cards. This debate is quite timely given that this is the Christmas season, a time when Canadians tend to spend more and when some of the bad guys in our society are out in full force looking for ways to defraud individuals and businesses.

For many Canadians the payment of choice, be it at Christmas or any other time of the year, is a credit card. Some people love them because they offer a convenient way to buy things and defer payment. Others hate them because of the high interest charges on unpaid balances and the fact that with these cards people tend to spend more than they can afford because credit is so readily available.

Government Orders

It is estimated that in 2003 over 50 million Visa cards and MasterCard were in circulation, in addition to credit cards issued by department stores, such as Zellers, The Bay and Sears. Cards are also issued by American Express, Diners Club, and even gas stations, such as Petro-Canada. The credit card business is big business in Canada. In fact, Canadians carry an average of 2.6 cards. One would be hard-pressed to find a working adult in this country who does not have or has never had a credit card. Credit cards have become a way of life for Canadians in terms of the way they manage their financial affairs.

For those who are able to use these cards responsibly, they are a good thing to have. Unfortunately, there are many people in our society who, dare I say, should not be using credit cards at all. They are the ones who use their credit cards as though it was free money. They are the ones who gladly apply for a different credit card every time an unsolicited application is received in the mail. They are the ones who have a hard time repaying these debts.

Unfortunately, the ones who can least afford to pay are often targeted by stores and financial institutions because that is where the institutions make their money, in interest payments. Surely, the onus is on the individual to say no, cut up the credit card or manage it well, but not all of us have that discipline.

That being said, I would like to address an issue which is also related to credit cards and their use, and that is the issue of identity theft. There has been some discussion in the House on that particular point, although some of the questions have never really been answered on the government side regarding this issue. It is a very important topic associated with credit cards, interest rates and everyone's identity.

Last October I attended the second International Conference on Identity Theft sponsored by the anti-rackets section of the Ontario Provincial Police. This conference brought together a number of speakers from Canada and the United States with expertise in the areas of identity theft, telemarketing, biometrics and terrorism. This conference allowed for the exchange of information among those who are involved in a fight against identity thieves.

Identity theft has been around a very long time but has now become a rapidly growing problem. It is the fastest growing crime in North America today. Identity theft helps facilitate a number of other serious criminal offences, such as fraud and fraudulent activities, organized crime and terrorist organizations. In fact, terrorists hide their true identity through the use of other people's identities that they have stolen.

It is estimated that identity theft costs Canadian consumers, banks, credit card firms, stores and other businesses \$2.5 billion a year. There are a number of factors that have contributed to the increase of identity theft. We are probably approaching a period of time where this problem, which is a huge problem right now, will become unmanageable in the very near future.

Easy credit is a contributing factor. Canadians are continually being bombarded with unsolicited credit card offers from financial institutions. Not only are these offers open to theft, but they also make it easier for others to obtain credit in other people's names.

●(2110)

Let us face it, identity thieves will rummage through the trash in order to find incoming mail, such as pre-approved credit card offers and send them back to the issuing financial institutions and request that the card be sent to a new address. Credit card fraud is perhaps one of the most pervasive identity theft crimes in Canada. It is estimated that card fraud rose by some 19% in the year 2002.

Another contributing factor is the fact that very well versed technology oriented individuals can take information from the magnetic strip of a credit card. They obtain the information through what they call skimming or swiping the credit card. It is stolen. It is skimmed, in other words, all the information is taken off the back. They use an electronic device that is called a skimmer. They will take the customer's credit card and swipe off all the information.

This will occur in places like shops, restaurants or wherever anyone may pay with a credit card. Once that information is taken from the magnetic strip, out come the cards and they will use them to the maximum. With these counterfeit cards in hand, the identity thief can use the card to purchase very expensive merchandise that can be sold for cash, and this money in turn is used for other criminal activity.

Another contributor is hacking of company databases. With the advancements of technology and increased Internet use, it has become easier for thieves to obtain personal information and have far more ways in which to use that information fraudulently.

How many times have we heard on the news or read in some newspaper that a company's computer database has been hacked? Computer hackers have been known to break into computer databases and obtain personal information, such as an individual's credit card data which can be used to their own advantage.

However, while theft is perhaps the most obvious form of credit card fraud, it is certainly not the only way fraud occurs. I suppose this is the beginning of the crime of identity theft. I recall, in my former life as a police officer, how thieves would take the discarded carbons that were used on credit card slips. They were inadvertently thrown into the garbage can, but that information was very valuable in transferring it over to someone else. That identity would be taken and another card made up with the information on it.

It has now become more sophisticated. It is now tapping into computers. It is now obtaining information from the mail and transferring all that information over or even creating that information and applying for a credit card.

Of course there is always the age old problem where dishonest employees will make an extra imprint of one's credit card and take it for their own personal use. That is going to happen, but that is not the serious part of this crime.

●(2115)

I think many Canadians would be surprised to learn that in this country we do not have a separate offence for identity theft. Granted there are provisions in the Criminal Code that relate to identity theft, such as fraud, obtaining credit by false pretense, fraud and forgery, but in many instances the Criminal Code requires proof that the accused intended to gain advantage by means of fraud.

Government Orders

It is high time we looked at the offence seriously and that we cut off the supply for those organized criminals who use identity theft as a means of making a living and perpetuating further crime. We should have charges like our neighbours to the south have, aggravated identity theft, that will bring two to five years depending on who commits the crime or what the crime is added consecutively to all other sentences served, especially when it comes to hiding one's identity as a terrorist.

I appeal to the House to seriously look at those issues that will prevent financial ruin, damage reputations and certainly ruin credit ratings for those who do possess cards and use them legitimately.

Ms. Libby Davies (Vancouver East, NDP): Mr. Chair, I want to pick up on a couple of things the hon. member said. He talked a lot about identity theft and I think that is a very serious problem.

I think people are a lot more guarded today than they were a few years ago about what they do with information they get in the mail and just throwing it in the garbage. We know how easily it can be picked up and used by someone for criminal activities.

The member also said something that I think is very true. He said that we would be hard-pressed to find a working adult in Canada who does not have a credit card. I would certainly agree. In fact, we can barely get by these days without a credit card if we want to rent a car. There are all kinds of services that we need where we need to have a credit card. This takes us into the other part of the debate that we have been having here tonight, which is the issue of privacy and security.

I wonder if the hon. member would comment on what I know has been expressed by members in the NDP and particularly the member for Windsor West who has been raising issues of credit cards as it impacts on our right to privacy.

We know that under Canada's privacy laws and particularly under the Personal Information Protection and Electronic Documents Act that a bank cannot collect, use or disclose personal information about customers without their consent. I think we all agree with that.

We are now very aware and very concerned about how information, when it is subcontracted to a company that may be doing its business in the U.S., is now subject to the U.S. patriot act. We have had a couple of very high profile examples in the last few weeks and even months. I think a lot of people are very concerned about whether or not Canadian laws are actually protecting our information when information is going through other routes into other processing centres, particularly in the U.S., and would then be subject to the patriot act.

I wonder if the member would comment on that and identify whether or not he also has concerns about that.

• (2120)

Mr. Art Hanger: Mr. Chair, I certainly do have concerns about how personal information is managed. I think this is one huge problem that industry has overall. It will not just be the banks but the banks will be looking for data centres to manage all the information of their clients. How efficient that will be and how protective they will be with our information remains in question.

It used to be that much of this was housed in house literally. It has only been of late that these data centres now have cropped up and they pose another problem as far as privacy is concerned.

I would have to suggest that we will be looking for legislation that will protect that information. There is no question that this must happen. If we as parliamentarians and lawmakers cannot address those issues, just as we are talking about identity theft itself by protecting the average user that has no intent of abusing the privilege of using a card, there are those out there who could not care less about that person's reputation or his financial situation. By stealing that information and using it for his own gain, if we cannot address all of these issues, and I think we must address all these issues, we will run into some very serious problems in the future, more so than what we even see right now.

I am trusting that over the next year or two this House will specifically address the privacy matters and the protection of personal information. As the member pointed out, there are too many breaches already. No one has been able to address them because there are no laws in place that really deal specifically with that.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Chair, I wonder if we could move away from the identity theft issue and the notion of the patriot act and step back to personal management.

My hon. colleague raised the issue earlier about young people having access to credit cards and our colleague from another party described it as a good offer and a good deal. The member mentioned gambling and other sorts of addictions and that spending for some people could be placed in the same category as an addiction.

I wonder if there is not some responsibility either on the part of the government or on the part of companies offering these things, which are to their benefit and only a perceived benefit to the young person, to offer education seminars.

I was only recently in university and I remember these same offers and deals being pushed at us. We had special credit card days when companies arrived to show us all the wonderful things we could access and yet there was nothing on the other side, the responsibility side. To young people, 17, 18 or 19 years of age, who perhaps had no access or experience with credit before and not realizing the slippery slope that they could get into with limited income, this could potentially apply to the rest of their lives and develops into a pattern whereby their indebtedness keeps growing. Indebtedness in this country is growing increasingly. We are more in debt in any given year without the ability to pay it back.

Is it not the role of government and the industry providing the service to do some sort of education about the dangers that exist?

Government Orders

• (2125)

Mr. Art Hanger: Mr. Chair, when I grew up as a farm boy in Alberta I was taught to owe nothing to no one and that if I did owe something I was to make sure I paid it off because my reputation was at stake. I had a moral obligation to pay it off. I was taught that credit was not something one looked for unless it was absolutely necessary, such as a land payment or something of that nature, but we always paid our bills.

Today credit cards flourish in every household. I know that in some households even the children have their own credit cards which are sponsored of course by their parents. However no instruction books come with credit cards. The kids know that when they reach the limit mom and dad will pay it off. I have a problem with that personally. I certainly never opened the door to my children using my credit cards. I believe there has to be some level of responsibility shown. There should be an instruction book because debt is a terrible burden to bear for a youngster.

When students graduate from university they not only have tuition debts but they have racked up debt on a credit card. They get caught up in the moment. They want to go out with their friends and suddenly have a debt on their hands. Some 16, 17 and 18 year olds have to seek bankruptcy protection, as do some students just graduating out of university. Yes, there needs to be an instruction booklet and there needs to be accountability with every card that is issued.

It is good to have choice but for young people it could be unfortunate. It sort of leads them down the path toward a credit card with a higher limit and a higher interest rate. I know it is a sign of the times and that everyone has a card but there needs to be some control, especially for youngsters.

Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Chair, I want to ask the hon. member how big he wants big government to be. I think that is pretty well what it gets down to here.

For instance, some people should simply not gamble. If there is a casino across the river, the doors should be locked to them because they cannot handle gambling. Of course, not in your riding, Mr. Chair. That was a very poor choice on my part. Some people cannot handle drinking. We do not have government programs that take the bottle of wine away from the individual. We certainly have government programs and Criminal Code sanctions with respect to behaviour that endangers the lives of others, rightly and properly so, but we do not actually conduct Alcoholics Anonymous programs. That is largely a voluntary sector. Similarly, some people should simply take the scissors to their credit cards because they cannot handle credit.

The hon. member comes from kind of the same background that I do. My father told me that he owed money to no one at any time or at any place. He paid cash for whatever product or service he purchased. Things have changed. I agree with the hon. member that there is some failure here in education in terms of how people handle it, but I do not know if the Government of Canada should be stepping in and replacing *in loco parentis*.

My general question, which is almost a point of philosophy, is how big does he want government to be? If we step in here, the

member can be sure that there will be bureaucracies and more bureaucracies, and we will have full employment once again.

• (2130)

Mr. Art Hanger: Mr. Chair, I am pleased to hear that the member grew up in a household where responsibility was taught about debt, and obviously responsibility on other issues as well, because debt is a burden.

My parents never took me into a gambling hall, and I do not think it would have done me any good if they had at 16 or whatever. They never gave me a credit card and I did not suffer as a result of that, I can assure members. I know it was not part of the environment when I grew up but we are living in a different era.

I am not asking government to do anything when it comes to this type of presentation to our youngsters. I do not know, when we talk about young people, at what age they would have access to instruments like a credit card to charge up a bunch of debt, but I think there is a limit. Should high school children have credit cards from grade nine on up, and handle those cards? I do not want to bring my kids into a gambling hall at 16. The member says that there should be no restrictions. I am not that much of a libertarian. I can see the need for some freedom but there is a responsibility that goes with everything.

I will refer back to the responsibility of a parent, a teacher or a financial adviser. The more we instruct our children on the use of debt, the better off we will all be. I think there are limits but I do not think they have anything to do with big government. I would like to see small government, because governments constantly intrude into the affairs of the average person, at a cost. No, I do not want to see big government and I do not see any need for it to be intruding here. However I do see a need to limit some things for some people.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Chair, I would be remiss if I did not start by responding to comments that were made in the House just before I rose to speak.

The hon. Parliamentary Secretary to the Minister of Finance talked about running a tight ship and not wanting to have big government. We know that if we take the 20 year period from 1981 to 2001 and compare political parties across the country, both provincially and federally, we find that the Liberal Party actually has the worst record of deficit financing. Eighty-five per cent of Liberal budgets were in deficit. They went into debt financing and into debt in a very big way.

There were also comments from the Conservative member opposite who represents a party that in the 1980s ran up the largest deficits in Canadian history.

Here we have Liberal and Conservative members pontificating on debt and responsibility when together those two parties have the worst possible records. It is appalling hypocrisy for those parties to talk about appropriate debt management when they have such appalling records.

Government Orders

Let us talk about the reality. The reality is that over the last 10 years the average Canadian family has seen their debt load rise by about one-third. The average Canadian worker has lost about 60¢ an hour in real terms. What we are seeing across the country is less and less resources for Canadian families, a social safety net that has been gutted and ripped apart by Liberal cutbacks while a surplus has been accumulated. At the same time Canadian families are trying to borrow money to make ends meet.

In my riding of Burnaby—New Westminster I knocked on over 6,000 doors during the last election campaign. What surprised me were the number of families that are just holding on, just keeping a roof over their heads. In my riding, which is not in any way exceptional compared to other ridings across the country, about one family in seven is spending 70% of their income on keeping a roof over their heads.

The reality after 10 years of Liberal government is we are seeing higher and higher debt loads for Canadians. We are seeing lower and lower salaries. We are seeing a loss of real wages. We are seeing higher debt. That is why this issue and this important debate is something that all members should take into consideration. We know that at the same time as Canadians are hurting, the banks are not hurting at all.

• (2135)

[*Translation*]

This year, the six largest banks in Canada recorded profits in excess of \$13.3 billion. This is a record high, \$2 billion more than last year's record of \$11.11 billion.

While those record profits are being recorded, these same Canadian banks continue to increase their tax evasion tactics. The money involved ought to be going to improve the quality of life of Canadians, which we have seen deteriorate over the past 10 years.

For the past four years, \$5.7 billion has escaped taxes by going into branches located in tax havens. Whereas the banks ought to have been paying some \$12.1 billion in taxes, they paid \$6 billion and another \$5.7 billion went tax-free.

At the same time, Canadians credit card indebtedness continues to rise alarmingly. Since 2003, Canadians have owed their banks close to \$50 billion in credit card balances.

[*English*]

This is a crisis, a crisis of debt load. The committee on credit card costs reported in March 1990. It recommended that interest charges on cards issued by financial institutions not be allowed to go higher than eight percentage points above the bank rate.

I will quote a Liberal member of Parliament, the member for Glengarry—Prescott—Russell. He said that an argument against an interest rate cap was “gibberish”. The minister “says on the one hand that competitive forces will work to keep interest down but if you impose a limit, the companies will all climb to that limit. That is highly contradictory”. He described the proposed cap “as the most important recommendation of this report. Without it the work of the committee is diminished significantly”. He also said that the government “has seen fit not to act on the cap and that is consistent in that this government has consistently defended the interests of big

business”. That came not from a New Democrat MP but from a member of the Liberal caucus, quoted in the *Toronto Star* on March 29, 1990.

We have seen that both the Conservatives and the Liberals have refused in any way to bring interest rates under control. I will come back to what the NDP proposes.

During the last election campaign, the NDP promoted a consumers' bill of rights that would protect Canadian families by regulating credit card interest rates to five points above the prime lending rate as opposed to the 10 to 20 point gap that so many credit cards have.

The pocketbook protector also spoke of requiring chartered banks to maintain, rather than abandon, branches in Canada's rural and small towns as well as in poor inner city neighbourhoods.

We know that the banking industry that is reaping record profits beyond what anyone could imagine, more than \$13 billion, at the same time has closed more than 700 branches across the country. This means that not only are Canadians having to go to higher interest rate credit cards to try to make ends meet, but they also going to many of the cheque cashing companies. The cheque cashing companies, which are moving into poor neighbourhoods, sometimes include exorbitant fees, insurance charges, et cetera, that are more than 60%. In other words, the cheque cashing companies in many cases are exceeding the Criminal Code limit.

That is what we spoke about in the election campaign. It had a resonance certainly in my riding. I knocked on 6,000 doors. People were very concerned about credit card debt, about paying too much in interest, about having to make tough choices at the same time as they see these record bank profits.

I am happy to see that Senator Plamondon has introduced in the Senate, and hopefully we will see similar legislation coming to the House, an act to amend the Criminal Code to reduce those usurious rates of interest that are still legal in the country.

There are reactions. As I mentioned, there is Bill S-19 from Senator Madeleine Plamondon. There are also Canadians who have undertaken class actions on behalf of individuals who have been charged interest when they should not have been.

Government Orders

One of the latest class action lawsuits concerns the charging of interest on an unpaid bill. In other words the banks are charging interest on credit cards the moment the purchase is made, even if they have not reimbursed the merchant for a period after that. The lawsuit alleges that by charging interest on an unpaid bill from the transaction date, the banks are violating a number of laws, including the Consumer Protection Act, the Trade Practices Act and the Interest Act. All of these are important. It indicates that consumers across the country are now fighting back. They are fighting back because they are concerned about the impact of high interest rates, the impact of these horrible practices which mean that Canadian consumers get gouged while the banks make record profits.

In the few seconds remaining I would like to mention two things. I would like to underline the work of my colleague from Windsor West who has done a wonderful job in raising the issue and the impact of the U.S. patriot act on Canadian credit cards and Canadian credit card data. He has raised the issue a number of times and continues to work very hard on that issue. I congratulate him on his good work.

I would also like to underline the work of the Credit Counselling Society of British Columbia which is in my riding. It is a New Westminster based non-profit organization that teaches money management skills and helps people solve financial problems through counselling and debt restructuring.

The issue of credit cards, excessive interest rates, usurious practices in the cheque cashing industry and improper practices that gouge Canadian consumers are all ones which members of my party certainly take to heart. We will continue the fight on these issues in Parliament.

● (2140)

Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Chair, I guess what can we expect out of the NDP is a typical bank bashing speech. Here we have, "Let's have fun and games with the banks". It is a terrible thing that they made somewhere in the order of about \$13 billion profit.

Members might be interested in knowing that banks paid about \$9 billion worth of taxes last year. That \$9 billion basically covers the Canada child tax benefit, which is a program that alleviates poverty for young people. It is close to what we paid for the military. It is a fairly significant contribution to the revenues of the Government of Canada. Yet the NDP has decided that we should take 5% of our GDP, which is what the financial services are, and take some free bashing at them because that is easy to do and it is cheap politics.

I come from a community in the greater Toronto area. Financial services represent 21% of the gross domestic product of that area. The members can take their free shots. They are welcome to do so. However, if it is not the most, it is one of the most significant industries in the GTA.

The hon. member seems to be locked in some sort of mindset about bank closures and things of that nature. He has not noticed that over the last five to ten years Canadians have gone electronic.

I do not know about other members, but I cannot think of the last time I actually went into a bank and used the services of a bank. I do all my banking electronically, as I am sure most people do. Who needs lineups? If they enjoy standing in lines, they are welcome to them. However, the banks recognized that a long time ago.

As to the point on the living standards, the poor old NDP cannot take yes for an answer. It does not seem to recognize that for children, there has been a general improvement in the family income situation. The number of families in poverty situations has declined from 15.8% in 1996 down to 11.4%. In 1996 14% of all people lived below the LICO line, the low income cutoff line. In 2001 it was 10.4%. That is a decline somewhere in the order of 25%. Similarly with children, 31% of children now have achieved a level above the poverty line where they were below it prior to 1996.

A lot of it has to do with the fact that the Canadian government has a sensible balance approach to the management of the nation's financial affairs. There have been tax cuts in which my hon. members are not interested. There has been debt reduction in which my hon. colleagues are not interested. There has been a significant increase in program spending in which apparently they are interested. On a three-legged stool, they want one leg and they want to cut the other two off. If we cut off two of the three legs of a the stool, it would be on the floor by now. That is exactly what the NDP program is. It wants to cut two of the three legs off so we can fall flat on our faces.

I put it to the hon. member that in the area of seniors, we have the lowest rate of senior poverty in the OECD. In the area of children, significant progress has been made in taking children out poverty. In the area of the general welfare of Canadians, his entire speech is misapplied to this subject matter.

● (2145)

Mr. Peter Julian: Mr. Chair, there is no question there at all, but I am certainly reminded of the words of Marie Antoinette when she was told that the peasants could not eat bread just prior to the French revolution. She said, "Well, let them eat cake", because her reality was just as disconnected as the hon. member's reality.

To talk about child poverty as if somehow the Liberal government has done something about it? The hon. member should have been at the breakfast that was held two weeks ago with the announcement that child poverty is increasing. Well over a million children now live in poverty in this country. I am sorry that the hon. member like so many of his other Liberal colleagues was not present at that breakfast—

An hon. member: Not one Liberal.

Mr. Peter Julian: —and they were not present at the breakfast because no member of the Liberal caucus bothered to show up.

The poverty rate among aboriginal children is now 40%. The poverty rate among children with disabilities is now 30%.

Government Orders

Fifteen years ago, this Parliament voted to eliminate child poverty in this country by the year 2000. We now have growing child poverty. We have growing food lines. If the hon. member really wants to be connected to reality, he would be welcome to come to my community where over 1,000 people are maintained every week in a growing food bank situation. There are homeless in our area of the lower mainland. We have a B.C. Liberal government and homelessness has now tripled in our community.

I would be very pleased to inform the hon. member that he should remove a little of that disconnect between the parties and the pleasure here and what is really happening in main streets and communities across the country, because the reality is far different from what the hon. member believes. I think it would be an important wake-up call for him to understand what is really happening.

Another important point was the question of the bank profits and what is paid in terms of revenue. The actual figure for the years 2000 to 2003 should have been \$12.1 billion. The actual figure of what was paid was \$5.7 billion. I mentioned this in French so I will mention it again in English. It was part of the tax shelters where the banks did not have to pay income tax. According to a study done by Léo-Paul Lauzon at the University of Quebec in Montreal and released last week, 47% of what should have been paid in taxes actually was not.

That is the fundamental disconnect and problem that Canadians have on main streets right across this country. They see hospitals closing. They see a lack of child care. They see increasing homelessness. They see food banks that are growing. They see their personal and family debt loads growing, as I mentioned earlier, by one-third. They see their wages falling by 60¢ an hour. They see all of this and wonder why members of the Liberal government just do not get it. I think we have our answer; they do not get it because they do not understand.

● (2150)

Ms. Libby Davies (Vancouver East, NDP): Mr. Chair, I would like to thank my colleague from Burnaby—New Westminster for speaking about the reality that most Canadians actually experience as opposed to the reality that we have heard from the parliamentary secretary tonight.

I had to chuckle when I heard the parliamentary secretary crow about this sensible, balanced approach that we have for the Liberal government. I was thinking to myself, what is so balanced about the fact that banks are allowed to go almost 15 points above the prime rate? That is very balanced, is it not? It is certainly helping a lot of Canadians, is it not?

This is why we are having this take note debate tonight. It is because there is a serious situation out there and it has to do with the serious imbalance that has taken place.

I represent a community where there are very low income neighbourhoods and where banks have packed up and gone. Poor

people in particular are preyed upon by cheque-cashing companies, where, as the member for Burnaby—New Westminster has pointed out, the interest rates go far beyond the 19%. We are talking about 60% interest rates.

If people are living below the poverty line and do not have access to Internet banking—and I should advise the parliamentary secretary that not everybody has access to Internet banking—and if a bank closes down in a neighbourhood because it is now a neighbourhood that has fewer and fewer resources, people end up at those cheque-cashing companies because they have no other options and nowhere else to go. That is the reality of what we are talking about in the House tonight.

I would like to ask the member for Burnaby—New Westminster if he believes it is important that we bring in regulation to ensure there is not this massive gap between what a prime rate is and what these credit card or cheque-cashing companies can charge, so that Canadians actually do get a fair shake and an opportunity to take their hard-earned income and actually buy the things they need rather than putting it back into the banks that have already made a huge profit.

Mr. Peter Julian: Mr. Chair, I would like to praise the member for Vancouver East for her work on poverty issues and housing issues. She has been a fearless advocate for these issues. She has brought to the House an important perspective and once again is raising important issues here in the House which we hope will echo in all four corners of the House.

The reality is that she is absolutely right. We need to take action. I mentioned the consumers' bill of rights, regulating credit card interest rates to five points above the prime lending rate as opposed to that 10 point to 20 point gap that many credit cards have.

The difference for somebody who has a credit card debt of just under \$1,000 is the difference between having to pay just as much as the principal in interest payments. If someone is making the minimum payment per month, it will take up to 10 years to pay down that \$1,000 balance, as opposed to somebody with a lower interest charge who would be able to actually pay much less in interest and, even with paying a minimum each month, would pay off that debt three years sooner.

Those issues are important ones, both for regulating that interest rate and also, as I mentioned, the Senate bill regulating the usury rate in the Criminal Code.

● (2155)

The Deputy Chair: There being no further members rising, pursuant to Standing Order 53(1) the committee will rise and I will leave the chair.

The Acting Speaker (Mr. Marcel Proulx): It being 9:55 p.m., this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 9:55 p.m.)

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