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OFFICIAL REPORT (HANSARD)

Monday, October 23, 2006

Speaker: The Honourable Peter Milliken

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#### HOUSE OF COMMONS

Monday, October 23, 2006

The House met at 11 a.m.

Prayers

#### PRIVATE MEMBERS' BUSINESS

**(1100)** 

[Translation]

#### **RURAL MAIL DELIVERY**

The House resumed from June 9, consideration of the motion

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I think it is important to remind hon. members of the content of the motion. I feel it is appropriate to debate this motion this morning. The motion is as follows:

That, in the opinion of the House, the Minister of Transport, Infrastructure and Communities should use his power to direct Canada Post to maintain traditional rural mail delivery and protect public safety when rural constituents are required to collect mail at designated group mailbox locations, long distances from their homes.

Why should we have to debate this topic in this House when Canada Post has a clear, specific mandate: to provide proper mail service across Canada?

Unfortunately, in the past, the members of this House have frequently had to play the role of watchdog to ensure that Canada Post carries out this mandate.

In 1993, when I was elected to represent my riding, an epic battle was under way in Saint-Clément de Rivière-du-Loup to maintain mail service. The 1993 election led to a moratorium, because the Conservatives wanted to close the rural post offices. Under pressure from members of Parliament, the Liberal government of the day granted a moratorium. We had waged a fierce battle, and today, mail service is available in Saint-Clément in the building where it was provided before the post office closed. The community no longer has a post office, but service is still available at that location.

Today, Canada Post seems to be waging a second offensive to try to reduce service. I have some concrete examples from my riding.

First, I visited all the sites in Berthier-sur-Mer, along with the person in charge of the rural mail, Marcel Bilodeau, who has been doing this job for 44 years and whom I salute. This man knows what he is talking about. Some areas are more dangerous, and the mail service has to be properly organized.

Caution is required, because when safety problems arise, Canada Post takes the opportunity to say that it is going to stop rural mail service and will group services together, which often causes problems.

An initiative was introduced in Berthier-sur-Mer; we will be following it closely and we hope that the result will be satisfactory. The same kind of thing was done in Montmagny.

On June 6, 2006, the Mayor of Montmagny, Jean-Guy Desrosiers, wrote to the Canada Post Corporation and to myself. In the southern part of the town of Montmagny, the Canada Post Corporation wanted to consolidate postal services using group mailboxes in a location that made no sense. People who have visited Montmagny know that it is a beautiful town. In winter, however, the wind is very strong and conditions are very harsh. The place where the group mailboxes were to be installed was unacceptable. The Canada Post Society needed to be reminded of its responsibilities. Users should not be the victims in the current debate over the safety of mailbox locations. There must be ways found to ensure safety.

The people who work for Canada Post in rural areas have had to engage in monumental debate and ultimately they have unionized. The Bloc supported their efforts and the results they achieved were proper. Now they have a collective avenue for making their views known. At the same time, we have to ensure that this does not end up reducing the quality and quantity of services.

People at Canada Post act as intermediaries for members of Parliament. They do some truly fine work. At La Pocatière, I had to step in in the same way. Canada Post wanted to install the group mailboxes on the property of a landowner who had not agreed to it. I stepped in and we fixed the situation. The mailboxes were installed somewhere else.

Today's motion asks that Canada Post's operations be monitored. We must not allow the privatization that was not agreed to before to be brought in indirectly. I hope that the motion will be given broad support in the House of Commons.

We are under a Conservative government now, and that is the very party that wanted to close the rural post offices. The Conservative government engaged in an offensive that, had it not been for the 1993 moratorium, would have closed the post offices in rural communities.

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Today, that same government might be tempted to try to close rural post offices by indirect means and act on the Machiavellian proposal by Canada Post to reduce service, on the pretext of needing better safety. Given the problems, service will be reduced; postal service will no longer be available to certain addresses because it is not safe.

**●** (1105)

There needs to be an alternative so that one way or another these people can have adequate mail service. The motion before us currently says that people in our ridings do not feel safe. There is no guarantee that the decisions made by Canada Post will provide us with adequate and safe service.

It is important that we support this motion, that we follow through on this—in a parliamentary committee or with presentations from Canada Post—and that we take stock and propose and implement solutions in accordance with what the communities are asking for.

The mayor of Montmagny, the mayor of Berthier-sur-Mer and the people of our ridings have been writing to us and to Canada Post to maintain service in their region.

There needs to be a mechanism for this to be done appropriately and for Canada Post to maintain postal service. We have to make things happen. We have to do some brainstorming to come up with new and constructive ideas to ensure there is adequate service that will help preserve the current individual service.

For now, our salvation is that we can intervene with the Canada Post representative who then conducts verifications. This has resulted in corrective measures being taken. In my opinion, this service must be maintained. It would prevent Canada Post from making more mistakes, which often happens when it goes ahead with its initial plans.

Nonetheless, Canada Post has to be more proactive and assure us that its approach will guarantee the safety of those who provide postal service in rural areas, and will allow our citizens to receive adequate service. Ultimately, all this is for the benefit of our fellow citizens, but it also shows respect for the people who work at Canada Post.

Earlier I was talking about Marcel Bilodeau who has been at Canada Post for 44 years and Lise Lapointe, postmaster in Berthier-sur-Mer, who has spent her career at Canada Post.

Examples like these can be found everywhere. But there are also cases where citizens are not receiving adequate service. Their levels of service are changing, and they do not know where the changes will end. Canada Post told them that, for security reasons, it cannot maintain rural mail services, but it did not provide an immediate solution. The worst part is that there is not enough consultation.

I would therefore invite the government to take the motion before us into consideration, to be proactive, to ask Canada Post to report on overall progress in this matter, and to avoid falling into the trap of blaming the union or the employees, whose demands are legitimate.

This is not a problem to be resolved just between Canada Post and the union. This is about the reality of living in these communities, and these communities must be involved in the process. Before making changes that might not work, we must ensure that the proposed solutions meet communities' needs. If we do that, we will have far fewer changes to make after the fact, and we will have better service. Together, we will aim to reduce the risk of accidents and ensure adequate postal service, while ensuring our fellow citizens are informed about the service they are getting.

Adequate postal services must be provided. We must be able to guarantee they will continue to be provided and will work well. I think that is what this motion is about, and that is why I will support it. I hope a majority of members of this House will support it.

● (1110)

[English]

Ms. Catherine Bell (Vancouver Island North, NDP): Mr. Speaker, I rise today to support this motion and talk about the importance of the rural mail delivery system in my riding, especially in the southern part of my riding, the Comox Valley. This is the area where I grew up, a very rural area, where we had the experience of having our mail delivered every day by a rural mail carrier. It is something that I reflect on today, and I speak from the heart on this issue.

I have heard from Canada Post and it admits that its main mandate is to serve Canadians. In so doing, rural mail serves Canadians in areas where there may not be access to public transit or people with vehicles. It is important to maintain this service for these areas. Where I grew up, everyone had a mailbox on the side of the road. Everyone looked forward to the mail carrier passing by, when we would all go out and collect our mail.

As the times changed, transportation became better and cars became more plentiful as people were able to buy them. The rural mail system changed somewhat. People then accessed the smaller towns and villages. The mail service changed in that we were able to pick up our mail and packages at a more central location. That was still an inconvenience for people who relied on the rural mail being delivered. I am glad to see that it was maintained. Mail delivery is still maintained today in the area between Cumberland and Royston, which is a very rural area in my riding. I know that many of my constituents there still receive their mail every day by rural mail.

Also, with some of the changes, people got group mailboxes at the end of their road. It had become a safety issue for the mail carriers to stop at all the little mailboxes as more traffic came onto our rural roads. These group mailboxes are still accessible, but it is a bit of a hardship for people with disabilities and for seniors. Some other issues have arisen from that, but I know that Canada Post was working very hard to make sure there was safety for people accessing rural mail.

### Another safety issue is the safety of workers. I know that the NDP had a private member's bill and worked very hard toward making I am very proud of my party for the work it did on that issue. The

sure that rural mail carriers were able to organize and to join unions. NDP wanted to end the exploitation of workers that deliver our rural mail because we felt that was important and we wanted to maintain that service for individuals living in those rural areas.

What happens when people are able to join a union and have a say in their working conditions is that the working conditions generally improve. The workers who are delivering the mail know what the safety issues are. I think it is important to remember that just because there is a safety issue it does not mean that we should end the service. It means we should make it better. I think there are a lot of ways that we can work with those workers to improve mail service.

There are other issues affecting rural mail delivery. I know that in my area, as well as others, Canada Post started closing some of the smaller post offices in the smaller villages. People then were able to collect their mail at the local grocery store. It is a kind of creeping privatization of this service. I think it was a big concern to a lot of people because they saw a service disappearing. Also a concern was that the small grocery store was a small business in a very small town.

#### **●** (1115)

When larger grocery stores took their business away, the little stores closed and we lost part of our mail service. I do not want to see any more of that happen. I would support keeping rural mail services, improving them and ensuring they are safe for workers and for the people who pick up their mail.

Even with the advances in technology we still see an importance in having rural mail delivery. Some people say that they do not write letters any more or they do not send mail in the same way as they used to. Even with the Internet and faster communications I think people are still using the mail services. When we order things online, as I have done in the past and as others in the House probably have, those things still need to be shipped. When people live in rural areas they often have their packages delivered to the door by a rural mail carrier. It is important to maintain that service even in the face of the increase in technology and the availability of the Internet in many households.

There are other reasons as well. It is so nice on holidays, birthdays and special occasions to receive a card in the mail. I think it is something many people look forward to. Even in this day and age, we still look forward to those types of things. I know the mail system is much busier at Christmas time when all of us will be sending out cards to our constituents, friends and families. I know that everyone will be looking forward to receiving that mail but if people live in a rural area and they do not have access to mail delivery then it would not be as easy to get that.

There are many reasons for maintaining a system that is part of the traditional culture of rural Canada. I picture people on farms and in small communities going out to the mailbox to collect their mail and the importance of that for them so they do not have to go into town. In many rural communities, especially where I live on Vancouver Island, the transit system does not go out the very long back roads. It is just about impossible for someone, especially farmers whose jobs

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are at their homes and on their farms, to get into town on a daily basis to get their mail. It is important to have that mail brought to those people because it is just about impossible for them to get into town to get it.

There is also the issue of seniors. In my riding, many seniors still live in the rural areas and may not have the ability to drive into town or to drive at all. It is important for them to access their mail and to be able to put a piece of mail into the box and have it picked up so they do not need to go into town all the time.

It is important that we maintain this service. It is important for young families as well for seniors because young families are very busy people and may not have the ability to get into town, especially when there is a lack of transit.

I would support the initiative to maintain the rural postal system. It is important on a number of levels. It seems to be something that is important to Canada Post because, as it says, it is its mandate to serve Canadians and, in so doing, the rural mail system is an important service that must be maintained.

#### **●** (1120)

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, I am delighted the previous member mentioned people being happy to get birthday cards and gifts. Today, my partner, Melissa, is celebrating her birthday. She has received some lovely cards and gifts through the mail and she quite enjoyed that.

I want to congratulate the Liberal member for Oak Ridges-Markham for bringing forward this important motion to help protect and speak up for rural people and the services they receive. He said it very eloquently when he said that mail delivery was fundamental to our national identity.

During the last campaign, I went to a house in my riding on Rainbow Crescent in a subdivision called Crestview where the women talked extensively about bringing back the rural post office. She said that it was important and that a post office was not just a building but an institution in the community. She said that it helps create and strengthen the community and that it is a meeting place for people. People go every day, pick up their mail and talk to their friends. For retired people, it is perhaps one of the highlights of their day, one of the only days they get to meet and talk to people as they go to their post office, a number of which have now been closed.

This women was passionate about the rural post offices. She outlined how important they were as a showcase for the communities. When people travel from around the world to our communities, the first welcome they receive is often the post office because they are mailing cards home. The post office is their first interaction with Canadians in the local communities, which is why post offices are so important and why they should not be abandoned.

We might reflect today on how many people use the post office as that type of community-building, friendly institution, a gathering place that it once was. There are certainly Canadians, such as the lady I was talking about, who would like to have that back.

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So people do not leave out the north, I would also like to talk about a specific aspect that is very important for the north related to rural mail that is not the same for the rest of Canada, and that is the food mail. This is a program that subsidizes by mail perishables and essential foods for the health of northerners. This food is flown in.

Northerners quite often have very high expenses. The price of food in the far north is so expensive that if these prices occurred in the south, there would be tens of thousands of personal bankruptcies. The prices are incredibly exorbitant. Just imagine how many young children would be deprived of nutritional foods if there were not this subsidy. It is very important that this subsidy continue and that it be expanded to ensure it covers the healthy foods. Otherwise, junk foods and whatever is the cheapest by bulk is what will be fed to these children and they will be very unhealthy.

The program cannot be taken advantage of by the retailers. The savings need to be passed on to the children and the families that are getting this food mail subsidy for essential nutritious foods for the far north, into places where one can only fly.

Before I get into the rural routes in more depth, it is important to stand up for rural Canadians. We certainly need to do this in Parliament because there are so few parliamentarians from rural areas that we need to ensure our voices are heard. I know that in our government we had started the rural secretariat and made some tremendous initiatives for rural people.

We also had the rural lens where every program and every initiative brought forward by government had to go through a rural lens. We will be looking forward to the government putting the initiatives it brings forward through that rural lens so rural people are always thought of and not discriminated against by laws. What I will be looking for, and the government can be prepared for questions, is the annual report that deputy ministers need to provide of how they have implemented the rural lens, and what initiatives they have taken in each of their departments, every federal department and institution, to help and to accommodate rural people to ensure their programs and services are the best possible.

#### • (1125)

I will now go over some of the problems of various rural routes. Not everyone is having trouble with rural routes or their rural post offices. For example, residents of Whitney, Ontario still have a rural post office but the Toronto-Dominion Bank will be closing in a couple of weeks. This is the only bank in the town. We need to stand up for rural Canadians to ensure they do not lose such services.

Fortunately, the Prime Minister and the Minister of Transport who is responsible for Canada Post have met with the head of Canada Post. During the first hour of debate on this motion, the member for Perth—Wellington said:

That is why the minister, as well as the Prime Minister, has directed Canada Post to maintain good quality service to all rural residents.

All rural residents who are listening may be well assured that the Prime Minister and the minister responsible for Canada Post have guaranteed that the service will be good. If rural residents do not receive good service, they should write to the Minister of Transport and the Prime Minister because they have guaranteed this service.

I want to talk about one aspect of this motion where more detail may be put in when it gets to committee. I would first like to give two quotes just to outline my concern. First, the member for Argenteuil—Papineau—Mirabel said:

The elderly and people with disabilities who live in rural locations and are used to getting their mail delivered at home in their own mailboxes will have to leave home to get their mail.

I am now on the part of the motion relating to rural routes where mail drivers who had previously driven the mail to rural residents will no longer be doing it for safety reasons or whatever .

The second quote is from the proponent of the bill, the member for Oak Ridges—Markham, who said:

This stoppage in mail delivery has been particularly troublesome for a visually impaired customer who can no longer walk to the end of his driveway to get his mail. Another customer is physically disabled and it was not easy for him to retrieve his mail because his temporary mailbox was too high for him to reach. As well, as if it is not bad enough for the elderly, some of their temporary boxes are at ankle level. This presents a safety hazard in itself as they bend to get their mail.

I do not think there is anyone in the House who would agree with that kind of treatment being given to disabled or elderly people.

It is one thing if able-bodied, young or middle aged people are driving to work everyday and can pick up their mail at a box, but it is another thing if elderly or disabled people are faced with the huge burden of picking up their mail somewhere else. This could also be considered a danger to society. We just need to think about elderly people who live in rural Canada having to drive their vehicles onto an icy highway in order to get their pension cheques. Their vision might not be as good as it was when they were younger. Maybe when they are driving on that icy highway they cannot stop on the ice and they hit a speeding car coming from another direction.

Why would we force elderly people or disabled people to go out every day when in the past they did not have to? The dangers to themselves and others by having to pull onto these highways from rural side roads could be far more costly than having Canada Post make arrangements for the elderly and the disabled to have their mail delivered to their homes. As this motion progresses, I hope this particular aspect can be looked at.

I mentioned that the Prime Minister and the Minister of Transport had met with the head of Canada Post. We asked at that time to have a report of that meeting and the details of what was covered. We would very much like to have that report so we know progress is being made in improving mail service to rural Canadians.

#### **●** (1130)

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Speaker, I am pleased to have an opportunity to participate further in the debate on rural mail delivery. I would like to congratulate my colleague, the member for Oak Ridges—Markham, for joining with other members of the House in recognizing rural issues like mail delivery.

Back in April, an article in the *Toronto Star* was brought to my attention entitled "Rural Routes Uprooted". It was at that time that Canada Post ceased rural mail delivery in Markham, so I recognize the ongoing interest the member has on this issue.

For many Canadians, particularly in rural Canada, their first and most visible daily reminder of the federal government is the post office. For some Canadians, certainly those in urban areas, mail almost seems like an anachronism. That is not so in rural Canada.

As hard as it is to believe, in my riding of Renfrew—Nipissing—Pembroke constituents live in the shadow of Parliament Hill who have never had hard line phone service. In one area of my riding, I have been diligently working to get phone service for residents. We thought that people had an agreement to install a phone line after the residents had each made \$1,000 deposit, but Bell Canada reneged at the last moment telling the disappointed residents to put the \$1,000 deposit that had been collected toward satellite phones.

Large areas of my riding of Renfrew—Nipissing—Pembroke are out of range for cell phone service. Cell phones are a luxury for people in the city. While cell phones are a convenience for people in urban areas, any type of rural phone service is a necessity in many of the outlying regions of my riding.

The thought of high speed Internet or broadband is just a dream. People who have computers and use the Internet have dial up access. This usually requires having the expense of a second line as dial up lines tie up the lines for hours and that is if the local exchange can handle the additional line. Residents have told me that in some rural areas of Renfrew County, even if there are local phones, phone service is not available for new homes because there is no room for another customer on the local exchange.

As I hope other members can appreciate, rural mail delivery as a means of communication, is still very necessary in rural Canada. The issue of rural mail delivery is of great importance to my constituents in Renfrew—Nipissing—Pembroke and all Canadians living in rural Canada from coast to coast.

I remember growing up in a rural community in southwestern Ontario and have personally had firsthand experience at how essential rural mail delivery is as a lifeline to Canadians living in rural communities. Canada's new Conservative government is firmly committed to ensuring that the mailbox at the end of the driveway, a hallmark of rural life, continues to thrive and not become an endangered concept.

Today I would like to confirm this government's commitment to rural Canadians by echoing recent remarks made by the minister responsible for Canada Post in the House of Commons. He stated that "All Canadians from coast to coast to coast can be assured that this government remains strongly committed to ensuring results for rural Canada. We will ensure Canadians continue to receive quality rural mail service delivery right across this country".

The Prime Minister and the Minister of Transport, Infrastructure and Communities have met with the president of Canada Post and have made the view clear that it is this new government's intent to ensure quality rural mail delivery is a priority and will be maintained. I am pleased to accept the support from Renfrew County that forwarded me the following motion. It stated:

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That Canada Post be advised that residents and businesses of the rural areas in the County of Renfrew prefer to retain their existing individual mailboxes which continue to play an important role in providing an affordable postal service of the highest quality;

AND FURTHER THAT the council of the Corporation of the County of Renfrew requests that Canada Post review the standards for rural mailbox locations and establish realistic requirements;

AND FURTHER THAT Canada Post provide rural mail carriers with a flashing light and signage for their vehicles for increased visibility and safety;

AND FURTHER THAT given the Canada Post website indicates it is Canada Post's goal "to be a world leader in providing innovative physical and electronic delivery solutions, creating value for our customers, employees and all Canadians", it is also important that its traditional values of dependability and service not be ignored.

I thank Renfrew County and I am pleased to put its motion on the official record. There can be no doubt that Canada's new government is supporting the spirit and intent of this motion and we will act on it.

In numerous rural communities across the country, wherever they may be, in Atlantic Canada, Quebec, Ontario or western Canada, the post office is the only form of federal government presence in these rural communities.

**●** (1135)

For over 100 years, before my province entered into Confederation, the people in my riding of Renfrew—Nipissing—Pembroke have been getting mail delivered to their rural addresses. Many seniors, who have had mail delivered to their driveways for decades, consider rural mail delivery not only a right but a part of their citizenship.

We are told that the discontinuation of rural mail delivery in some areas is due to ergonomic and safety concerns. We understand these circumstances. We also understand that Canada Post is in the midst of labour negotiations with some of our country's most militant unions, but should we not weigh these circumstance against the greater good?

How do I explain to the constituent of mine who is a war veteran with 100% disability who has had mail delivered to his rural mailbox for all his life, but now he has to go pick up his mail at a location, and this location may be as far, as we have heard in some cases, as 50 kilometres from his house. Is it not a safety issue that elderly people might have to drive in icy conditions to pick up their mail at a location this far away?

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It should also be said that the issue of ergonomic and safety concerns is a result of the lack of investment in critical infrastructure at Canada Post by the previous administration for over 13 years. The issue of discontinuing rural mail delivery is not one that suddenly developed after our new Conservative government took office. I remind my colleagues and the member for Oak Ridges—Markham, who has put forth this motion, that this problem is one of the many problems our new government has been asked to solve now that we are the Government of Canada.

An example of the eroding critical infrastructure at the post office is the fleet used to deliver rural mail. At present this fleet is made up of personal vehicles of the individuals delivering the mail, lacking the proper lighting and reflective signage.

The former government chose to simply ignore the needs of rural Canadians. It could have encouraged Canada Post to invest in a fleet of right hand vehicles that would have allowed the delivery person to deliver mail safely without any ergonomic discomfort, much like what has been done in other jurisdictions globally, such as the United States and Australia.

This week, could it have vehicles equipped with the proper reflective signage and lights to ensure other vehicles on the road could properly see and identify the vehicle, similar to the yellow school bus model? Had the Liberals been concerned with rural mail delivery, they would have looked for opportunities to work with provincial and municipal jurisdictions to ensure complementary legislation that would have been enacted across the country to ensure the safety of workers.

I would like to thank Murray and Bernice Liedtke, Doug and Donna, and Aaronn and Lawrence Marquardt, who live on Schutt Road near Palmers Rapids for bringing to my attention the recent problems they had when Canada Post stopped delivering their mail.

I can personally attest to the fact that I have been on Schutt Road and that it has several dangerous curves. Lumber trucks, motorcycles and other vehicles fly along that road. It is a miracle there have not been many fatalities on that road.

These customers are not looking for Canada Post management, blaming the unions, and the unions blaming the management. They just want their mail. Had it been a real concern for the former government, it would have looked at addressing these issues before they became the problem of today. Had the old government been concerned about rural mail delivery, it would have invested in a safer and more efficient postal regime, rather than shady sponsorship schemes and lavish spending at the top.

As the federal member for Renfrew—Nipissing—Pembroke, I am pleased to accept the role as a strong voice for rural Canada. I, and our new Conservative government, will remain the voice of rural Canada because we do what we say. We put our words into action, we practise open federalism to achieve results, and we live within the realms of accountability and transparency.

As the Prime Minister and the Minister of Transport, Infrastructure and Communities have reiterated ample times, once again I want to let my colleague across the way know, who proposed this motion, that actions speak louder than words. It gives me great comfort to confirm that the Prime Minister has personally assured me of his commitment to rural Canadians.

Rural mail delivery is part of that commitment and I know that the Prime Minister, as a man of his word, will keep that promise as we have kept so many promises to the people of Canada already. We are extremely sensitive to the hardship endured by too many rural Canadians who are suddenly deprived of their rural mail delivery and we will act.

• (1140)

**Mr. Anthony Rota (Nipissing—Timiskaming, Lib.):** Mr. Speaker, I am pleased to have the opportunity to speak on Motion No. 170 this morning on the issue of rural mail delivery.

My colleague, the hon. member for Oak Ridges—Markham, has been working very hard to ensure that Canadians living in rural areas are being provided with door to door delivery and I commend his efforts.

Last week the intergovernmental affairs minister said in an Ontario newspaper that the government would take all and any measures necessary to ensure that rural mail delivery continues. This is welcome news.

However, I am concerned that we have not yet heard from the transport minister on this very important issue. As the minister responsible for this issue of rural mail delivery, I find it disturbing that he is not championing this cause.

Furthermore, Canada Post continues to stress that it is developing new criteria that will determine whether mailboxes are safe or whether they can still receive service. According to Canada Post, rural boxes that are deemed unsafe will lose home delivery. In other words, while the government is saying one thing, Canada Post is saying something completely different.

A growing number of my constituents are being affected by the changes in service. One example involves a couple from a rural community, Powassan, in my riding who received several notices from Canada Post asking them to move their mailbox across the road from where it is currently located. The couple is reluctant to comply with the request because in addition to being seniors citizens, they are visually impaired and crossing the highway every day would put them at risk of being hit or given this risk, it would really make it difficult for them to get across and get back.

[Translation]

Imagine an 80-year-old going out to get his mail every day.

Going to the end of the lane to a highway is no problem, but having to cross the highway at age 80 is unacceptable.

[English]

In many other instances, no notice was given to rural citizens before their mail service was interrupted. Imagine going to the mailbox one morning and realizing that mail is no longer being delivered to the door. Sadly, this has become a reality for many Canadians living in rural areas. Rural citizens depend on door-to-door delivery every bit as much as their urban counterparts and, in many cases, even more so.

This is about providing a service to Canadians, and having Canadians receive mail. This is not about a matter of convenience for Canada Post. Eliminating something that is not easy or something that may be a little more expensive than the ordinary, should not be an option. It is very important that rural people receive service, especially one as essential as Canada Post, even if it costs a bit more.

Rural communities are already at a disadvantage in terms of highspeed access to Internet. Reduction and elimination of door-to-door delivery risks creating even greater isolation from the rest of the world. Many residents who have been accustomed to receiving home delivery for decades are inconvenienced by having to drive to get their mail.

Again, what we are talking about is not just going a short distance. People in communities in urban areas get in their cars and drive maybe three or five minutes to the closest post office to get their mail. People in rural Canada, in rural settings, have to drive sometimes half an hour or an hour to get their mail. To do that every day is very difficult. When we think about it, we have an aging population having to drive for that long a period.

There something else, as well. We talk about maximizing the cost efficiency and what it takes to deliver mail. When one person delivers mail, that person is in one vehicle, which is environmentally friendly. However, if we have 50 people leaving their homes daily and driving 20 minutes to an hour to pick up their mail, all of a sudden we are creating a carbon load. This is something we have to look at, as responsible Canadians and responsible global citizens.

I recognize the fact that unsafe working conditions exist for rural mail carriers. Furthermore, I believe it is imperative that Canada Post deal with these concerns in a quick and efficient manner.

The motion urges the minister to direct Canada Post to restore traditional rural route delivery and protect public safety. There are a number of ways of achieving these results. My colleagues have already listed many of these, but I will repeat them because they are important.

One is to have vehicles equipped with steering wheels on the opposite side. It sounds simple enough, and they exist. Why not have the right equipment for our workers?

Another way is to move problematic mailboxes to better locations. I talked about the elderly couple in Powassan. Moving the mailbox across the street is not the solution. Maybe moving it a bit over one way or another, or even raising it a bit, would allow this couple to have it on the right side and have it accessible.

Another way is to have two employees per vehicle. That is an expensive option, but it is one of the options we have to explore.

I understand that this has already been undertaken, but perhaps arrangements should be made to have some vehicles pull into a driveway. That might be an option as well.

Another way would be to have employees get out of their vehicles to put the mail in the box.

These things sound a little more expensive but, again, they are a small portion and they make a big difference.

#### Private Members' Business

One of the things mentioned, and I think it is very important, is to ensure all vehicles have reflective strips and lights. For years vehicles have not been up to par. They do not exactly have all the proper accourtements to make them safe.

Another way is to ensure adequate training, such as manoeuvring that takes place when they are delivering mail, on how to get in and out. It sounds very simple, but given the right directions, that would make things a lot easier.

One thing that really concerns me about all of this is it seems to be more about Canada Post cutting costs than it is about delivering of service. When I think of Canada Post, I think of a service to rural Canadians, urban Canadians, to all Canadians. It is an essential service and it has to be maintained. We are not here to have services cut at the whim of Canada Post.

Today, I urge Canada Post and the government to promote and keep rural delivery to all Canadians, in all of Canada.

• (1145<sup>°</sup>

Mrs. Patricia Davidson (Sarnia—Lambton, CPC): Mr. Speaker, the issue we are debating today is of great importance to my constituents from Sarnia—Lambton, to rural Canadians from coast to coast and to all members of the House.

Let me start off with a story from my riding Sarnia—Lambton in southwestern Ontario, where some actions by Canada Post have been unfolding over the past few days, weeks and months.

On Friday, October 20, I had a notice faxed to my Ottawa office. It was a letter that had been sent to approximately 40 of my constituents, who reside in St. Clair township. This notice stated that their rural mail delivery was being discontinued and they would be receiving their mail at a community mailbox starting today, Monday, October 23.

The notice also went on to say that Canada Post planned to pursue the installation of a community mailbox as the overwhelming majority of surveys sent out in August stated a preference for a community mailbox located at the Courtright post office. The notice is closed by this statement: "We thank you for your assistance remedying the potential safety hazard for our driver".

Nowhere in the notice did it refer to the petition that was signed by 38 of the 40 residents in protest to community mailboxes. Nowhere did it refer to the fact that the Courtright location was a preference over another location, which is even more inconvenient. Nowhere did this notice consider that of the 40 affected residents, several are elderly and some do not even drive. Nowhere does it mention the fact that I, the MP, had very serious concerns and had asked repeatedly to be consulted in an attempt to find a local solution that would be satisfactory to the residents, to Canada Post and to the municipality.

Finally, the notice refers to a potential safety issue, not a known one. Everyone involved in this unfortunate chain of events values the safety of workers and has no intention of causing undue stress or harm to any employees. This is precisely why the residents and the municipality are willing to work to find a solution that all can accept.

#### Private Members' Business

Canada Post tells us how it is always informing and working with local members of Parliament. In this case, I was not informed of this decision before it was implemented. There were no community consultations held in my riding explaining to my constituents why this was happening to their community. Also, the residents and I have asked for consultation every step of this arduous process.

There is no explanation why this problem is facing people who have been receiving their mail for decades, if not more than a century, in their rural mailbox at the end of their driveway. There are so many unanswered questions. Could Canada Post have moved the mailboxes to a safer location? Are the rural residents of Sarnia—Lambton less deserving of quality mail service than are other Canadians? Is the action of 40 residents, driving unnecessarily to a central location, environmentally friendly, good economics or safe practice? Has Canada Post considered using right-hand drive vehicles? Has Canada Post considered having the carrier drive with the traffic flow instead of against it?

I feel as though Canada Post made no serious effort to find a solution or engage my constituents in a dialogue. Rather, I feel it has taken a serious and a potentially very negative decision to cut services to the constituents of my riding. The same taxpayers, who are the owner shareholders of this Crown corporation, feel betrayed.

Let me assure all members of the House that we in the government are the voice of rural Canada. We are standing up for rural Canada and for all taxpayers across our great country. That is why I am very pleased to speak to the motion today and commend my colleague across for bringing it forward to this floor today.

In closing, I would like to reiterate that the government will continue to fight the good fight to ensure quality rural mail delivery is maintained for Canadians coast to coast.

**(1150)** 

Mr. Lui Temelkovski (Oak Ridges—Markham, Lib.): Mr. Speaker, it is a pleasure to once again rise in the House and debate this issue. Since we began the debate in the spring of the last session, we have heard from many more constituents whose mail has been stopped.

I would like to mention that constituents in my riding Oak Ridges —Markham experienced a stoppage in their rural mail delivery last January. Three routes in my riding were the first to be affected in the entire country. Their mail was stopped because of a road safety complaint lodged by Canada Post rural mail delivery carriers. That decision was subsequently supported by Human Resources and Social Development. That is why deliveries all over Canada have stopped

Now almost all of my riding is affected, including Kettelby, Whitchurch-Stouffville, Gormley, Schomberg and routes out of the Unionville post office.

One of my constituents wrote and asked me:

—how much more dangerous is it to put umpteen cars on the road unnecessarily, in all kinds of weather? How safe is it for citizens to have to get out of their cars at the roadside location to retrieve their mail?

In fact, in total there are more than 6,600 rural suburban mail carriers delivering at some 840,000 points of mailbox deliveries across the country. More than 600 rural mail carriers have made

health and safety complaints so far. Not a week goes by without several new complaints.

Almost 5,000 rural mailboxes in Canada do not receive mail delivery because of safety complaints lodged by rural mail carriers.

Rural mail delivery is as individual as we all are. When I drive in my riding, I see mailboxes made from milk containers, or hockey helmets or with the strangest faces on them. People take pride in what their rural mailboxes look like. People look forward to retrieving their mail each and every day.

Routes have now been affected in Nova Scotia, New Brunswick, Quebec, Ontario and Manitoba, practically across the whole country. Stoppage of rural mail delivery has been an attack on rural Canadians. Rural Canada suffers from low population rates, migration to large centres and stagnant economies in some cases. Is it any wonder why rural residents in Oak Ridges—Markham see the delivery of rural mail as yet another attack on their unique way of life?

What are we looking for? Canadians want to see rural route mail delivery maintained and restored to affected customers. Canada Post has had 11 consecutive years of profits. It must dedicate the resources, human and financial, to ensure safe and reliable rural route mail delivery.

I thank all the members who have spoken on this very important issue for Canadians.

• (1155)

I see there is much support in the House and hopefully we will make sure that this comes to an end this week.

I assure my constituents and all rural Canadians that I will continue to do what I can to ensure that their rural mail delivery is restored and maintained.

**●** (1200)

[Translation]

The Acting Speaker (Mr. Royal Galipeau): The time provided for debate has expired.

Accordingly, 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 Acting Speaker (Mr. Royal Galipeau): All those in favour will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Royal Galipeau): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Royal Galipeau): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Royal Galipeau): Pursuant to Standing Order 93, the recorded division stands deferred until Wednesday, October 25, 2006, at the end of government orders.

#### **GOVERNMENT ORDERS**

[English]

## PROCEEDS OF CRIME (MONEY LAUNDERING) AND TERRORIST FINANCING ACT

The House resumed from October 20 consideration of the motion that Bill C-25, An Act to amend the Proceeds of Crime (Money Laundering) and Terrorist Financing Act and the Income Tax Act and to make a consequential amendment to another Act, be read the second time and referred to a committee.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am pleased to participate in the debate on Bill C-25.

A number of members, when they hear money laundering, probably will hearken back to discussions they have had on the subject, whether they be with regard to the underground economy or organized crime. As a matter of fact, I just received a report from the Ontario Construction Secretariat, which calculated that approximately \$1.3 billion of federal and provincial government revenue was forgone as a consequence of the underground economic activity within the construction industry.

It is an issue which has been around for some time. A lot of people probably do not know how money laundering works. If someone is paid under the table, the money is received from somewhere but it is not recorded on the books because that money has to be paid out to someone else. It is not reported, nor is a T4 slip issued, nor is any kind of other payment indicated so that paying taxes on it can be avoided.

When 9/11 occurred all of a sudden this entire area, including organized crime, expanded into an enormous consideration. It led to the development of the Anti-terrorism Act. It also led to the creation of a significant variety of jurisdictional bodies and government bodies to look into the aspects of financing terrorists.

I wanted to give credit to the Senate of Canada, which we do not do often enough in this place. In May and June of this year, the Senate conducted a special review and provided an interim report on the subject matter now before us. The report is called, "Stemming the Flow of Illicit Money: A Priority for Canada". It is a parliamentary review of the proceeds of crime, namely money laundering and the terrorist financing act.

Usually when I look at a report, I look at the beginning and the end of it to find out why the issue was raised, and so what. In looking at the introduction, there was a paragraph which I thought properly characterized the reason we were looking at this. It states:

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While witnesses were not able to provide the Committee with consistent or precise estimates of the amount of money that is being laundered each year or the costs of money laundering and terrorist activity financing, we believe that it is probably in the tens of billions of dollars. The human and societal costs associated with money laundering and terrorist activity financing must also be remembered, since the costs are not simply economic. Clearly, the costs are significant, and we must ensure that Canada has the best possible anti-money laundering and anti-terrorist financing regime in place, consistent with the protection of privacy, for the sake of Canadians, the sake of citizens worldwide and the sake of legitimate

That one introductory paragraph really encapsulates many of the details which hon. members have spoken about in the debate thus far

I said at the outset that I look at the beginning and the end of a report. I wanted to look quickly also at the conclusion. I can see from the list of witnesses that this touches a broad range of areas. Finance Canada, Justice Canada, and Public Safety and Emergency Preparedness Canada appeared before the committee. The Superintendent of Financial Institutions was involved, as was the Financial Transactions Reports Analysis Centre of Canada, commonly known as FINTRAC. In the speeches on this bill we are going to hear that name. It is an institution which deals with financial transactions and reports. The Royal Canadian Mounted Police were involved, as were the Canada Border Services Agency, the Office of the Privacy Commissioner, the Office of the Information Commissioner of Canada, the Canadian Bankers Association, the Certified General Accountants Association, the Canadian Life and Health Insurance Association, and the Federation of Law Societies of Canada.

(1205)

Canadians should know that when a study is done in the House or in the Senate, we have the tools to call some of the most important people involved to provide some input. They will be able to tell us not only where we are and how things have evolved, but also how to respond because terrorists and those who finance terrorist activity are like viruses in that they tend to mutate. In order to be resistant, viruses will change into other things. They become moving targets. Terrorists and those who finance terrorist activity also have the tendency to continue to be moving targets. It is vital that we know the techniques and the tendencies that occur within terrorist financing. On behalf of the Parliament of Canada, the Senate has done a very important service by consulting and issuing its report.

I will get to some of the recommendations that were made, but I want to read into the record the Senate's conclusion in this excellent report. Some members may want to include it in their householders. This is a very good report. It lets Canadians know that these are significantly important issues for parliamentarians to deal with on their behalf. It says:

As a global partner in making the world safer and more secure, and as a member of various international fora, Canada's anti-money laundering and anti-terrorist financing regime must meet not only our domestic needs but also reasonable international obligations. Crimes that underlie money laundering and terrorist activity financing—including fraud, embezzlement, drug trafficking, and trade in arms—have harmful human, societal and economic effects, with domestic and international consequences.

The Committee believes that Canada should be an example worldwide—particularly as Canada assumed the presidency of the Financial Action Task Force on Money Laundering in July 2006 and as we undergo a mutual evaluation review by the Task Force in 2007—

It says also:

This regime must respect several principles: the appropriate entities and individuals must be required to report; the appropriate types and values of financial transactions must be reported; and the appropriate balance must continue to exist between providing law enforcement and other agencies with the information they need to do their jobs effectively and efficiently on the one hand, and ensuring that the privacy rights of Canadians are protected on the other hand.

Members have heard this before. When do privacy issues relating to Canadians have to be balanced with our need to deal with problems like terrorist financing? Places have been identified where it can cause some difficulties. The Senate committee made some recommendations in its report to deal with this balancing act that they have to go through. These recommendations are not in the report itself, but are on the website. I will mention some of the key recommendations here.

The first recommendation was the introduction of a reporting requirement for dealers of precious metals, stones and jewellery when transactions are greater than \$10,000. The RCMP pointed out that as other avenues become less attractive for money laundering, avenues such as precious metals, stones and jewellery are becoming more attractive. We have always been addressing cash, but other commodities of value are becoming part of this whole activity.

The second recommendation says that there has to be an increase in two-way information sharing. We have heard this often with regard to other areas, even with regard to security on Parliament Hill between the Senate and the House of Commons. In this regard, the committee suggested that FINTRAC should not only be able to disclose more information to government agencies such as the RCMP, but also should provide feedback to the disclosing entities about the usefulness of the information they send to FINTRAC. This was also a recommendation in the 2004 Auditor General's report.

#### **●** (1210)

Another recommendation of the Senate committee was that white label ATM machines work with law enforcement and the industry to address the potential money laundering risks associated with white label ATMs, i.e. machines that are not owned or operated by banks. The concerns with these ATMs arise from the possibility for owners or operators to self-load the machine with cash. This is an opportunity for laundering money.

The fourth recommendation was that FINTRAC only disclose Canadians' personal information to authorities in countries which have privacy legislation that is consistent with the Privacy Act in Canada. We are looking at almost like a reciprocity or the same or similar protections in countries that we deal with.

Recommendation 5 was that we increase the ability of Parliament to scrutinize FINTRAC. Currently it is responsible through the Minister of Finance and delivers an annual report in the fall. This is too important to wait for an annual report. We should have the scrutiny process going on more frequently to engage Parliament more fully.

I would think that gives a pretty good idea of the issue we are dealing with. This particular bill actually had its genesis in the last Parliament. The Liberal government started to put this together and now it is before us. Of course, I do not think there is any question in this place that the bill is a significant bill that should get prompt

scrutiny by the House of Commons and in the other place so that these laws are in place and we can do the job properly.

In looking at some of the details, I note that Canada's financial intelligence agency reported \$5 billion worth of suspected money laundering and financing of terrorist activities last year. That total is more than double what it was a year earlier and \$256 million of that was tied to suspected terrorist activities. We have a significant growth. That is why it is important that we deal with this quickly. This is becoming more and more sophisticated. It is a moving target. Our legislation and the tools available to our financial institutions, our government agencies, and the policing authorities and so on, have to be as flexible as possible, again keeping that balance or that respect for the privacy rights of Canadians.

Of the 143 reports FINTRAC made to law enforcement agencies, there have been no convictions. The Auditor General in 2004 suggested that allowing more information to flow to law enforcement authorities would help in investigating these suspicious activities, and the bill before us, Bill C-25, provides those powers. Members probably will be a little concerned to note that there were 143 reports by FINTRAC of suspicious activity and not one conviction.

The bill before us, Bill C-25, has seven broad objectives. I am not going to get a chance to go into all of them, but perhaps I can highlight them.

The first is to enhance client identification and record keeping measures for financial institutions and intermediaries.

The second is the reporting of attempted suspicious transactions. Just to amplify on that, I will note that all reporting entities currently report suspicious transactions, but they would be required to report suspicious attempted transactions. There is a subtle difference, but the experts who were before the committee seem to think that this will give more latitude because it will provide more information.

The third area is the registration regime for money services businesses, referred to as MSBs, and foreign exchange dealers. The proposed amendments would create a federal registration system for individuals and entities engaged in money services businesses or foreign exchange.

The fourth area in the bill is enhancing the information contained in the FINTRAC disclosures. This was recommended in 2004 by the Auditor General. At the urging of law enforcement agencies, the proposed amendments enhance the information FINTRAC can disclose to law enforcement and security agencies on suspicions of money laundering or terrorist financing.

#### **●** (1215)

The fifth area relates to creating an administrative and monetary penalties regime. Currently the act only allows for serious criminal penalties if the act is contravened. This was also a recommendation of the Auditor General.

The sixth area relates to reintroducing requirements for legal counsel. The government is working with the legal profession, including notaries in Quebec, to finalize requirements for client identification, record keeping and internal compliance procedures for legal counsel when they act as financial intermediaries. This bill removes the obligation for legal counsel to file suspicious transaction reports or other prescribed transaction reports.

The seventh area relates to expanding the sharing of information between federal departments and agencies, including the Canada Border Services Agency, the RCMP, et cetera.

Having reviewed these, it is the view of those who have prepared the bill and who are speaking today on behalf of the bill that banks and financial institutions should be supportive of this bill. It does not encroach on or somehow provide any significant burden that will not help us all, as vested stakeholders, with the opportunity to protect assets and indeed to protect Canadians. The Liberal caucus certainly will be supporting Bill C-25 when the vote takes place at second reading and hopes that it will receive prompt activity.

I will close by reiterating a couple of points about the concerns Liberals have with regard to the bill, which I believe can be addressed by the committee. The first is whether the scope of the bill should be broadened to include not only cash but other commodities like jewellery, diamonds, et cetera. The bill does not provide that. The Senate committee did, however, recommend this. I believe it probably should be seriously considered by the finance committee when it has the opportunity to address Bill C-25. It should take to heart the testimony before the Senate committee and of course the substance of the recommendation it made in regard to non-cash commodities.

The second issue of concern is that of solicitor-client privilege and whether the invocation of that privilege has not been so strong in the bill that we are not availing ourselves of information that the legal profession has and which could help society track down terrorists and money launderers. This is a very complicated area. It is an area in which I do not have expertise, but as we know, parliamentarians cannot be experts in all things, although we certainly have the tools and resources to bring them forward through expert witnesses in committee, who can advise us on whether these are the kinds of things we can do without compromising the privacy principles we have embraced in our privacy legislation.

Finally, probably the most fundamental item of concern is the balance between, on the one hand, the need to get tough and track down terrorists and money launderers, and, on the other hand, the need to protect the rights of the individual and privacy. I believe the balance has been undone by this bill and that the defence of privacy issues will need to be correspondingly strengthened.

Let me repeat that. It appears that the bill may have sided a little too heavily on getting after terrorist financing, and it may have either inadvertent or unintended consequences where in fact privacy principles may have been pushed to the point where it may be inappropriate. We have to examine that much more carefully. It is an important principle and I hope all hon. members will agree. We have to make sure that this balance is appropriate. We have to make sure that we use all the tools and resources we have and the experts we have to come before the parliamentary committee to give us the

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information we need so that, in accordance with our prayer, we make good laws and wise decisions.

**●** (1220)

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I thank my colleague from Mississauga South for sharing with us his views on Bill C-25 and am interested in the summation of his speech, wherein he made reference to the idea that we should explore the concept that it should not be just the cash or bank accounts that may have been developed by ill gotten gains that we should be looking at, but perhaps we should be looking at other assets as well.

I would like to share with him that I believe strongly that we, the government and the law enforcement agencies, should in fact be able to seize other ill-gotten gains if it is in the context of this bill, which says it can be done if the person has been convicted and is known to be a member of an illegal or criminal organization. In those circumstances, if they happen to have what is ostentatious wealth, I suppose, and if they cannot show any proof of where those assets came from, why should we not be able to seize them and put the reverse onus on that individual to prove to us that the assets were in fact purchased through work?

I do not believe that is an infringement on anybody's civil rights. It is simply asking the question. If a person is living in a million-dollar mansion, has had no visible means of income for the last 20 years and is known to be associated with the Hell's Angels, then that person should show us where he got the money to buy that mansion. If it was from some rich uncle who died and left the money to the person, then he should show us the will. It should not be that difficult. We would take the person's word for it. But why should we not be able to seize that mansion, sell it for a million dollars, put that money back into law enforcement and use the resources to bust more criminals?

**Mr. Paul Szabo:** Mr. Speaker, I am pretty sure that in one of those television programs I learned a lot about circumstantial evidence, and it does make cases weak. I would suspect that because there have been recommendations made with regard to the penalties regime, these are some of the important points. We are at second reading.

This is to agree in principle. I think there is agreement in principle of the House with regard to making sure that our laws are as appropriate as possible given what we know today, but that they allow us to keep it growing or developing. Committee is where these kinds of items can be discussed. We want to be sure that we do not create draconian legislation. It should be just and fair.

The member may be prepared to make such representations in committee about the reverse onus, which is that, unless someone can prove to the contrary, we are going to assume that everything the person and his or her family have is a result of that person's illegal activity. I think that is something the lawyers may want to have some discussions about.

#### **●** (1225)

Mr. Pat Martin: Mr. Speaker, I simply would ask my colleague from Mississauga South if he does not agree with the fundamental principle that we have to send a message that crime does not pay. The frustration that law enforcement officers have is that, in the current situation, crime does pay. Law enforcement officers know full well that an awful lot of people who are up to no good have the luxury homes, the speedboats, the luxury cars in their driveway, the tricked-out Escalades. A lot of people have really good reason to believe, just short of meeting the burden of proof, that these are the proceeds of crime.

I do not think that reversing the onus is a bad idea in the narrow scope of this bill and its two caveats, which are that if the person has been convicted of a crime and if the person is a known member of a criminal organization. Is there something wrong with saying that crime does not pay? Is there something wrong with saying that we are going to seize all the toys, sell them and use the money to put more cops on the street to bust the criminal and his friends in the future? I think it is a popular idea that we should be able to embrace without too much reservation.

**Mr. Paul Szabo:** Mr. Speaker, this raises a lot of interesting points. The rule of law has to be respected. The rights and freedoms of the individual must also be respected. We have to be careful and look at those things. Privacy has to be respected.

I do not disagree with the thirst that the member has to get anyone who is anywhere near to it, to take them and expose them totally and make an example of them. I am not sure that the retribution part is a good starting point for us because there are some very important fundamentals.

The example I would give to the member if he would like to apply that would be, for instance, the underground economy in the construction industry in Ontario. We know that in Ontario the Ontario construction secretariat just reported \$1.3 billion of lost revenue to the federal and provincial governments for all kinds of things. We know it is there, but there is a very careful approach being taken, I believe, not to paint all with the same brush, and not to put people out of business and to destroy jobs and people's security.

There are sometimes some unintended consequences, so we have to be extremely careful. That is why I want to limit my comments and my reaction to this. The point is going to be raised in committee and we should seek the appropriate responses from those who are experts in these areas.

Mr. Brian Murphy (Moncton—Riverview—Dieppe, Lib.): Mr. Speaker, in my province of New Brunswick there is a proceeds of crime unit made up of a prosecutor and a member of the RCMP. It is adequately resourced but with further resources, money laundering and the proceeds of crime extrapolation of money back to the community could be better had.

I wonder if the member would have a comment on the government's general disregard for resourcing many of the bills and statements it makes under the hyperbole of a just and fair society. Many of the bills introduced by the government, and this may be an example of one, sound great or good, but we do not see the ledger side of it.

I know the member for Mississauga South is a money guy, an accountant, and looks at the p's and q's of finances. Is the money here to back up the claims of the government that in this bill in particular, but in other justice bills, that it is providing a more just and safer society?

**Mr. Paul Szabo:** Mr. Speaker, the point is well taken. I have often heard the argument that should policing authorities seize drugs, cash, property or whatever, that those resources should be available to them, so that they can continue to do their job.

I also understand the other argument which is that they are organizations, institutions or authorities which have funding available. I would be a little concerned if those who went out hawkishly and started going after all of the big ticket items, they may not be looking at those that are not so big and then all of a sudden someone is going to have a greater share of the resources, when in fact our policing ability in enforcing the law and protecting Canadians is at all levels of jurisdiction right across the country.

There is an important balance here, but I do understand and agree that in principle, the proceeds of crime should be in the pool of resources that are available to all levels of government where they enforce the laws.

As the member knows, we as legislators at the federal level may establish the Criminal Code in Canada, but it is up to the provincial and regional governments, and to some extent other municipal type policing authorities, who have to apply those laws. So it is not simply the RCMP. It is a combination of all of the policing authorities across the country because they are there to provide support, protection and service to all Canadians regardless of where they live.

I appreciate the question, but I would hesitate to say that whoever finds the criminal gets the money. It may not well serve the system.

#### **•** (1230)

Mr. Chris Warkentin (Peace River, CPC): Mr. Speaker, I appreciate the opportunity to speak to Bill C-25 at second reading.

The bill proposes to update legislation that will help fight those who would use our financial system to launder money and then divert that money to fund terrorist activities.

We have, unfortunately, seen so many horrible examples of how far terrorists can reach and how close to home they can get. We saw what happened in New York City, London, Madrid, Dubai and Toronto.

We were all shocked this past June when our RCMP, CSIS, the OPP and other Canadian police forces combined their forces to arrest a number of alleged members of a terrorist cell here in the greater Toronto area. The accused are alleged to have been planning a series of major terrorist assaults on targets in southern Ontario, targets that are alleged to have included the House in which we now sit.

Activities like this threaten our safety, our security and very much our own way of life. Canada is a country on the move. We are a country with a G-7 leading economy and under this government a steadfast commitment to meeting our international obligations. We take our global responsibilities very seriously. We know that terrorists need money and that is why we are introducing this bill to make it harder for them to get it.

Canada's financial sector is internationally recognized as stable, safe and sound. Our Minister of Finance knows that it is his responsibility to ensure that it continues to stay that way. That is why we have introduced this bill. The amendments it contains would strengthen the Proceeds of Crime (Money Laundering) and Terrorist Financing Act to ensure that Canada continues to be a global player in combating organized crime and terrorist financing.

This year Canada assumed the presidency of the financial action task force, the intergovernmental body that develops and promotes national and international standards to combat money laundering and terrorist financing.

Holding the FATF presidency is another example of Canada's commitment to national and international security. The financial action task force plays a critical role in stopping terrorist financing activity and money laundering by promoting policies designed to starve these organizations from the funds they use to fuel them.

Terrorist and criminal organizations are becoming increasingly sophisticated in their attempt to move, conceal and launder funds through financial systems and other means. Despite the safeguards in place, terrorist organized crime and other criminal elements continue to find ways to take advantage of our financial system. That is why we are debating Bill C-25 today. The proposed amendments in the bill would improve the government's ability to act quickly and decisively against potential abuses of the Canadian financial sector.

I can assure the House that Canada's new government is being relentless in its efforts to combat money laundering and terrorism financing. One of the tools that we are using is FINTRAC, a system that is widely considered to have leading edge, analytical and technological capacity. This agency receives, analyzes, assesses and discloses financial intelligence on suspected money laundering, terrorist financing and threats to the security of Canada.

Since FINTRAC began making disclosures in early 2002, it has provided law enforcement and intelligent agencies, key financial intelligence on money laundering, the financing of terrorist activities, and the threats to Canada's security by analyzing financial transactions, reports and other sources of information.

FINTRAC recently released its annual report and revealed that it has tipped off law enforcement in Canada and the Canadian Security Intelligence Service to more than \$5 billion in suspicious deals last year. It is more than double the figure of the year before. FINTRAC has only been in existence for two years, but it is obvious that its work is paying off.

• (1235)

FINTRAC is a member of the Egmont Group of Financial Intelligence Units whose purpose is to enhance cooperation and information exchange in support of the anti-money laundering and terrorist financing regimes in member countries.

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The establishment of the Egmont secretariat in Toronto is yet another example of Canada's commitment to national and international security, collaborative solutions to global threats, and the need for the international cooperation and institutions.

Since taking office, Canada's new government has made safety and security of our citizens, and of global citizens, our priority.

In our first budget in May the Minister of Finance announced significant new funding to enhance the work being done by Canada's financial intelligence unit, the financial transactions and reports analysis centre in Canada, the Royal Canadian Mounted Police, the Canadian Border Security Agency and the Department of Justice.

Bill C-25 would build on these measures and make Canada's overall regime consistent with international standards. The proposed measures in this bill would make Canada's anti-money laundering and anti-terrorist financing regime more effective by making it consistent with the new FATF standards.

Canada has committed to implementing the 40 FATF recommendations on money laundering as well as nine special recommendations on terrorist financing. The hon, members will know that the interim report of the Standing Senate Committee on Banking, Trade and Commerce is calling for tougher measures to deal with money laundering and terrorist financing.

Bill C-25 responds to the Senate committee recommendations. The proposed measures in Bill C-25 would respond to recommendations made in the 2004 Auditor General's report and the 2004 Treasury Board evaluation of the regime.

One of the most important amendments proposed in Bill C-25 is a proposal to enhance client identification and record-keeping measures for financial institutions and intermediaries.

Under this legislation, these institutions would be required to undertake enhanced monitoring of high-risk situations. For example, businesses such as banks, insurance companies, securities dealers and money services would be required to identify and monitor the transactions of foreign nationals who hold prominent positions, along with their immediate families.

Amendments in Bill C-25 would require the reporting of attempted suspicious transactions to FINTRAC. The bill would create a registration regime for money services businesses.

As we know, these businesses are largely unregulated. With the passage of the amendments in this bill, FINTRAC would act as a registrar and would maintain a public list of registered money services businesses and foreign exchange dealers.

As recommended in the 2004 Auditor General's report, and at the request of law enforcement, this bill would enhance the information contained in FINTRAC disclosures to law enforcement and security agencies on suspicions of money laundering and terrorist financing. This would increase the value of FINTRAC disclosures, ultimately leading to more investigations and eventual prosecutions.

Bill C-25 proposes to strengthen penalties in order to allow FINTRAC to better enforce compliance with the Proceeds of Crime (Money Laundering) and Terrorist Financing Act.

While current legislation only allows for criminal penalties if the act is contravened, Bill C-25 proposes to create an administrative and monetary penalty system where fines could be applied for lesser contraventions of the legislation. Another component of the regime is the reintroduction of client identification and the record-keeping requirements for legal counsel.

The government is working with the legal profession, including notaries in Quebec, to finalize the details of these requirements and to ensure adequate compliance and enforcement. Information sharing is crucial in the coordinated fight against money laundering and terrorist financing.

#### **(1240)**

Bill C-25 proposes to expand FINTRAC's ability to share information with the Canada Border Services Agency, the Canada Revenue Agency and the Communications Security Establishment. In addition, FINTRAC will now be able to receive terrorist property reports under the United Nations Act regulations.

All of these steps and all of our efforts add up to a better and a safer world for all of us, a world where our financial systems are used as they were intended, to create better opportunities for our citizens and a greater prosperity for our nations.

Criminals do not stand still, so neither can we. As they adapt, we must adapt and as we adapt they do adapt. We must be vigilant and relentless in our pursuit of ideas, innovations and ways to cut them off to make it harder for them to finance their activities.

Through more funds, improved legislation and a relentless resolve to shoulder our global responsibilities, Canada is serving notice that we will put these criminals out of business at every chance we get. I urge all hon. members to accord this bill the quick passage that it deserves.

#### [Translation]

Mr. Christian Ouellet (Brome—Missisquoi, BQ): Mr. Speaker, I find the point of view of my colleague from Burlington to be very interesting. I have a question for him. I gather he thinks that information sharing is the best way to track terrorists' money. He was talking mostly about money laundering.

I would like him to explain how he plans to stop money from going through the tax haven? We can talk about a single tax haven since the former government kept one. How is he really going to eliminate this money that comes from tax havens or the tax haven? How will this legislation stop the money that passes through in containers?

[English]

**Mr. Chris Warkentin:** Mr. Speaker, there is no question that information sharing will lead to better cooperation among different agencies to improve the tracking of alleged criminal activity through the laundering of money. We also need to look at the offshore involvement in which some of these people may be involved.

However, we could be doing many things here at home, things we need to get serious about. The legislation would go a long distance in addressing the issues surrounding the laundering of money within our borders. Much of the money that is stored offshore at some point comes into this country. There are tracking measures. The legislation begins to address those issues.

**Mr. Pat Martin (Winnipeg Centre, NDP):** Mr. Speaker, I would like my colleague to go a little further in his views on Bill C-25 than just the speech that he was given to read, which I think represents his party's views.

I would appreciate his own personal views on this idea. In the last Parliament and, in fact, in the Parliament prior to that, a private member's bill was floating around dealing with the seizing of assets that were the proceeds of crime. I believe it was under the name of my colleague from the Bloc the last time, Richard Marceau, and prior to that it was a Canadian Alliance member, Paul Forseth.

Those were good ideas in that they would have allowed the government to not only seize bank accounts full of ill-gotten gains, but seize the actual proceeds of crime that may have bought all the toys, the trappings of crime that we see a lot of the high profile criminals use.

Would the member agree that Bill C-25 should be extended to allow this concept, that where it can be clearly demonstrated that the person is a member of a criminal organization, such as the Hell's Angels, Hezbollah, whatever is on that list of criminal organizations, and the person has been convicted of an offence, why should we not be able to seize their assets and put the reverse onus on them that they should need to prove that they did not get it through the purchase of ill-gotten gains, that they had a legitimate means of income? Would that not be a good idea?

#### **●** (1245)

**Mr. Chris Warkentin:** Mr. Speaker, I do believe that criminals who are found to be involved in terrorist activity or in some type of activity that would define them as being in contravention of the law. We do need to investigate what we do with the property that they own.

Like many Canadians, as I am sure we would both agree, criminals should not be able to retain the proceeds of crime. I do not know if Bill C-25 is the right place to put in that measure but I would be supportive of a measure that would require criminals who could not prove that they got the assets in any other way to give up those things.

I believe this government is championing the reverse onus. We have seen it in the dangerous offenders legislation. We are thankful for the member's support on that legislation which would require criminals to prove they will not continue to involve themselves in this type of activity.

The Conservative government has been very active on the file of getting tougher on crime, putting the onus on the criminal and protecting the citizens of our country. The measures the member talks about would protect the citizens from any future types of those activities. I also agree with him that we need to ensure that crime does not pay any more.

Mr. Bradley Trost (Saskatoon—Humboldt, CPC): Mr. Speaker, I listened to my hon. colleague's speech with interest and he noted that the government's funding in the last budget had increased for the Department of Justice, the Border Services Agency, the RCMP, et cetera. It brought to mind that this is in an overall context when we deal with terrorism and crime.

I would like the member to comment on a couple of things from a general policy perspective because they end up dealing with terrorism. The first one deals with drug smuggling and the associated activities with it. We look at how it funds terrorism in places, particularly Colombia, and we see that the Taliban are now getting a lot of its funding through the heroin trade.

The other question I would like him to comment on is how the government's overall package on law and order in totality is helping to deal with the issue of terrorism in general, things such as more RCMP, et cetera, even if they are not directly targeted at terrorism, how they are helping the justice agenda on this file.

**Mr. Chris Warkentin:** Mr. Speaker, there is no question that in the last number of years we have seen that many of these terrorist organizations, which have come under fire, were funded through illegal activities, whether it be arms dealing, drug trading or any number of things. What Canada needs to do, and it is something this government has committed itself to doing, is to ensure we are not part of the problem.

We have done it through this legislation but we have also done it by cracking down on the things that come into this country. We have improved our border security and the inspections at the border regarding the illegal drugs and whatever else comes across our borders and is traded for money, which is then laundered out of the country to fund these types of organizations. We have started to put in the necessary measures to stop these things from coming into the country. That is something to which we are absolutely committed.

In the finance minister's budget of this past year, a substantial amount of money was given to improve RCMP services and to put more RCMP officers on the street. We have seen a number of measures, including arming our border guards. Of course there was a financial requirement to do that. We have heard from the minister responsible for public security that the border guards are now receiving these arms.

These measures are all important as we try to move toward a safer and more secure nation within a safer and more secure world. We do have a role and a responsibility to ensure that we have a safe country here but we also need to implement some of these measures to ensure the entire world is a safer place.

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I do believe we are on the right track but we have a long way to go before we crack down on all the illegal activities that are happening in our own country. We are in the process of cleaning this up and the investment that we have made into crime prevention will go a long way to begin that process.

**(1250)** 

[Translation]

The Acting Speaker (Mr. Royal Galipeau): Questions and comments. The hon. member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup. We have one minute left for the question and the response.

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I will proceed very quickly.

We support this bill overall. I believe it will improve how we manage the fight against terrorism. However, we must ensure some degree of balance.

My question is as follows. Are the government members open to having certain witnesses, for example, the privacy commissioner, testify at committee hearings to ensure that there are no more errors like the one committed by the RCMP in the Arar case, and to ensure that, despite the bill's best intentions, it will not have any loopholes that would allow for the violation of human rights?

[English]

**Mr. Chris Warkentin:** Mr. Speaker, the hon. member talks about striking a balance. The committee will do its work to ensure this is a balanced bill. However, as Canadians we do need a balance. We need to get tough on crime to ensure that criminals do not have the same rights as law-abiding citizens in terms of being able to continue to involve themselves in many of these things.

[Translation]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I rise today to speak to Bill C-25, An Act to amend the Proceeds of Crime (Money Laundering) and Terrorist Financing Act and the Income Tax Act and to make a consequential amendment to another Act.

As I speak today, I am thinking about the reality we have faced for the past several years, that is, the increase in terrorist activities and the tools we have tried to put in place to fight against terrorism. As we all know, the Bloc Québécois took up a major challenge in the past regarding the fight against organized crime.

I would remind the House of the battle waged here, led by the Bloc, to enact anti-gang legislation. Many individuals have continued that battle, including the leader of the Bloc Québécois and hon. member for Laurier—Sainte-Marie and the hon. member for Hochelaga—a young child in his riding was unfortunately a victim of organized crime warfare. My former colleague, Michel Bellehumeur—who is now a judge, but who was the justice critic at that time—successfully led one offensive after another, as did Richard Marceau, regarding the elimination of the \$1,000 bill. The Bloc Québécois' credibility is well established here, as it is in many other areas.

We have led battles and we have helped to develop the best laws possible. Today, we are discussing legislation that the Bloc Québécois will support because it will enable Canada to comply with the recommendations of the financial action task force on money laundering. This is a group that was created by the G-7 to examine in depth the issue of the financing of organized crime world wide. The group can make recommendations to all countries on ways of countering criminal use of money. It has been said that money is the sinews of war, and it is the same in the fight against terrorism

There is a real battle that can be fought on the ground in terms of propaganda, but there is also the whole issue of financing. Let us hope that we can do our share in a meaningful and concrete way.

However, at the same time—this will be a continuing concern for the Bloc—during the committee stage, we must ensure that in the application of the law we are not faced with the excesses we have already seen, such as in the case of the treatment of Maher Arar by the RCMP. We know that the RCMP slipped through the cracks in existing mechanisms to end up accusing Mr. Arar and that he suffered unacceptable treatment. In the final analysis, Mr. Arar suffered harm that will be very difficult to repair.

In the previous instance, it was the case of an individual. Today, we are dealing with the financing of terrorism. We must ensure that in the application of this law that there is no similar hole in the legislation.

I am referring, for example, to the fact that under the law an official of the Department of National Revenue would have the power to forward information that was sent by another official under the provisions of the charities registration act. That information could be forwarded to the Financial Transactions and Reports Analysis Centre of Canada.

This could be done in good faith and be completely legal. It could involve the forwarding of relevant information; however, we must ensure that there are safeguards to prevent excesses.

After they have debated the actual principle of this bill and its general appropriateness, the committee members should pay particular attention to the issue of protection of personal information. I would like the privacy commissioner to appear before the committee so that she could say how the act for which she is responsible applies to the reality of Bill C-25 and to the regulatory framework defining how to track the financing of terrorist groups so that such financing is clearly opposed and minimized, and how at the same time the rights of individuals will be respected.

We should recall that Bill C-22 was the forerunner of Bill C-25, which we have before us. It was tabled on behalf of the Minister of Finance in 1999 and intended to counter money laundering. That was Bill C-22. It was very similar to Bill C-80, presented in May 1999, but died on the order paper when the House was prorogued.

The general objective of the bill was to correct the shortcomings of Canadian legislation respecting money laundering, as they were identified in the 1997-98 report by the FATF, the financial action task force on money laundering, created by the G-7.

**(**1255)

In addition, the FATF recommended in its report that any provisions respecting reports in Canada—which at present are voluntary—be made public and that a financial information unit be created with the responsibility of gathering, managing, analyzing and distributing reports of suspicious operations and other relevant information. So it was an international committee that made the recommendations and the 1999 bill was designed to put them into force

That bill was passed. Since then it has been mandatory for regulated financial institutions, exchange offices, casinos and other financial intermediaries to report suspicious financial transactions. Another of the bill's objectives was to put in place, together with the Canada Customs and Revenue Agency, a system for reporting large cross-border movements of currency. A lot of money changes hands. We will see a little later that the quantities of money are very significant.

Furthermore, the bill provided for the creation of a new independent agency, namely the Financial Transactions and Reports Analysis Centre of Canada. This centre receives and administers the information reported. Bill C-22 was enacted on June 21, 2000, and replaced the Proceeds of Crime (Money Laundering) Act then in effect.

The Conservative government is proposing to amend Bill C-22 with Bill C-25, which we are debating today. This new bill is designed to increase financial institutions' duties to keep records and report suspicious transactions, with a view to eliminating funding for terrorist organizations. The idea is to achieve greater transparency in the circulation of money. Banks are institutions that are responsible for the quality of their work. In my opinion, in the fight against terrorism, they need much clearer and more specific guidelines and instructions. Let us hope that this bill will clarify the situation.

First of all, the bill extends the application of the act to all organizations that, in addition to dealing in securities, deal in other financial instruments. Targeting securities alone does not go far enough, in light of terrorists' investment methods. The act also applies to persons and entities engaged in the business of remitting or transmitting funds by any means or through an intermediary to electronic funds transfer companies or of issuing or redeeming money orders, traveller's cheques or other similar negotiable instruments. In other words, the framers of the bill became aware of all the actions and the financial and monetary transactions that the bill needed to cover to try and control the circulation of money used to finance terrorist activities. The people who sell prescribed precious metals will be subject to Bill C-25.

The new bill prohibits any entity from opening an account if the bank cannot establish the identity of the client. The bank must be certain that it knows the identity of the client. Furthermore, the bill ensures requires any institution that does business with a politically exposed foreign person, foreign judge, head of state or minister, to obtain the approval of its senior management before entering into a transaction. Thus, safeguards are established. Such requirements apply to all sectors. For example, in the case of electronic funds transfers, the bank or other business must include the name, address, account number and all client reference numbers, whether sending or receiving such transfers.

This is where we must consider the issue of authorization given to officials of the Canada Revenue Agency to disclose information to the Financial Transactions and Reports Analysis Centre of Canada. We will have to be very vigilant to ensure that we do not erode the right to protection of personal information and to establish an appropriate balance so that the legislation falls within the desired framework.

Of particular concern is the laundering of proceeds of crime, which is the conversion of the proceeds of criminal activities into goods making it difficult to trace the proceeds to their criminal origins. It consists of hiding proceeds of crime by making them seem legitimate. It is money laundering. A large portion of these goods and assets are derived from the illegal drug trade and others result from criminal activities such as burglary and cigarette smuggling. The criminal activities that they seek to hide are, by their very nature, clandestine activities. It is difficult to have a precise idea of the extent of money laundering operations.

#### **●** (1300)

Experts estimate that, overall, some US\$300 billion to US\$500 billion in criminally derived funds enter international capital markets annually; \$300 to \$500 billion is a lot of money.

In Canada, the federal government estimates that between \$5 billion and \$17 billion in criminal proceeds are laundered in this country each year. There was therefore a need to take action and find a way of shedding light on these transactions in order, at least, to reduce them as much as possible.

There is also the problem of the financing of terrorist organizations. We know that terrorists were going so far as to take advantage of charitable organizations and ultimately use them for purposes other than those they were intended for. We need to reconsider things in this regard as well to be sure that we can also follow the financial transactions.

The financial action task force on money laundering established in 1989 is an international organization which wants to ensure that the different countries around the world have legislation for dealing with this problem. However, we have seen a major increase in terrorist group activity over the last few years. I think that we need to move faster and provide more support. The FATF's mandate was renewed in 2004 to run until 2012, and it will continue to monitor the situation.

Through the mandatory reporting of suspicious transactions, this bill will ensure that we do not suddenly find ourselves in a situation where a whole series of suspicious transactions have to be identified

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because they were not being followed. The mechanism being put in place will hopefully take care of this.

In regard to the reporting of major cross-border currency movements, the bill will ensure that certain precious metals are also regulated and included in the currency to be reported.

There are two provisions authorizing customs officers to search people or the vehicles of people when the officers have reasonable grounds for suspecting that the people are hiding on or near their persons currency or monetary instruments that were not reported in accordance with the act's regulations. Finally, a new provision makes it possible to conclude cooperation agreements between Canada and the customs agencies of foreign countries that have similar requirements to report cross-border movements of currency and monetary instruments.

The comparison I made with the Arar affair also applies here. We must ensure that we are not creating a ripple effect by inadequately protecting personal information. When we give information to a foreign agency, we must ensure that we do so in accordance with the law and that the other country uses it in accordance with the law. We must not damage people's reputations because of incorrectly conducted transactions. In this case, it might not end with the kind of torture Mr. Arar suffered through, but it could damage reputations. We must be vigilant in ensuring that, if necessary, this bill is amended in such a way as to guarantee the protection of personal information.

The third important element is the creation of the Financial Transactions and Reports Analysis Centre of Canada covered under clauses 40 to 72. This is the framework, the organization, the structure that will ensure the implementation of this legislation. We hope the centre can operate because it will be responsible for analyzing and evaluating the reports it receives, as well as other information. If necessary, it will provide information to law enforcement organizations. It will also be responsible for making recommendations to the Department of Justice, the RCMP or other organizations. Here, too, we must be vigilant to ensure that the management and analysis of personal information are done correctly.

Bill C-25 sets out guidelines concerning individuals and groups eligible for registration with the centre. Any person whose name appears on the list of terrorist groups, who was convicted of terrorist activity or of participating in, facilitating, instructing to carry out or inciting to commit terrorist activities, who was convicted of participating in organized crime activities, or who was convicted once on indictment or more than once for fraudulent transactions or for an offence under the *Controlled Drugs and Substances Act*, except for consumption, is eligible to register.

Clearly, what we are seeking is a comprehensive framework that will allow for proper intervention regarding cash flow linked to terrorists. Accordingly, the Bloc Québécois believes that this bill deserves our support.

It also includes serious offences so that criminals are well aware of the seriousness of their actions.

#### **●** (1305)

To conclude, I refer back to my comment on privacy. I would like to see this bill passed as quickly as possible, given the study that will be required in committee. Indeed, it must be carefully studied to prevent individual cases from slipping through security and, above all, to prevent honest, law-abiding citizens from being penalized by such legislation.

Significant amounts of money circulate in this area of activity and this legislation could, in due course, have implications for human life. Terrorist activities funded at the source by this type of monetary flow often lead to the deaths of innocent bystanders.

It is a fine idea to create tools to stop this money from circulating, but we must strike a balance with the protection of privacy.

The Bloc Québécois supports the principle of this bill. We will see if, through amendments, we can adapt it more to the reality of these people and make it more compliant with the Privacy Act.

Mr. Raynald Blais (Gaspésie—Îles-de-la-Madeleine, BQ): Mr. Speaker, I congratulate my colleague for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup on his speech to which I listened with great interest. I would like to take this opportunity to ask him a question about the ideological winds that are blowing these days in this House with the minority Conservative government. Of the 30 or so bills introduced by the government, a dozen concern law and order.

An hon. member: There are 17.

Mr. Raynald Blais: There are 17.

In my opinion, that is also the case for this bill. I understand and believe that it is important to bolster our system because of terrorism. That being said—and my colleague mentioned this in his speech—we must be careful that this does not lead to unfortunate situations such as those experienced by Maher Arar. Perhaps others have had similar experiences.

I would like the member to comment on the ideological winds that we hear, feel and sense coming from the Conservative minority government. It is fortunate that they are in the minority.

#### (1310)

**Mr. Paul Crête:** Mr. Speaker, I wish to thank my colleague for his pertinent question.

The current government is quite taken with the issue of public order. It often believes that it can resolve situations by, for example, increasing sentences for certain criminal activities, investing fewer resources in rehabilitation, and believing that stiff punishment will lead to an automatic change in behaviour. This causes resistance to adoption of these bills. We can feel it in the House. All opposition parties, at one time or another, have shown their opposition. This leads us to realize, in my opinion, that this vision does not correspond to the values of Quebec society nor the values of Canadian society at large.

For this reason, each bill must be assessed individually. That is the practice that the Bloc Québécois has adopted. When a bill is advantageous for Quebec, at the very least, we support it, we promote it; when it is not, we do not support it.

Obviously, the Bloc Québécois will oppose this wind from the right and not support any government initiative to tighten the Criminal Code and, for example, criminalize younger and younger people, including children and adolescents. The Bloc Québécois will stand up to the government and make sure that such bills are not passed and that they are subjected to every possible parliamentary test before returning to us, when we in the Bloc Québécois will clearly show our opposition.

I remember that we opposed the Young Offenders Act in the past, and we were proven to have been right at the time, and now we are opposing other bills.

In this case, it is a bill that refers to laundering proceeds of crime. The Bloc Québécois led the war on organized crime in the past, to reduce organized crime and make sure it can be dismantled.

Consider the anti-gang bill. There is a very clear difference between this type of bill, which is designed to ensure better, fairer treatment in our society, and all the bills that criminalize young people in particular and, in my opinion, do not reflect how we want things to work in our society in future. The Conservative Party has a minority government—fortunately, as my colleague said—and will have difficulty getting these bills passed.

In the end, the next time we face the voters, we will have seen, this year, that the Conservative government is borne along by the rightwing current coming from the United States, but more from the Alliance and Reform parties that preceded the Conservative Party. Nevertheless, the Conservative members from Quebec have been asleep at the switch all this time. And when the next election is called, these people will have to answer to their constituents for the bills they passed or supported that ran counter to the values of Quebec society. They will have to answer to the people.

We are already seeing it in the polls, which show the Conservatives at 16% to 18% of decided voters in Quebec. They will pay the price if they do not alter their policy on these issues.

#### [English]

**Ms. Catherine Bell (Vancouver Island North, NDP):** Mr. Speaker, small branch credit unions, of which I am a member in my riding, have difficulty with administration costs and making ends meet because they do not have the resources of large banks and larger institutions.

What does the member think of the issue of credit unions having to monitor and carry the burden of the investigation process with respect to criminal activities and the hardship of that for them?

#### **●** (1315)

#### [Translation]

**Mr. Paul Crête:** Mr. Speaker, I thank my colleague for her question. I myself am a member of the Desjardins Group, the largest association of credit unions in Quebec and in Canada. Desjardins collaborates with international credit union-type organizations.

I understand the argument. This is one of the things that the committee will have to study to ensure that small financial institutions can cope with the implementation of such measures and will not be taken over by larger institutions. This issue is not directly related to fighting terrorism, but it would have an impact on how small financial institutions are run. The committee will have to pay close attention to this. Its work on this bill will be very important.

Earlier, I talked about Canada's privacy commission. It is important that financial institutions, both large and small, appear before the committee so the bill can be amended as necessary and to avoid adding too many additional rules to current regulatory regime. That could penalize the cooperative movement, which is very significant at home and also gaining strength in developing countries.

In Africa, Desjardins' markets are growing significantly. I would also like to draw attention to the Nobel prize awarded to the creator of microcredit lending. These small institutions must be allowed to continue to progress, protected from manipulation by terrorist movements. They must not be crushed under superfluous regulations. I support its ideology and hope that the parliamentary committee studying this bill will look closely at this matter. I hope the committee will hear witnesses who can discuss it concretely, that is, administrators and managers of these small institutions.

[English]

**Mr. Pat Martin (Winnipeg Centre, NDP):** Mr. Speaker, I thank my colleague from Kamouraska for his sensitivity to the needs of these smaller institutions and the burden that the bill might place on them

As I was speaking to the bill, I received an email from a general manager of a credit union on Vancouver Island. He has pointed out that his small credit union may have to deal with costs of up to \$200,000 per year just to track, administer and file the necessary paperwork stemming from Bill C-25.

His second point, which I would like my colleague's view on it, is that in a small neighbourhood community institution, he resents that he may have to turn in activities of his friends and neighbours, which may not quite meet the standards or may seem suspect to some from thousands of miles away. He is not comfortable having to report private information to the government in his function as the general manager of a credit union.

My colleague mentioned the Privacy Commissioner. Is he concerned as well that neighbours may be called upon to blow the whistle on other neighbours?

[Translation]

**Mr. Paul Crête:** Mr. Speaker, that is a good way to illustrate my suggestion that the Privacy Commissioner appear as a witness to reveal what effect this will have on privacy.

We could also study its effect on other individuals within the same community. The Desjardins group is based on the democratization of banking and financial processes. In the beginning, each credit union had a credit committee made up of people elected locally to review credit applications. In small municipalities, this often led to friction. Privacy must be guaranteed.

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In this sense, we must also make certain that this does not become an open door for terrorist groups. If we regulate this problem only among the big banks and suddenly open a side door to the smaller institutions, we must ensure that they have sufficient protection, that they are able to deal with this influx, and that tools exist to properly identify relatively ordinary transactions without disproportionate costs. We must not find ourselves faced with the monetary flows to finance terrorist groups taking a new path that is not covered by this legislation.

● (1320)

[English]

Hon. Judy Sgro (York West, Lib.): Mr. Speaker, I am quite happy to join the debate on such an important subject as Bill C-25, An Act to amend the Proceeds of Crime (Money Laundering) and Terrorist Financing Act and the Income Tax Act and to make a consequential amendment to another Act.

This enactment amends the Proceeds of Crime (Money Laundering) and Terrorist Financing Act to enhance the client identification, record keeping and reporting measures applicable to financial institutions and intermediaries.

It establishes a registration regime for money services businesses and foreign exchange dealers and creates a new offence for not registering.

It allows the Financial Transactions and Report Analysis Centre of Canada to disclose additional information to law enforcement and intelligence agencies and to make disclosures to additional agencies.

The bill permits the centre to exchange compliance related information with its foreign counterparts. It also permits the Canada Border Services Agency to share information about the application of the cross-border currency reporting regime with its foreign counterparts. It also includes a consequential amendment to the Canada Border Services Agency Act.

The bill creates an administrative monetary penalty regime, something which certainly seems to be needed.

It also amends the Income Tax Act to allow the Canada Revenue Agency to disclose to the centre, the Royal Canadian Mounted Police and the Canadian Security Intelligence Service information about charities suspected of being involved in terrorist financing activities.

Everyone in the House will likely agree that one of the best ways to fight organized crime and terrorism is to starve those involved of the funds that they need to operate. Stemming the flow of illegal money is of great importance, and it is equally important that we protect the privacy and the charter rights of individual Canadians.

Bill C-25 is a step in the right direction and contains much of what the previous Liberal government was in the process of developing. We will certainly support it in principle at this stage of debate.

The proposed amendments in the bill will make Canada's antimoney laundering and anti-terrorist financing regime more consistent with new financial action task force standards. They also follow some of the recommendations made in the 2004 Auditor General's report and in the 2004 Treasury Board evaluation of the regime. I will now turn to some of the key features in this bill.

There are enhanced client identification and record keeping measures for financial institutions and intermediaries. The proposed amendments include requirements for reporting entities to undertake enhanced monitoring of high risk situations, correspondent banking relationships and transactions by politically exposed persons. Banks, insurance companies, securities dealers and money service businesses would be required to take measures to identify and to monitor the transactions of foreign nationals and their immediate families who hold prominent public positions.

There is the reporting of attempted suspicious transactions. All reporting entities currently reporting suspicious transactions would be required to report suspicious attempted transactions to FINTRAC. This is the practice in other G-8 countries and is consistent with financial action task force recommendations.

Another feature in the bill is the registration regime for money service businesses and foreign exchange dealers. The proposed amendments would create a federal registration system for individuals and entities engaged in money service businesses or foreign exchange. FINTRAC would act as the registrar and would maintain a public list of registered money service businesses and foreign exchange dealers. These businesses are already covered by the Proceeds of Crime (Money Laundering) and Terrorist Financing Act; however, given that this is an unregulated sector, the registry will assist FINTRAC in ensuring compliance with the act.

The bill refers to enhancing the information contained in FINTRAC disclosures. As recommended in the 2004 Auditor General's report and at the behest of law enforcement, the proposed amendments enhance the information FINTRAC can disclose to law enforcement and security agencies on suspicions of money laundering or terrorist financing. This will increase the value of FINTRAC disclosures, ultimately leading to more investigations and eventual prosecutions.

#### **●** (1325)

The bill creates an administrative and monetary penalties regime. Currently the act only allows for serious criminal penalties if the act is contravened. FINTRAC requires the ability to levy fines to deal with lesser contraventions in order to take a more balanced and gradual approach to compliance. The amendments create an administrative and monetary penalty system whereby fines can be applied for non-compliance. This was a recommendation in the 2004 Auditor General's report.

The bill reintroduces requirements for legal counsel. The government is working with the legal profession, including notaries in Quebec, to finalize requirements for client identification, record keeping and internal compliance procedures for legal counsel when

they act as financial intermediaries. The bill removes the obligation for legal counsel to file suspicious transaction reports or other prescribed transaction reports.

The bill expands information sharing between federal departments and agencies. The amendments in the bill would expand FINTRAC's ability to share information with the Canada Border Services Agency, the Canada Revenue Agency and the Communications Security Establishment. In addition, FINTRAC would be able to receive terrorist property reports under the United Nations act regulations.

Internationally, the enforcement of the anti-money laundering and anti-terrorist financing requirements would be strengthened by information sharing provisions on compliance related information between FINTRAC and its foreign counterparts on obligations applicable to the financial sector and between the Canada Border Services Agency and its foreign counterparts on the enforcement of the cross-border currency reporting regime.

This bill proposes to make some necessary changes to the previous government's Bill C-36, the Anti-terrorism Act of 2001. Changes such as these will likely be required every few years as money launderers become more sophisticated and police need new powers to fight them. This is precisely what makes money laundering so difficult to combat. No matter how many safeguards and checks we as legislators put in place, the criminal element will always look for new ways to avoid or to counter them.

Canada's financial intelligence agency reported \$5 billion worth of suspected money laundering and financing of terrorist activities last year alone. That total is more than double the one a year earlier. Of that, \$256 million is tied to suspected terrorist financing. Of the 143 reports FINTRAC made to law enforcement agencies, there have been no convictions. The Auditor General in 2004 suggested that allowing more information to flow to law enforcement authorities would help in investigating these suspicious activities. This bill provides these powers.

This bill is largely derived from recommendations made by the Department of Finance under the previous Liberal government's tenure. Money laundering and terrorist financing have economic and social costs against which we must remain vigilant. In order to achieve this, we must continually re-evaluate how we monitor and disclose suspicious transactions as the nature of these activities changes and continually becomes much more sophisticated. The government must move to stem the tide of money laundering and terrorist financing and at the same time protect the privacy rights of law-abiding Canadians.

Given that both the Auditor General and the RCMP have expressed concern that exemptions for the legal profession leave serious gaps in this legislation, I am concerned with the government's decision to remove the obligation for legal counsel to file reports of suspicious transaction with FINTRAC.

**•** (1330)

Our colleagues in the other house recently tabled a report entitled "Stemming the Flow of Illicit Money" which made several recommendations, some of which are in the bill and some of which are not. I would also like to see the Senate Standing Committee on Banking, Trade and Commerce recommendations for Parliament to have greater powers to also scrutinize FINTRAC.

One of the main concerns I have is that we are not bringing some of the businesses that currently do not fall under FINTRAC's guidelines into the bill. As the banking, trade and commerce committee reported, the RCMP believe that as stricter regulations are imposed on businesses in the financial services industry, criminals are seeking alternative methods of laundering the money accumulated from criminal activity.

Various characteristics of the precious metals, stones and jewellery industry make it highly vulnerable to criminal activity. The RCMP has identified these businesses as a likely place for criminals to launder money, yet this bill does not require them to report suspicious transactions as financial institutions must. I strongly recommend that all of us in all parties work together to make sure that we amend this law so that it reflects clearly what is needed.

Another weakness that has been identified by both the Auditor General and the RCMP is that lawyers are not required to disclose suspicious transactions to FINTRAC. This is, of course, another delicate balancing act. On the one hand, we need to give law enforcement the ability to track down those who launder money, using a lawyer as a financial intermediary. On the other hand, we have the issue of protecting solicitor-client privilege. This bill strikes a compromise between the two and I look forward to studying whether this compromise is appropriate under the circumstances.

Another major concern with the bill is that it does not adequately ensure that the privacy of Canadians is protected. The bill will allow FINTRAC to share greater amounts of information with law enforcement agencies. This is necessary in order for those agencies to fully investigate suspicious transactions and to eventually prosecute where appropriate.

Another part of the bill that does not work as effectively as we would like to see is to provide increased protection for the privacy of Canadians, such as by creating an independent review commission

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with the powers and authority to conduct random reviews of an agency's files and an agency's operations. The Auditor General has also recommended that some such commission be created. In her 2003 report, she wrote:

The government should assess the level of review and reporting requirements to Parliament for security and intelligence agencies to ensure that agencies exercising intrusive powers are subject to levels of external review and disclosure proportionate to the level of intrusion.

It is extremely important that be put in place as this legislation goes forward for the review. Essentially, if we are going to give FINTRAC the ability to share more of Canadians' personal information with bodies like the RCMP and the Canada Border Services Agency, then should we not also move to ensure there is sufficient oversight of FINTRAC to ensure that the information that it is disseminating is appropriate?

As I said before, this is by and large a good bill. It has certain omissions and weak points and I feel that we should all work to amend it at the committee stage, but overall it will provide the police and prosecutors with some of the tools they require to combat money laundering and terrorist financing.

(1335)

[Translation]

**Mr. Christian Ouellet (Brome—Missisquoi, BQ):** Mr. Speaker, I thank my colleague from York West for her excellent presentation.

I would like to ask her the following question. Given that, under this law, officials will be able to disclose information to other authorities, does the member not see that there should be a committee of judges or another type of filter so that information that could possibly ruin an individual's life is not disclosed to persons who do not necessarily understand their responsibilities or to certain people who could use the information to undermine another group?

It is possible to imagine that such practices could be used in the Canada of the future. According to the member, what type of filter would suffice in this case?

[English]

**Hon. Judy Sgro:** Mr. Speaker, clearly that is one of the reasons why we recommend it go to committee and that we all work together as parliamentarians to ensure the privacy of Canadians is respected. There is lots of opportunity for work at the committee level to ensure that is exactly what results by the time it comes back here.

**Ms. Catherine Bell (Vancouver Island North, NDP):** Mr. Speaker, I did not hear in the hon. member's speech mention of credit unions, the implications for small institutions and the impact it would have on their budgets.

What does the hon. member think about that and could she maybe comment on the negative situations these credit unions and small institutions could find themselves in?

**Hon. Judy Sgro:** Mr. Speaker, part of the reason we are sending the bill to committee is to ensure we look at a lot of avenues, including how do we ensure credit unions and those kinds of organizations are able to deal with the kinds of changes being recommended in the bill.

Credit unions are have been very successful in the country. I bet if we took a poll of the 306 members here, many of us, at some point or another in our lives, have participated and have been members of various credit union.

As we move forward on the legislation, it is important to ensure that this protection is there and that what we bring in is not so cumbersome it becomes impossible for smaller banks and credit unions to work with and work through. However, we also have to remember how important it is for us to ensure that we do our jobs as parliamentarians, which is to ensure the safety of Canadians and many other people when it comes to financing terrorist activities through a variety of ways.

I am quite sure people would be aware of our trusting attitude toward credit unions and because of that, they would not be watched quite as carefully. We need to ensure we bring things in place that allow us to achieve our goal in terms of money laundering, but that do not become impossible for our various institutions to deal with.

Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.): Mr. Speaker, when my hon. colleague was in government, I know she did a lot of work in this area and provided a lot of constructive solutions to deal with an issue that the RCMP quite correctly said was a major plague within our country and an impediment to its ability to provide justice to Canadians.

I am very interested to know the conundrum that occurs when we try to pursue this, and that is the issue of privacy rights. We need to have a balance, and the member, quite correctly, brought this up in her speech and delved into it. However, I would be interested in knowing her further views on ensuring there is an adequate balance between the rights of privacy for the individual and the rights of our collective to pursue those individuals who are abusing this right in the interest of criminal activity.

#### • (1340)

**Hon. Judy Sgro:** Mr. Speaker, it is always interesting and difficult to have that balance. I have often had people come in and complain because they were trying to send money back to whatever country and they were being asked a lot of questions, and so on and so forth.

It is important that we find the balance. Hence this is the reason the work of the committee on the legislation will be so important. We need to ensure that money is not being sent abroad for terrorist activities. At the same time, we also have to ensure that we do not intrude too far into rights and privacy rights of Canadians.

I believe we all value and share the charter and its protection and that we want to be respectful of people's privacy. It is quite a difficult challenge, with whom is it safe to share information and with whom is it not safe to share information. As Canadians, who do we want the government to share our public information with, and with what agencies?

It is really important that we work carefully on these issues, that we spend a lot of time with this at committee to ensure we do it right and that Canadians understand why it certain parts and amendments will have to go through.

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, earlier when I spoke, one of the questions I was asked, and I would be interested in the member's point of view on this, was on the utilization of the proceeds of crime.

As federal legislators, we make amendments to the Criminal Code, but it is up to provincial and regional policing authorities, as well as federal policing authorities, to carry it out. If they do not have the resources to deal with these things, the suggestion was that a greater degree of the proceeds of crime could be made available to those police forces that detected and exposed this kind of thing.

My concern was that there may be some inequities across the country, but I think the principle is probably valid, in terms of ensuring as much as possible those proceeds are available for the policing authorities at all levels of government across the country.

**Hon. Judy Sgro:** Mr. Speaker, as a former member of the Toronto Police Services Board, we often dealt with this issue. When we are dealing with large urban centres, especially, a lot of policing time goes into apprehending criminals and various items like houseboats, trailers, homes and so on. A lot of money is spent by our local police forces both in the investigative time and numerous other things they have to do to lay charges against individuals.

I have always felt that money from the sale of those individual items should go right into the local police services. It is a much more effective way of acknowledging they put out all this money. Currently they have to wait several years for any money spent as part of an investigation to come back to them.

Granted there would be an imbalance from our large urban centres to some of the smaller centres but, clearly, proceeds of crime, things that can be liquidated, should go back into the local police services so they can have more money to do additional investigations and ensure the safety of our community.

Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.): Mr. Speaker, it is a pleasure today to speak on Bill C-25, An Act to amend the Proceeds of Crime (Money Laundering) and Terrorist Financing Act and the Income Tax Act and to make a consequential amendment to another Act.

At the outset, I will illustrate for a moment why this is so important. Let us look at a place half a world away where our troops our dying. When President Karzai was here, he said "if the poppy crop is not eradicated, then the poppy crop will destroy Afghanistan". I believe all members remember that. If we do not eradicate the poppy crop in Afghanistan, it will eradicate Afghanistan.

Why is this important and how does this connect to the bill. The poppy crop is a substrate upon which narcotics are made, in particular heroin. That heroin is processed and sold. It goes on to cause untold hardship, pain, suffering and sometimes death within our country and with many other countries in the world. That heroin also enables organized crime gangs to make enormous amounts of mount.

We could put an advertisement on television, "Use heroin and support the terrorists". If people use heroin, they are providing the money that enables our troops to be killed in Afghanistan.

Drugs are one of a number of products that are used by organized crime and terrorist organizations. They provide the funds that enable them to buy weapons and infrastructure to carry out terrorist activities against us and our allies, which cause untold instability in various parts of the world.

In fact, if we do not get a hold on the poppy crop in Afghanistan, the mission there will never be successful. That is why it is critically important, and we have heard this recently, that the west not change its approach to drugs. However, if we go in and wipe out vast poppy crops, it leaves farmers with absolutely nothing. That is why some of those people are joining what we call the neo-Taliban. This is not the same group of Taliban that was there in 2001-02. It is a new group. Part of that group is made up of farmers who have had their livelihood removed. As a result, they have joined the Taliban and taken up arms against us.

The failure to deal with the poppy crop not only is a failure to deal with the economic wherewithal to engage in actions against our troops and against our allies, but it also is a poison and does not enable Afghanistan to get on its feet. My personal view is that we need to call a regional meeting to deal with the poppy crop. I personally hope the crop is bought, destroyed and other alternative crops are given to those farmers.

Unless we can provide those farmers with an alternative form of living, when we go in there and wipe out their livelihood, then we have left them with nothing for themselves, their families and their communities. If we do not, they go from being a subsistence farmer to abject poverty. With the Taliban holding out its arms and also some money for these farmers, they take up arms against us.

This is the on the ground reality of why the bill is important and why it is important for us to deal with the poppy crop and the drug trade

Let us look at South America and Colombia where cocoa is produced. Colombia is the primary cocaine producer in the world. The United States spends \$800 million a year in its so-called war against drugs. It is a war that will never be won.

Organized crime gangs and terrorist groups are the ones that feed off the products of cocaine, the FARC, the ELN, the paramilitary. Those groups are not ideological groups. They are organized crime groups, organized militias, that make money from the drug trade. Interestingly enough, those groups in South American are also attached to al-Qaeda. They are all connected again to what we are talking about here, which is trade in money laundering, the trade in various products.

Another point I want to talk about is gems. If we look at west Africa and countries such as Sierra Leone and Liberia, where people live in abject poverty, diamonds can be found on the ground.

**●** (1345)

One will find in these areas organized crime gangs working with various local warlords, so to speak, in order to take those diamonds, pay a small amount of money and earn huge profits from them. The reason why diamonds are used is that they are very easy to move around. They are very difficult to track. It is very easy to sell them for very high amounts of money, with huge profit margins.

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That is what these organized crime gangs rely on. They rely on huge profit margins on products that can be bought and sold very easily to make the large amounts of money that are used in their nefarious activities.

According to the police, the most effective way to deal with these issues and with organized crime gangs, which I would put at the forefront for us domestically, is to cut the money supply out from underneath them. That is what this bill does.

My colleague articulated a number of our party's concerns with the bill. It is not that we oppose the bill. We would like to strengthen it

What the United States did was very bright. The Americans adopted something called the RICO amendments, the racketeer influenced and corrupt organizations charges. What they recognized is that the best and easiest way to undermine organized crime gangs is to go after the money. If we go after the money, we weaken them.

When the Liberals were in government we actually put together RICO-like amendments for our country. We have proceeds of crime legislation. I think it needs to be strengthened and I would encourage the government to look at it to ensure that we have the ability to take away those resources.

I will give members one example. There is one thing that can be done. If people have made vast sums of money and have been charged and convicted of organized criminal activity, then the onus should be upon their shoulders to prove that their large wealth was actually generated from honest, law-abiding means. If we actually make the change that the police have requested, then we will be able to go a long way in removing the resources that tend to continue to circulate through organized criminal activities.

Getting back to trafficking in gemstones, one of the things the Liberals put together, and which the government should look at, is the Kimberley process. Through the Kimberley process, it was the first time we were able to deal with blood diamonds. Not only diamonds are addressed, but other semi-precious gemstones that can be easily trafficked are as well. We have to do a better job of strengthening the Kimberley process so we are able to ensure that legal gemstones are traded, bought and sold but that we stop the illegal trade in so-called blood diamonds and other gemstones.

It is critically important that this is dealt with, because countries like Liberia, Sierra Leone and Angola will never be able to get on their feet unless those natural resources are actually used and bought and sold legally, with the moneys poured back into the countries that produce them. In that way, these countries can build up their primary infrastructure, health care and education for the benefit of the people. If that does not happen, the people of these countries will continue to live in abject poverty and will never be able get out of their current poverty cycle.

The other issue relates to oil and what is called bunkering. What is happening now in west Africa from Angola to Nigeria is that oil is extracted, but ships come alongside where the oil is produced and a certain percentage of the oil is put onto these ships and disappears. Oil is bought and sold illegally and those moneys can then be used to fund terrorist activities. It is a very lucrative area that is not explored, but unless we deal with this, it is going to be a major problem.

A lot of those moneys wind up in Swiss bank accounts and in other areas where the tax regimes are not as transparent as they are in countries such as ours. These regimes are very opaque even though they are those of western countries. I would encourage the government to work with other countries that currently have opaque tax regimes, to put together and establish agreement on a rules based mechanism and standard in which we could have more transparent tracking of these moneys as they wind themselves inexorably through our current international financial mechanisms.

Again I want to emphasize that a failure to do this will ensure that we will never ever get a handle on organized crime gangs, organized criminal activity, and terrorism, because these three areas rely on these transactions, on taking a product that is sometimes illegal, like narcotics and other illegal drugs, selling it for a vast profit and then laundering those moneys through legal means.

#### **(1350)**

That is why Bill C-25 is so important. That is why my party is supporting it to go to committee so that we will be able to make amendments to strengthen those areas that we feel need to be strengthened.

It is important in dealing with this issue that we also listen very closely to the police. In my province of British Columbia, more than 60% of the illegal activity comes from organized criminal activity, and a large chunk of that comes from the trade in illegal drugs. I know that the government likes the approach of the so-called war against drugs, but I would submit that it is a so-called war that cannot, has not and will not be won. It simply cannot be won.

There are now only two countries in the world that officially support the so-called war on drugs approach: Canada and the United States. If we look south of the border and at the objective parameters on where this war has taken the Americans, what we see is very stark and very frightening. For example, the U.S. has a higher use of both hard and soft drugs. The Americans have higher incarceration rates, higher disease rates, higher death rates, higher sickness rates, higher HIV rates, and higher rates of hepatitis B and hepatitis C, both connected with intravenous drug use.

Why is that so? If the war on drugs was so successful, why has this approach, by any objective parameter, been an abysmal failure? Because it does not work.

So where does it work and how can it work? I think we have to take an approach that marries two groups together. The first is the provisions in this bill that could be strengthened to enable us to track, undermine and undercut the trafficking and money laundering associated with these substances. The other is a rational medical approach toward substance abuse. Where can we find that? We can find that in northern Europe. We can find that in Germany. Frankfurt has an outstanding model. The Swiss have some very good models, as do the Swedes and the Finns.

All of those countries have procedures and integrated approaches to substance abuse that are rooted not in a judicial approach but a medical approach. They involve the following components. They involve harm reduction and, yes, safe injection sites. They involve detox and psychiatric counselling. They involve training programs. They involve housing issues. They involve work.

If we take a look at all those components, we will be able to have an effect because, interestingly enough, many of the people who have substance abuse problems, particularly those we find on our streets, have what we call dual diagnoses. A lot of them also have psychiatric problems, so we cannot disconnect the people who have substance abuse problems from those who have psychiatric problems. They are connected.

To take a judicial approach against those people, I would submit, is not only factually incorrect and will be ineffective, but also it is inhumane. These people do not need to be thrown in jail. They need a medical approach that is going to help them and deal with some of the underlying problems they have, problems that can be dealt with.

I would encourage the government, which in my view has taken a very blunt and very ineffective approach against this problem, to open its eyes, deal with the statistics, look at the facts and adopt those solutions that will have an effect. All of us in all of our communities know that this is an issue that affects all of us, and none of us want to see people get into this death spiral with the use of illegal substances that can ruin lives. All of us have seen on the streets in our communities people whose lives have been destroyed, for many reasons, and it does not have to be so.

It is incumbent upon us to work with the provinces, the managers of health care, in order to be able to use and take that integrated approach. I personally would like to see that in my community, in Victoria on Vancouver Island. I would like us to be able to take on this integrated harm reduction strategy and work on the housing issues, the medical issues, the psychiatric issues, the counselling issues, the skills training issues and the work issues that are at the forefront of solutions to address this problem.

In my city of Victoria, this is a very big problem. The police are looking for help. The police recognize that this is the route to go. The police want help on this. Their hands are open, as are those of the community. I would encourage the government to listen to us and work with us to implement those solutions that will work.

#### **•** (1355)

In closing, for the sake of our troops in Afghanistan, for heaven's sake let us start to deal with the issue of the poppy crops in Afghanistan, in a rational approach. The poppy crop can be removed, but we have to replace it with alternative livelihoods. Afghanistan and the southern area used to be a very—

**The Deputy Speaker:** Order, please. The hon. member does have five minutes remaining in his 20 minutes, so he might want to pick up where he left off when we go back to orders of the day.

We have now reached the time for statements by members. The hon, member for Peace River.

#### Statements by Members

#### STATEMENTS BY MEMBERS

[English]

#### JUSTICE

Mr. Chris Warkentin (Peace River, CPC): Mr. Speaker, Canadians have been crying out for reforms in our criminal justice system for far too long. It took this new Conservative government to finally do the right thing and to act.

We have introduced legislation that would ensure that dangerous offenders will be kept behind bars until they can prove that they have reformed.

We are implementing mandatory minimum sentences for violent and sexual-based crimes. We are raising the age of consent from 14 to 16. We are creating tougher penalties for street racing. We have changed payday loan legislation to protect consumers. We are putting terrorists out of business by improving our ability to cut off their financing.

I am pleased to be part of a government that values safe and better communities. We are taking action to protect the country's citizens, while caring for victims of crime rather than just the perpetrators.

This government is about action. When we make a promise, we keep that promise, unlike our Liberal counterparts across the way.

I ask the opposition parties to get onside to give Canadians what they have been asking for, for much too long.

\* \* \*

**●** (1400)

#### YOUTH

Mr. Alan Tonks (York South—Weston, Lib.): Mr. Speaker, I rise today to recognize Shahina Sayani, a youth leader in my community of York South—Weston and outgoing executive director of For Youth Initiative.

For the last three years, Shahina was a leader and advocate for youth-led programming in the former cities of York, Etobicoke and the west Toronto community.

In her three years with the organization, she has spearheaded a number of initiatives, strengthened community relations, and initiated the creation of a much needed recreational centre in York South—Weston. She has played a major role in securing sustainable funding for youth initiatives in my community and across the province.

Shahina has set a high standard of excellence in her role as executive director and has shown that youth are capable of being strong and capable leaders. Her years of dedication in this position will be greatly missed by her co-workers and peers as she moves on to better the community of York South—Weston as program director for ArtReach Toronto.

I would like to send my sincerest thanks to Shahina and trust this House will join me in wishing her all the best in her future endeavours.

[Translation]

#### "QUÉBEC, CARREFOUR INTERNATIONAL" SYMPOSIUM

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, after the symposiums on Quebec's identity and on globalization, over 300 people gathered in Quebec City yesterday to participate in a symposium organized by the Bloc Québécois and entitled "Québec, carrefour international". The purpose of this event was to identify future projects to promote the dynamic development of Quebec's national capital region.

The establishment of a UNESCO convention on cultural diversity secretariat, the promotion of the St. Lawrence River as a gateway to the Atlantic and the building of a high speed train between Quebec City and New York are some of the topics that were thoroughly debated by the participants.

These projects are designed to ensure a thriving future for our communities, but they require a direct involvement on the part of the federal government. However, the government is slow in following up on its financial commitments to these collective initiatives, which make us envision the future of Quebec City, and that of the greater Quebec City region, with optimism.

\* \* \*

[English]

#### THE ENVIRONMENT

**Ms. Dawn Black (New Westminster—Coquitlam, NDP):** Mr. Speaker, after 13 years in government, the Liberals left Canada with emissions 34% higher than 1990 levels when they should be 10% below to respect our Kyoto commitments.

Last week the Conservatives tabled legislation which even they concede will not reduce greenhouse gases or pollution for 15 to 20 years.

The communities I represent have been waiting for years and years for investment in public transit and infrastructure to address traffic congestion and improve air quality.

Front Street in New Westminster has some of the worst air quality readings in the country. Coquitlam and Port Moody have been promised rapid transit over and over again. Empty promises never fulfilled

My constituents cannot wait. We need investment now from all levels of government to make our communities breathable and livable. Sadly, this Conservative bill is just more talk, hot air, no action.

#### HAYING IN THE '30S

Mr. Brian Storseth (Westlock—St. Paul, CPC): Mr. Speaker, I rise today to give recognition to an exceptional annual heritage event that takes place in Mallaig, Alberta.

The eighth annual Haying in the '30s is a volunteer and donation driven fundraiser that raised over \$100,000 this year in the fight against cancer.

#### Statements by Members

Haying in the '30s takes participants on a trip back in time, before tractors and swathers replaced the horse teams.

It brings people from all walks of life together to respect and relive a time when the community and its members supported each other through good times and bad.

The Haying in the '30s support society used the money that it raised this year to send cheques to over 900 cancer victims to help deal with and bear some of the burden of this unpredictable and indiscriminate disease that touches all our families.

I ask my colleagues to join me in endorsing Haying in the '30s as the 2006 recipient of the Alberta tourism award in the sustainable tourism category. This event enriches the Lakeland community and the lives of all its participants.

#### PORTUGUESE COMMUNITY

Mr. Mario Silva (Davenport, Lib.): Mr. Speaker, as a Canadian MP of Portuguese heritage, it is my great honour to pay tribute to the community of Portuguese language countries: the Comunidade dos Países de Língua Portuguesa. It is a multilateral forum for Lusophone nations across the globe.

This year marks the CPLP's 10th anniversary. On this occasion I would like to congratulate the CPLP in the name of all Canadians. As chair of the Canada-Portugal and Canada-Brazil Parliamentary Friendship Groups, I am proud of the strong friendship which Canada has with the Lusophone nations which this auspicious anniversary highlights.

Furthermore, I would like to thank His Excellency Valdemar Carneiro Leão, the Ambassador of Brazil and João Pedro Da Silveira Carvalho, the Ambassador of Portugal, and indeed all the embassies of CPLP countries who have worked diligently to build a relationship between Canada and the Lusophone countries.

\* \* \*

**●** (1405)

[Translation]

#### THE ENVIRONMENT

**Mr. Bruce Stanton (Simcoe North, CPC):** Mr. Speaker, the tabling last week of Canada's clean air act is just one of the Conservative government's long list of achievements, after just nine months in office.

[English]

Canadians get results on the environment when they have a Conservative government. It was a Conservative government that brought in Canada's first Environmental Protection Act. It was a Conservative government that signed the acid rain treaty with the United States. It was a Conservative who was honoured as Canada's most green Prime Minister.

Now Canada's new Conservative government has introduced the first comprehensive and integrated approach to tackle air pollution and greenhouse gas emissions.

Under the previous Liberal government, air quality got worse and greenhouse gas emissions increased 30%.

This new government is getting things done for a cleaner, healthier environment, something that all Canadians want and something that the government will deliver.

[Translation]

#### FISCAL IMBALANCE

**Ms. Paule Brunelle (Trois-Rivières, BQ):** Mr. Speaker, on December 19, 2005, the Prime Minister solemnly declared in Quebec City that he would eliminate the fiscal imbalance in Canada. The summer was barely over and Parliament was not yet back in session when his first move was to cancel a scheduled meeting on this very issue with the premiers of Quebec and the provinces.

The Prime Minister has kept backing out of commitments ever since.

In his 2002 report on fiscal imbalance, Yves Séguin clearly identified three causes: the balance between expenditures and revenues is too precarious in Quebec and the provinces, while Ottawa is swimming in surpluses; transfers from the federal government are inadequate and insufficient; and the federal spending power is trampling on Quebec's jurisdictions.

The Bloc Québécois denounces the attitude of the Prime Minister, who is being obstinate and continuing to renege on election promises made to the people of Quebec.

[English]

#### **AGRICULTURE**

**Mr. Gerry Ritz (Battlefords—Lloydminster, CPC):** Mr. Speaker, it is not the season to be jolly yet, but it is the silly season on Parliament Hill.

Our friends at the National Farmers Union have tried stuffing our fax machines with best wishes from people all over Canada. Why do they think writers from P.E.I. or Montreal would impress us with their lack of knowledge about the Wheat Board, I will never know. However, I will gladly match them letter for letter with the hundreds I have received in phone messages and emails from western Canadian farmers asking for marketing choice.

On the Prairies we are busy trying to get our grain to market to take advantage of the spike in pricing the world has to offer for our quality grain. Meanwhile, we are working hard to develop new markets and opportunities, including biofuels. It would be nice if the Wheat Board helped out rather than spending western farmers' money on propaganda to defend its 60 year old monopoly.

Members on this side of the House realize that times have changed and old business models need revision if our farmers are going to spend this Christmas with stockings stuffed with goodies rather than grain bins stuffed with more unsold wheat.

#### ANIMAL CRUELTY

**Mr. Mark Holland (Ajax—Pickering, Lib.):** Mr. Speaker, it is nearly nine years since the first introduction of a bill to modernize Canada's laws on animal cruelty. That bill has been known by seven different names. It has been reintroduced in Parliament every year since 1999.

After countless hours of debate, today we are no further ahead. Today there is no effective bill on animal cruelty before this current Parliament and we should all be embarrassed by that failure.

This week I intend to change that. I will be introducing a bill that builds upon the nine years of consultation, debate and compromise that protects animals, but also recognizes their uses in agriculture, hunting and fishing.

The realities of private members' business are such that I cannot pass this bill without multi-party consensus. The time is long overdue to move forward. I am calling on all members of the House to work together with me in a non-partisan spirit to finally pass effective animal cruelty legislation.

[Translation]

#### OFFICIAL LANGUAGES

Mrs. Sylvie Boucher (Beauport—Limoilou, CPC): Mr. Speaker, since becoming the Parliamentary Secretary for la Francophonie and Official Languages, I have seen how vital official language minority communities are.

I am very proud to have taken part in the opening of the 16th annual congress of the Fédération nationale des conseils scolaires francophones du Canada, which was held last week.

I wish to thank all the superintendents of school boards, managers, representatives from national and community organizations and all federation members, who are playing an important role in education.

For the government of which I am a member, the education system is the beating heart of official language minority communities. In fact, the Minister of International Cooperation and Minister for la Francophonie and Official Languages has signed with each province and territory enhanced education agreements for a total of \$1 billion over four years.

We sincerely believe that these achievements speak volumes about this new government's commitment—

• (1410)

**The Speaker:** The hon. member for Hamilton East—Stoney Creek.

\* \* \*

[English]

#### ROAD RACE TO KENYAN RELIEF

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Speaker, as a result of a chance meeting between Joseph, an elite Kenyan runner and a Hamilton school teacher, John Smith, a year and a half ago, the Road Race to Kenyan Relief was founded.

#### Statements by Members

On Friday morning I hosted a breakfast for a unique group of students and their teachers from Glen Brae Middle School in my riding.

I met Carissa and Zarwa who, as grade 8 students, organized a one hour walk/run-a-thon in April 2005 that raised \$3,125. I met teacher John Smith who, with his students this past year, organized a similar walk/run-a-thon and raised a total of \$7,000.

Since the beginning, the students and teachers of Glen Brae have adopted three schools in the Kenyan central plateau, Kirima, Kirima-Ngai and Madaraka primary schools. These students of Glen Brae have raised \$10,000 to help improve the sanitary conditions of over 1,200 rural school children.

I hope all members of the House will join me in saluting John, Carissa, Zarwa, and all the educators and students at Glen Brae for their outstanding work.

\* \* \*

#### **GOVERNMENT PROGRAMS**

**Hon. Shawn Murphy (Charlottetown, Lib.):** Mr. Speaker, it is sadly ironic that the government has chosen October to announce some of the cruelest cuts to social spending programs in recent memory.

October is Women's History Month, and while the Conservatives should be celebrating the ongoing fight for women's equality throughout Canada, the government has cut advocacy funding to Status of Women, meaning that women's groups across Canada will be silenced. The cuts have elicited the condemnation of women's groups in my riding and across the country.

This is only one of the many ways in which the recent cuts by the government are having a devastating effect on the most vulnerable people and regions of this country.

To name just a few in my riding, most literacy programs will be cancelled if the cuts are not reversed. Our tourism sector faces declining numbers because of the elimination of the GST rebate program. In addition, because of the cuts to the youth employment strategy, there will be fewer meaningful opportunities for the riding's youth.

The Conservative government is attacking the social fabric of this country by ignoring its responsibilities to entire sections of its population and to all regions of the country. I encourage all Canadians to voice their strong opposition to this—

**The Speaker:** The hon. member for Haute-Gaspésie—La Mitis—Matane—Matapédia.

[Translation]

#### FORESTRY INDUSTRY

Mr. Jean-Yves Roy (Haute-Gaspésie—La Mitis—Matane—Matapédia, BQ): Mr. Speaker, while the minister responsible for the Economic Development Agency of Canada for the Regions of Quebec was recently ranting about the negative effects of the Coulombe report on the forestry industry, a forestry company back home complied with the report and even guaranteed sustainable forest management.

Cédrico, a company located in the municipality of Price, obtained Standards Council of Canada certification on sustainable forest management. To do so, Cédrico held a number of consultation meetings with the sector and trained 400 workers to meet this standard.

Guy Chevrette, president of the Quebec Forest Industry Council, recently said this is all the more extraordinary because this initiative comes from a region that experienced 50% cuts in supply.

Will the minister stop demonizing the Coulombe report and start doing his job by providing a real assistance plan for the industry?

\* \* \*

[English]

#### **HUNGARIAN REVOLUTION**

**Hon. Carolyn Bennett (St. Paul's, Lib.):** Mr. Speaker, today we mark the 50th anniversary of the Hungarian Revolution.

It was 50 years ago today that crowds of students and workers in Budapest challenged the authority of the Soviet dictatorship. Soviet tanks crushed the Hungarian Revolution and thousands were killed, hundreds later executed, and over 200,000 fled the country.

Canada opened its doors and provided a home for nearly 40,000 Hungarian refugees. Canada's acceptance of this large number of Hungarian refugees began our proud tradition of accepting displaced and persecuted persons.

Today we stand with over 250,000 Canadians of Hungarian descent to commemorate the sacrifice made by brave individuals in 1956 in the name of democracy and liberty.

In my own riding of St. Paul's, Attila Anselmo has painted a work of art entitled *Canada*, the Shining Beacon for Humanity in gratitude of all immigrants to Canada from 1956 to 2006 to be presented to the Parliament of Canada.

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**●** (1415)

[Translation]

#### **BLOC QUÉBÉCOIS**

Mr. Jacques Gourde (Lotbinière—Chutes-de-la-Chaudière, CPC): Mr. Speaker, on the weekend, the powerless party dreamed up—as always—a number of grandiose plans for a utopian sovereign Quebec.

The Bloc's strength may be in floating ideas, as the hon. member for Laurier—Sainte-Marie was saying, but Quebeckers want real and concrete results from their federal representatives.

The Bloc Québécois is in a constant state of powerlessness and in 13 years it has not made any decision with any real impact on Quebec and it never will be able to do so because it will always be an opposition party.

Fortunately Canada's new government is taking concrete action daily to serve the interests of Quebeckers, their regions and the region of Quebec City, by achieving real results such as a \$7.1 million investment to redevelop the Brown Basin and \$19.3 million for the Baie de Beauport project.

Quebeckers will keep in mind that the Bloc will never be able to achieve concrete results for Quebec.

#### **ORAL QUESTIONS**

[English]

#### **DECORUM**

Hon. Bill Graham (Leader of the Opposition, Lib.): Mr. Speaker, the Prime Minister has now had four days to reflect on the statement made by his Minister of Foreign Affairs. This matter has to do with respect for women, acceptance of responsibility for one's actions, integrity, accountability for the truth and the dignity of the House of Commons.

In view of the silence of the Minister of Foreign Affairs, is the Prime Minister now prepared to apologize for the totally inappropriate remarks of the minister in this House?

**Right Hon. Stephen Harper (Prime Minister, CPC):** Mr. Speaker, I understand that you have already ruled on this matter and did not necessarily accept the preamble of the Leader of the Opposition.

The Minister of Foreign Affairs is conducting Canada's international relations with great effort, with dignity and with confidence, and we support him.

In terms of the comportment inside this House generally, I think we all recognize that all members in all parties could do a lot better job of conducting ourselves in the House as the public of Canada is watching.

**Hon. Bill Graham (Leader of the Opposition, Lib.):** Mr. Speaker, we could qualify that as a bit of a stonewall.

The Prime Minister cannot escape the fact that he ran an election campaign promising honesty and accountability. He is allowing his Minister of Foreign Affairs to ignore his obligation for openness, responsibility and integrity.

Since the Prime Minister will not personally apologize, will he at least insist that the Minister of Foreign Affairs do the right thing, address this matter directly and issue an appropriate apology in the House?

Ms. Helena Guergis (Parliamentary Secretary to the Minister of International Trade, CPC): Mr. Speaker, first let me say that the Minister of Foreign Affairs, in my opinion and that of many across the country, is that he is a gentleman in every sense of the word. He has always treated me with the utmost respect.

Mr. Speaker, we on this side of the House respect your ruling where you clearly said last Friday that there was no indication in the recordings or in *Hansard* that any of this has been said. We on this side of the House actually respect the integrity of the Speaker's chair, unlike the members opposite.

[Translation]

**Hon. Bill Graham (Leader of the Opposition, Lib.):** Mr. Speaker, it is absolutely clear why the Prime Minister and his party do not support Status of Women Canada in defending women's equality.

Women are not second-class citizens, and although the Minister of Foreign Affairs clearly implied it, they are not men's property. He still has not apologized for his remark.

Why has the Prime Minister not reacted to this insult to Canadian women, and how long will they have to wait?

[English]

Ms. Helena Guergis (Parliamentary Secretary to the Minister of International Trade, CPC): Mr. Speaker, once again I would remind hon. members that the Minister of Foreign Affairs is a gentleman and has always treated me and other female colleagues in this House with the utmost respect. He is a man who was raised by a single mother and who has a number of sisters.

Again I would point out, Mr. Speaker, that we on this side of the House respect your ruling. You were very clear when you said that there was nothing in the recording and nothing in *Hansard* to indicate that the Minister of Foreign Affairs said anything of the sort.

I do want to point out again, Mr. Speaker, that we respect your integrity and we do not question your integrity on this side of the House.

**●** (1420)

[Translation]

Hon. Lucienne Robillard (Westmount—Ville-Marie, Lib.): Mr. Speaker, the government's argument that the Official Report does not reflect statements made in the House is looking more and more ridiculous. Canadians can judge for themselves by listening to the clip on the Internet.

The Minister of Foreign Affairs offended not only my colleague from Newmarket—Aurora, but also all Canadian women.

Why not do the only honourable thing under the circumstances? Why does the minister not have the courage to apologize?

[English]

Ms. Helena Guergis (Parliamentary Secretary to the Minister of International Trade, CPC): Mr. Speaker, once again I will tell the House that we respect the integrity of the Speaker's chair. You have ruled on this matter and you have clearly said that there was nothing in *Hansard* whatsoever to indicate that any of the words that are suggested were said by any member of the House.

I do want to point out to the hon. member who has put the question that she needs to look deep inside her own party because, quite frankly, they live in a glass house.

[Translation]

**Hon. Lucienne Robillard (Westmount—Ville-Marie, Lib.):** Mr. Speaker, what is going on with this minority Conservative government? It seems incapable of admitting the slightest error.

For weeks, the Prime Minister refused to admit that cutting the women's program was a mistake.

The Minister of Foreign Affairs made those unacceptable comments four days ago. Why has the Prime Minister not yet said a thing about it in the House? Why has he not demanded that his minister apologize? Why has he not called him to order?

[English]

**Ms.** Helena Guergis (Parliamentary Secretary to the Minister of International Trade, CPC): Mr. Speaker, that hon. member and her party refuse to accept the facts. The facts are that nothing was reported in *Hansard* whatsoever. The hon. member did not make those remarks.

Quite frankly, if those members want to have a conversation about decorum in this House, I would be happy to do that. Many times when I have stood in this House I have had to put up with rude remarks from members across, which are in fact recorded in *Hansard*.

[Translation]

#### UNESCO

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, during the election campaign, the Prime Minister promised that Quebec would have a seat at UNESCO. Several months later, he announced that it would not have a seat but that it would have the status of observer with the Canadian delegation to UNESCO. Now six months later, Quebec's observer has yet to be appointed and an administrative agreement has not been signed by the Governments of Quebec and Canada.

Can the Prime Minister explain why, six months after the announcement was made with such fanfare, a Quebec observer to UNESCO has not yet been appointed because of an administrative holdup in Ottawa?

**Right Hon. Stephen Harper (Prime Minister, CPC):** Mr. Speaker, this government signed a historic agreement with the Government of Quebec regarding its full participation in UNESCO.

I have been told that there is no holdup. It is up to the government to choose its own representative.

#### **CULTURAL DIVERSITY**

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, at the Québec, Carrefour international conference held in Quebec City, the Bloc Québécois proposed the creation of a secretariat for the convention on cultural diversity to be located in that city. This proposal would showcase Quebec City and the celebrations of its 400th anniversary.

Will the Prime Minister undertake to go ahead with this proposal and to promote this project on the international scene?

**Right Hon. Stephen Harper (Prime Minister, CPC):** Mr. Speaker, as I just mentioned, this government and the Government of Quebec will work on the international ratification of the convention on cultural diversity. We are examining all ideas put forward to promote this treaty.

Mrs. Vivian Barbot (Papineau, BQ): Mr. Speaker, 30 countries are expected to sign the convention on the protection and promotion of the diversity of cultural expressions to give it effect. So far, 13 have apparently ratified the convention, which means that there is still some way to go.

Could the Minister of Foreign Affairs tell this House whether he plans to change his strategy and get heavily involved in convincing other countries to adhere to the convention?

• (1425)

[English]

Hon. Bev Oda (Minister of Canadian Heritage and Status of Women, CPC): Mr. Speaker, the department and this government are working very hard. When the Prime Minister was at the Francophonie summit in Bucharest he recommitted Canada's commitment to promoting the declaration.

As we do our international affairs, we are encouraging every country to ratify within its own country. We are very confident of success.

[Translation]

**Mrs. Vivian Barbot (Papineau, BQ):** Mr. Speaker, the Americans have voted against the Convention on the protection and promotion of the diversity of cultural expressions and they are striving to enter into bilateral agreements to counter this convention.

In light of the fact that such a strategy hinders the adoption of the convention, does Canada intend to intervene with Washington so that the Americans will stop viewing culture as a commodity?

[English]

Hon. Bev Oda (Minister of Canadian Heritage and Status of Women, CPC): Mr. Speaker, this government does what is good for Canada and for Canadian artists and creators. We have committed to the declaration of cultural diversity. We will promote it among our fellow countries. We will continue to do this because we believe this is the right thing to do for Canada.

#### **AFGHANISTAN**

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, the government has so over-extended our troops in Afghanistan that it is now training naval and air force personnel in order to backfill in the combat role. Not only that, but it is looking at extending the tour of duty from six months to nine months. We are hearing voices of opposition growing across the country, including media reports today, from families of those serving in the Afghanistan conflict raising concerns about the mission.

Will the Prime Minister finally acknowledge and admit that the government should be spending more time changing the direction of the mission than organizing hasty photo ops?

Hon. Gordon O'Connor (Minister of National Defence, CPC): Mr. Speaker, there is no intention of employing sailors, airmen or airwomen in infantry roles. As well, there is no intention of extending the time that people are in Afghanistan if they are in active operations.

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, it looks as though the government's—

Some hon. members: Oh, oh!

**The Speaker:** Order, please. I sense that there was perhaps a cellphone going off somewhere, but the hon. member for Toronto—Danforth has the floor. I think there is now some silence at that end of the chamber, so we will be able to hear him.

**Hon. Jack Layton:** Mr. Speaker, it is quite clear that the government does not have a plan for addressing the situation in Afghanistan. What we have are photo ops announcing funds for aid, but at the same time, the government is spending the same amount in a week in the military operation that it is spending in aid.

I wish that the minister would listen to the former head of Britain's armed forces, who said, "I don't believe we have a clear strategy in... Afghanistan...". It is very clear that our government is in the same position. Will the Prime Minister not finally admit it and put Canada on a new path in Afghanistan?

**Right Hon. Stephen Harper (Prime Minister, CPC):** Mr. Speaker, I just want to say that I think somebody must have been phoning the member of the NDP because the premise of his first question was wrong and they were trying to get him to change his supplementary.

The fact of the matter is this. As we know, our defence personnel, our diplomats and our development workers are engaged in difficult but very important work in Afghanistan. We support them in that work. We are constantly working with them to see ways that we can improve and be more effective. I would certainly call on all members of the House to put aside partisanship and support that important work.

#### **DECORUM**

Mr. David McGuinty (Ottawa South, Lib.): Mr. Speaker, it has been four days since the Minister of Foreign Affairs made unacceptable remarks in the House about a member of Parliament. Since then we have had nothing but excuses, denials and legalese from the minister, who should know full well that he crossed the line

The Prime Minister is accountable for the actions of his subordinate. What more will it take for him to order the minister to apologize to the House of Commons and to all Canadians?

Ms. Helena Guergis (Parliamentary Secretary to the Minister of International Trade, CPC): Mr. Speaker, I have to say that I do believe that Canadians are probably sick and tired of being dragged into a high school romance gone wrong.

That hon. member might want to reconsider the lack of respect that he has for the Speaker, and the integrity of the Speaker's chair. The Speaker has made a ruling. He has been very clear that there was nothing recorded in *Hansard* whatsoever.

#### **●** (1430)

**Mr. David McGuinty (Ottawa South, Lib.):** Mr. Speaker, it is astonishing to the House and all Canadians that the parliamentary secretary is trying to defend the indefensible. This behaviour is not tolerated in the business world nor in the public service. It cannot be tolerated around the cabinet table or in the House of Commons.

Does the Prime Minister really believe that this conduct will have no impact on our relationship with prominent women such as the president of Latvia, the chancellor of Germany, the American secretary of state, or the foreign minister of Hungary, a former minister of equal opportunities, with whom his minister is meeting this very day?

Ms. Helena Guergis (Parliamentary Secretary to the Minister of International Trade, CPC): Mr. Speaker, I remind the hon. member that the Speaker has made a ruling, and that he and his staff have very clearly said, after listening to the tapes and reviewing *Hansard*, that there was nothing of the sort recorded. Why they continue to ignore this, I believe, is based on politics.

#### [Translation]

Hon. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, why does this government refuse to condemn loud and clear the unacceptable, sexist remarks made in this House by the Minister of Foreign Affairs and Minister of the Atlantic Canada Opportunities Agency?

If similar remarks were offensive to an MP from a visible minority or one who is homosexual, would he have the gall to stand by what he said? He thinks he can get away with it because a woman was involved. That adds insult to injury. We demand an immediate apology.

#### [English]

Ms. Helena Guergis (Parliamentary Secretary to the Minister of International Trade, CPC): Mr. Speaker, I remind the hon. member that last Friday, when the member for Bourassa did ask for an apology on behalf of the member for Newmarket—Aurora, in that very same minute the Minister of the Environment requested an apology from the member for Bourassa for some slurring remarks that he had made about her, and we have yet to hear any response to that

I have a question for the hon. member: why the double standard? [*Translation*]

Hon. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, I suggest that the parliamentary secretary look up the word "potiche" in her French-English dictionary. That word is neither offensive nor a slur.

#### [English]

It has been four days and all we have seen is the Minister of Foreign Affairs evade the truth and a Prime Minister who lets him get away with it. Why does the government allow these sexist comments and evasions of the truth to cloud Canada's reputation as the defender of women's rights around the world?

It has been four days. Will someone over there stand up, do the honourable thing and—

#### Oral Questions

The Speaker: The Parliamentary Secretary to the Minister of International Trade.

**Ms.** Helena Guergis (Parliamentary Secretary to the Minister of International Trade, CPC): Mr. Speaker, I remind the hon. member yet again that you have made a ruling on this, that you and your staff have very clearly listened to the recordings and looked at *Hansard* and found that there was nothing to the effect.

#### \* \* \*

[Translation]

#### **TRANSPORT**

Mr. Robert Carrier (Alfred-Pellan, BQ): Mr. Speaker, the Americans have already paid for several feasibility studies regarding the construction of a high speed train between Montreal and Boston or Montreal and New York, and Jean Charest said that he supported such a rail link. Over the weekend, the Minister of Industry said he was open to such a project.

Can the Minister of Transport, Infrastructure and Communities, who previously sat in Quebec, tell us if he supports a high speed train project between Quebec and the United States?

Hon. Lawrence Cannon (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, the Quebec government has had the opportunity to discuss this file with the New York state government. I would remind the House that the provincial premier and the state governor held a meeting.

Studies were conducted, but there was no follow-up because the results suggested that the project would not be viable.

Yet, the leader of the Bloc Québécois has mentioned the project's economic viability. I am waiting for my colleague to table his documents.

#### **●** (1435)

**Mr. Robert Carrier (Alfred-Pellan, BQ):** Mr. Speaker, how can the Minister of Transport, Infrastructure and Communities justify his refusal to support such a project, while his colleague, the Minister of Industry, said that it was interesting?

Hon. Lawrence Cannon (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, the Canadian government and the Department of Transport, Infrastructure and Communities are always seeking better ways not only to conduct business, but also to develop links to our trade partners.

I would like the leader of the Bloc Québécois, who seems to have found a new calling yesterday, to table his economic study. He quoted it when he said that the study found that the project would be cost-effective.

#### OLDER WORKERS

**Mr. Michel Gauthier (Roberval—Lac-Saint-Jean, BQ):** Mr. Speaker, the government completely failed older workers by refusing to bridge the gap between job loss and pension plan eligibility, when these workers are hit by mass layoffs.

Should the federal government not review its position, considering that its offer is so inadequate that the Quebec government itself had to make up for it?

[English]

Hon. Diane Finley (Minister of Human Resources and Social Development, CPC): Mr. Speaker, unfortunately the hon. member has his facts a little mixed up. It is in our targeted initiative for older workers

There will be income support while these displaced workers retrain, learn skills and gain work experience that will enable them to work and contribute in the future. This is a good thing for all older workers who are displaced. It is a good thing for Canada.

[Translation]

Mr. Michel Gauthier (Roberval—Lac-Saint-Jean, BQ): Mr. Speaker, what would be a good thing for Canada is the establishment of a true older workers support program, a program that would allow them, when they lose their jobs at age 62, to bridge the gap until retirement.

Is it so hard for the federal government to understand that its program is not helping older workers? Moreover, it excludes workers from Montreal, Quebec City and Gatineau, which account for over half of Quebec's workforce.

[English]

Hon. Diane Finley (Minister of Human Resources and Social Development, CPC): Mr. Speaker, right now across this country we have too few people for too many jobs. Right across this country we need skilled workers and unskilled workers to fill the demand for Canadian products.

Unlike the Bloc Québécois members who want to write off older workers, this government wants to take advantage of their talent, their skills and their ability to contribute to Canadian society. That is why we are helping them develop their skills, develop their job hunting skills and be a productive part of this society.

[Translation]

# MINISTER OF PUBLIC WORKS AND GOVERNMENT SERVICES

**Hon. Jean Lapierre (Outremont, Lib.):** Mr. Speaker, we learned that Michael Fortier is afraid to run in the riding of Repentigny, that he is afraid to be judged by voters in the greater Montreal area.

My question is for the Prime Minister. How can he violate a very clear constitutional convention whereby a non-elected minister must seek election at the first opportunity? And I mean at the first opportunity, not in the next election.

How can the Prime Minister violate a constitutional convention, in addition to having forgotten his promises?

[English]

Hon. Rob Nicholson (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I think the hon. member mischaracterizes the commitment that was given. The minister has indicated that he has made a commitment to represent the people of Montreal until the next general election and I am sure he will keep that commitment.

[Translation]

Hon. Jean Lapierre (Outremont, Lib.): Mr. Speaker, the Prime Minister and the minister himself cannot rewrite a constitutional convention that is very clear. It is very clear that a non-elected minister must seek election at the first opportunity. Minister Fortier does not have the courage to do that.

If he is afraid of voters, he should resign immediately.

**Right Hon. Stephen Harper (Prime Minister, CPC):** Mr. Speaker, again, the minister made a commitment to represent the region of Montreal within cabinet. He is doing a good job and he will keep his commitment.

[English]

Mr. Blair Wilson (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.): Mr. Speaker, the Minister of Public Works and Government Services promised that he would run as a Conservative candidate in the Montreal area in the next election. The constituency of Repentigny is even closer to Montreal than the minister's current senatorial division. It sounds like a perfect fit.

Will the Minister of Public Works leave his comfortable seat in the Senate and let the people of greater Montreal decide whether they want him to represent them in cabinet or whether they do not?

• (1440

Hon. Rob Nicholson (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, first of all, I think we can all agree that the Minister of Public Works is doing an excellent job representing them at this time. There is no question about that. He has made a commitment to represent the people of Montreal within cabinet until the next general election, and I am sure he will meet that commitment.

Mr. Blair Wilson (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.): Mr. Speaker, that was not a real answer. Once again, we get nuanced answers and double-talk whenever we ask straightforward and direct questions.

The Minister of Public Works promised Canadians that his appointment to the other place was a short term fix. The fix is getting longer by the day. Will the Minister of Public Works take this opportunity to prove that he is not afraid of the people and show some accountability and run in the next byelection?

Hon. Rob Nicholson (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, the Minister of Public Works has made a commitment to run in the next general election and he will certainly keep that, but the hon. member could perhaps give us a hand on something else. The Senate tenure bill has been stuck over in the Senate now for many, many months. That reduces the tenure from 45 years to eight years. I think Canadians would agree that would be a good idea. Maybe he could give us some help.

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#### **AGRICULTURE**

**Mr. Merv Tweed (Brandon—Souris, CPC):** Mr. Speaker, the cattle industry in Canada has been going through very difficult times since the detection of BSE. Can the Minister of Agriculture tell this House what Canada's new government is doing to support this very important industry?

Hon. Chuck Strahl (Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC): Mr. Speaker, I am pleased to announce that Canada has just concluded a deal with Russia to open up its borders to imports of Canadian beef and live cattle. This is a good news story for Canadian farmers. Russia plans to import up to 100,000 head of elite purebred stock during the next two years. Since our cattle are second to none, we will be able to get more than our share from these sales.

Russia is a large and growing market for Canada and now this deal will make it possible for the resumption of trade in live cattle and boneless beef. This is a good news story for Canadian beef farmers

\* \* \*

[Translation]

# MINISTER OF PUBLIC WORKS AND GOVERNMENT SERVICES

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, from his first day in office, the Prime Minister has broken his promises to Canadians and Quebeckers about accountability and transparency. He appointed an unelected person as a senator and as Minister of Public Works and Government Services. Canadians have the privilege of choosing their representatives. That is democracy. But Senator Fortier was not chosen by the public.

Will the Prime Minister ask Michael Fortier to resign and finally obtain a democratic mandate in Repentigny?

[English]

Hon. Rob Nicholson (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, the senator has made a commitment to represent the area of Montreal in the federal cabinet and I think he has done an excellent job. He has indicated I think on more than one occasion that he is prepared to run in the next federal election.

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, he has not been elected.

[Translation]

Mr. Fortier has a duty to be in the House to explain to Canadians and Quebeckers why his government has sided with the oil companies, showing indifference to older workers, cutting the court challenges program and leaving women in the lurch. Canadians deserve real democracy.

Will the Prime Minister stop laughing at people and have Michael Fortier run in Repentigny, or is he so afraid of losing his minister that he prefers to hide him?

[English]

Hon. Rob Nicholson (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I will again indicate to the hon. member the commitment of the Minister of Public Works and Government Services. He has done an excellent job. The hon. member mentioned the Constitution. This is perfectly in line with the Constitution of this country and has been for 137 years. We have taken members of the Senate and they have served as cabinet ministers and have served with distinction.

#### Oral Questions

The hon, minister will run in the next general election. The NDP should be particularly patient. I have a feeling they will end up where they usually end up, which is in about fourth place.

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#### THE ENVIRONMENT

Hon. John Godfrey (Don Valley West, Lib.): Mr. Speaker, after the government spent months cutting billions of dollars from environment programs that work, the minister had the audacity to claim that she had an integrated approach to cleaning Canada's air. By cutting dozens of programs to fight global warming, refusing to give Ontario the funding it promised to shut down coal fired electrical plants and introducing an environmental package that delays action for years, the government can only guarantee our air will get dirtier and our climate warmer.

Coal creates smog and global warming. When will the minister get her head out of the smog?

**●** (1445)

**Hon. Rona Ambrose (Minister of the Environment, CPC):** Mr. Speaker, what concerns me is that while the health of Canadians is suffering, the opposition parties continue to play politics with this issue.

The clean air act will allow us for the first time in Canadian history to set national air quality objectives. If the opposition does not want to listen to Canadians, maybe it will listen to the Canadian Medical Association which said, "By recognizing and targeting the role clean air has in ensuring good health, the government appears to be on the right track".

Hon. John Godfrey (Don Valley West, Lib.): Mr. Speaker, that minister and that government do not care about the environment. Their inaction says more than their words. As a result, the minority Conservative government is allowing Ontario's dirty coal fired power plants to operate for years and is delaying reduction of greenhouse gases for years.

Why is the minister going against the advice of experts who say her government is taking the wrong approach on the environment?

Hon. Rona Ambrose (Minister of the Environment, CPC): Mr. Speaker, again, if the member opposite will not listen to Canadians, maybe he will listen to the Canadian Lung Association which said, "Improving air quality is critical to protecting the health of Canadians" and "the Lung Association is pleased to see indoor air quality regulated under the act".

Maybe the hon. member could explain to the Canadian Lung Association and the millions of Canadians suffering from lung cancer why he is opposing this act.

[Translation]

**Mr. Pablo Rodriguez (Honoré-Mercier, Lib.):** Mr. Speaker, last Thursday, every politician from Quebec gathered at the National Assembly to commemorate together the heritage of Robert Bourassa. It was a solemn occasion.

With his odd sense of timing, the Minister of Transport, Infrastructure and Communities chose that moment to attack the Liberal government of Jean Charest. After renouncing the Kyoto protocol in the morning, the Minister of Transport, Infrastructure and Communities gave a slap in the face to the Government of Quebec and scoffed at the will of the Quebeckers in the afternoon.

Does the minister not think this was too much for one day?

Hon. Lawrence Cannon (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, it is regrettable that the hon. member was not there on Friday when I was asked a question by the hon. member for Hull—Aylmer. In response to that question, I said that the current government did not sign an agreement with the Government of Quebec, as the previous federal government did.

We are in the process of working with the Government of Quebec on a series of programs that together will help us both achieve the objectives not of the Kyoto plan, but of Canada's plan.

Mr. Pablo Rodriguez (Honoré-Mercier, Lib.): Mr. Speaker, last May, the Minister of the Environment said she was prepared to provide financial assistance so that Quebec could achieve its Kyoto objectives. Since then, the Prime Minister, who is allergic to Kyoto, has decided otherwise. Quebec will not get one red cent.

Instead of standing up to the Prime Minister, the Minister of Transport, Infrastructure and Communities and his colleagues from Quebec are simply being doormats.

How could he agree, on the very day of the tribute to Robert Bourassa, to go to Quebec City to criticize the Charest government?

Who is he to put Quebec in its place?

[English]

Hon. Rona Ambrose (Minister of the Environment, CPC): Mr. Speaker, I know that the hon. member would like to play politics with the issue of the environment, but the truth of the matter is that the Government of Quebec and I, Minister Béchard and I have a good working relationship. We are working on a number of issues related to the environment.

Quebec has a good plan in place. It is not in law yet. We put forward regulations that are moving forward under the current legislation and also under our new act. Obviously we have to work with the Government of Quebec to ensure there is no duplication, but at the end of the day these laws will ensure that we protect the health of Canadians and of Quebeckers.

\* \* \*

[Translation]

#### ARMS TRADE

**Ms. Johanne Deschamps (Laurentides—Labelle, BQ):** Mr. Speaker, on October 12 of this year, 77 countries jointly tabled a resolution in the United Nations championing the adoption of an arms trade treaty. More than 100 countries are now co-sponsoring the resolution. Unfortunately, Canada is not yet among them.

Why is Canada waiting to co-sponsor this resolution, which will be debated at the United Nations General Assembly, and can the Minister of Foreign Affairs explain why he is taking so long to make a decision? [English]

Mr. Peter Van Loan (Parliamentary Secretary to the Minister of Foreign Affairs, CPC): Mr. Speaker, the hon. member's information is incorrect. Canada is in fact going to be a sponsor of that resolution. We have spoken for some time about the importance of stopping the trading and trafficking in small arms, especially in conflict areas. We are happy to be putting our weight behind that at the United Nations today.

**●** (1450)

[Translation]

**Ms.** Caroline St-Hilaire (Longueuil—Pierre-Boucher, BQ): Mr. Speaker, on October 3, I asked the Minister of Foreign Affairs about the actions of a number of Canadian companies that have been circumventing existing treaties to sell military equipment in its component parts.

The minister replied that he supported in principle a comprehensive and legally binding conventional arms treaty that would control the sale of this type of equipment.

Other than supporting it in principle, can the minister give us a concrete idea of what Canada plans to do to make such a treaty a reality?

[English]

Mr. Peter Van Loan (Parliamentary Secretary to the Minister of Foreign Affairs, CPC): Mr. Speaker, I think I stated quite clearly that we will be sponsoring the resolution at the United Nations. What could be more clear than that? We are going to be sponsoring this process to work toward an international agreement, as Canada traditionally has. In terms of small arms trading, we think that is important.

\* \* \*

[Translation]

#### MINISTERIAL EXPENSES

Ms. Raymonde Folco (Laval—Les Îles, Lib.): Mr. Speaker, we were very surprised to learn this morning that a number of Conservative ministers have not declared any entertainment expenses since last summer. Even the Minister of Labour said he was surprised. I would say there is a difference between what is declared and what is spent, but I will go on to my question.

The Minister of Labour said that he is surprised by such a statement, although he submitted an expense report that was incorrect and incomplete.

How can Canadians know how much the ministers are spending? The government is not obeying the rules of transparency and integrity.

My question is simple. What are the Conservative ministers hiding from Canadians?

Hon. Jean-Pierre Blackburn (Minister of Labour and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC): Mr. Speaker, we know that we are required, by law, to submit our expenses. As such, when I return to Parliament, I submit my expenses so that they may be accounted for, as required by law. Additionally, the statistics presented this time reflect the payments reimbursed to me for my expenses. Everything is in order.

That said, it appears that certain expenses are currently being processed and will be included in the next statistics.

# TRANSPORT

Mr. Daniel Petit (Charlesbourg—Haute-Saint-Charles, CPC): Last weekend, the leader of the Bloc Québécois announced that Quebec City would be the capital of a sovereign Quebec in 2015. Among the initiatives of the Bloc Québécois is a proposed high-speed train connecting Quebec City and New York.

Can the Minister of Transport, Infrastructure and Communities tell the House whether this proposal is viable?

Hon. Lawrence Cannon (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, once again, the leader of the Bloc Québécois is dreaming in Technicolor.

He claims that a high-speed rail link would be economically viable. We have no studies to prove this. On the contrary more than 20 studies have been conducted over more than 30 years about a possible link between Montreal and New York. None of the studies concluded that such a link would be viable.

The Bloc leader should tell us what basis he has for making such an extravagant promise. Is this yet another example of political fiction by the Bloc Québécois?

. . .

[English]

#### THE ENVIRONMENT

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, if winning the battle against climate change is the fight of our lives, the government got knocked out in the first round.

Science has told us that anything more than a two degree rise in the earth's temperature will prove catastrophic for our planet. We need to reduce greenhouse gas emissions in this country by 80% of 1990 levels.

Why did the Minister of the Environment choose ideology over sound science?

Hon. Rona Ambrose (Minister of the Environment, CPC): Again, Mr. Speaker, I would just point out what concerns me is that the health of Canadians is suffering while that member continues to politicize this issue.

That party is actually opposed to the establishment of national air quality. It is also opposed to introducing new energy efficiency and labelling requirements for 20 new products under the clean air act.

#### Oral Questions

Even the Canadian Lung Association said, "We hope that energy efficiency improvements referenced in the act will result in better regulations".

They will result in better regulations. The only thing standing in the way of this and what the Canadian Lung Association wants is the NDP

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, the government continues to defy the very laws of biology and physics by standing up in the House every day while lacking anything that resembles a spine.

The hot air act failed to set short term targets. It failed to go after the biggest polluters.

Could the minister explain why her government lowered the bar by using 2003 as a benchmark, rather than 1990 like the rest of the world has?

**●** (1455)

**Hon. Rona Ambrose (Minister of the Environment, CPC):** Mr. Speaker, my concern is that the member chooses big industry over the environment. Yesterday on TV the member said that he does not support introducing mandatory fuel efficiency standards for the auto sector, unless they are coupled with subsidies for auto corporations.

My question for him is, will he support the clean air act that will for the first time in Canadian history regulate and have mandatory requirements for fuel efficiency, or will he side with big business?

\* \* \*

#### CANADIAN WHEAT BOARD

**Hon. Wayne Easter (Malpeque, Lib.):** On October 17 the Minister of Agriculture and Agri-Food said that he suggested to the Canadian Wheat Board that the board review the voters list and he claimed that the board agreed with him. There was no suggestion; the minister instructed and the board had no option but to comply. As a result 16,000 producers have been disenfranchised of their democratic right, most due to lost crop.

Will the government stop at nothing to destroy the board? Will the minister come clean today, table his instructions and apologize for misleading the House?

Hon. Chuck Strahl (Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC): Mr. Speaker, the hon. member opposite has got me dead to rights. I did ask the Wheat Board to make sure that people who were actually voting in the director elections should actually be producers of grain products.

I am sorry but it seems to me that when we have people who are voting on the future of the Wheat Board, on the directors list, they should be people who are actually producing. If the member thinks they should just be people out of the Winnipeg phone book, he should say so.

#### Oral Questions

## ABORIGINAL AFFAIRS

Mr. Ron Cannan (Kelowna—Lake Country, CPC): Mr. Speaker, last Wednesday the House voted on a private member's bill, Bill C-292, the Kelowna press release. In typical Liberal fashion, all but one of the Liberal leadership candidates could not be bothered to stand up for the occasion.

If they were concerned about aboriginals' well-being and actually believed in the Kelowna press release, they would have supported it, would they not?

Could the Minister of Indian Affairs and Northern Development tell us how Canada's new government is taking real concrete action to improve the lives and well-being of aboriginal Canadians?

Hon. Jim Prentice (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, CPC): Mr. Speaker, I would like to thank the hon. member for his hard work and his fine question.

Canada's new government is showing up and is making a real difference. Within 45 days of forming the government, we set up drinking water standards on par with the rest of the country. We have taken steps for first nations to assume meaningful control of their education system. We are retooling the land claims process and the backlog left behind by the former government. We set aside \$3.7 billion in the budget, not in a press release, but real money. We have taken steps to approve the Indian residential schools settlement agreement, have launched advanced interim payments, and I could go on and on.

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[Translation]

# MINISTER OF PUBLIC WORKS AND GOVERNMENT SERVICES

Hon. Jean Lapierre (Outremont, Lib.): Mr. Speaker, my question is for the Minister for Democratic Reform.

I want to ask him whether he can explain why the Minister of Public Works and Government Services is not here in this House today and will not be here tomorrow or the day after.

[English]

Hon. Rob Nicholson (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker—

An hon. member: You'll have to wait until the next general election.

**Hon. Rob Nicholson:** That is right Mr. Speaker, you will be seeing the minister certainly after the next general election. I know the member will be awfully sorry about that.

I should point out to the hon. member that his political party has called by elections in the middle of leadership contests. It has done it whenever it thought it was appropriate.

With respect to the minister, he has indicated that he will run in the next general election. However, in the meantime, he is doing a beautiful job on behalf of the people of Montreal, Quebec and Canada.

[Translation]

#### FOREIGN AFFAIRS

**Ms. Diane Bourgeois (Terrebonne—Blainville, BQ):** Mr. Speaker, last week, an unacceptable incident occurred: Tibetan refugees who were trying to enter Nepal in order to get an education in the Tibetan language—something they cannot do in Tibet, which is currently under Chinese administration—were shot at by the Chinese army.

What concrete action does the Canadian government plan to take to denounce this violation of human rights?

[English]

Mr. Deepak Obhrai (Parliamentary Secretary to the Minister of Foreign Affairs, CPC): Mr. Speaker, as the foreign affairs minister said last week, we have condemned this violation of fundamental human rights and have asked that an independent investigation be undertaken. We understand that is now under way.

\* \* \*

**(1500)** 

#### **CANADIAN HERITAGE**

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, *The Globe and Mail* is reporting that the PMO has instructed our diplomats not to use the word "culture". Instead, they have been given the bizarre instructions to use the phrase "acts of public diplomacy".

Culture is a multi-billion dollar a year business in films, books and magazines. What we have instead of a champion for industry, these are being erased from their ideological dictionary.

First there was the word "Kyoto", then it was the word "equality", and now it is the word "culture". I would like to ask the minister for public diplomacy what it is about these words that gives her government the heebie-jeebies.

Hon. Bev Oda (Minister of Canadian Heritage and Status of Women, CPC): Mr. Speaker, we have committed to Canadian culture. In fact, we did it in our first budget with \$50 million for the Canada Council. That is a real action. As far as public diplomacy, last year we committed through the Canada Council over \$800,000 for touring and that was before the new \$50 million.

\* \* \*

#### CANADIAN WHEAT BOARD

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, last week in the other place, in response to a series of questions from a series of senators, the Leader of the Government in the Senate held open the possibility that there would indeed be a democratic plebiscite among farmers having to do with the future of the Canadian Wheat Board.

I wonder if the Minister of Agriculture and Agri-Food could today formally confirm, and emphatically so, that if the Canadian Wheat Board is to be changed, farmers will have the democratic right to vote on it in advance. Hon. Chuck Strahl (Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC): Mr. Speaker, we have put together a task force to frame what kind of a Wheat Board we could have and of a strong, independent, voluntary Wheat Board in a marketing choice world. That task force should report to me hopefully later this week or next week at the latest. When that task force comes back, we will look at the suggestions that it makes and take whatever steps are necessary following that task force report.

**The Speaker:** Order, please. I just want to point out that we had four extra questions in this question period. That is a record for this Parliament. I congratulate hon. members on their quietness during question period. It has obviously helped.

## PRESENCE IN GALLERY

**The Speaker:** I would like to draw to the attention of hon. members the presence in the gallery of the participants in the 14th Canada-Mexico Interparliamentary Meeting led by Senator Santiago Creel Miranda.

Some hon. members: Hear, hear!

# POINTS OF ORDER

CANADA'S CLEAN AIR ACT

Hon. Rob Nicholson (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I gave notice to the Chair of this point of order. I would like to take a moment to respond to the question of privilege raised by the member for Mississauga South on October 19, 2006. The hon. member alleged that the government was in contempt of the House due to the premature disclosure of Bill C-30, Canada's clean air act.

After reviewing the document that the hon. member provided to support his argument, it is clear that the document provided by the hon. member is not the bill introduced by the government on October 19. I will give the House a number of examples.

The title of Bill C-30 is "An Act to amend the Canadian Environmental Protection Act, 1999, the Energy Efficiency Act and the Motor Vehicle Fuel Consumption Standards Act (Canada's Clean Air Act)", whereas the title of the document provided by the member for Mississauga South is "An Act to amend the Canadian Environmental Protection Act, 1999 to add provisions providing for clean air".

Consistent with the title, Bill C-30 consists of three parts: amendments to the Canadian Environmental Protection Act; amendments to the Energy Efficiency Act; and amendments to the Motor Vehicle Fuel Consumption Act. The document provided by the member for Mississauga South only refers to amendments to the Canadian Environmental Protection Act.

Not only do we have documents that have a different title and would be dealing with different pieces of legislation, but there are numerous other differences between Bill C-30 and the document provided by the member for Mississauga South with respect to the amendments to the Canadian Environmental Protection Act.

#### Oral Questions

For example, Bill C-30 includes amendments to sections 72, 93, 95 and 98 of the Canadian Environmental Protection Act that are not referenced in the document provided by the member for Mississauga South.

In short, the document provided by the member for Mississauga South is simply a different document than Bill C-30 and it is not a document that the government ever intended to introduce in Parliament. I therefore submit that no contempt or breach of privilege exists.

However, there is more.

Members of the House may recall the Speaker's rulings of March 19, 2001 and October 15, 2001 when you ruled that there were prima facie contempts of the House when the Liberal minister of justice at the time and her officials briefed the media on the details of bills prior to the bills being introduced in Parliament. In those instances, the improper disclosure of information was in relation to bills that the government at the time intended to introduce.

Mr. Speaker, in your ruling of March 19, 2001, you stated:

In preparing legislation, the government may wish to hold extensive consultations and such consultations may be held entirely at the government's discretion. However, with respect to material to be placed before parliament, the House must take precedence. Once a bill has been placed on notice, whether it has been presented in a different form to a different session of parliament has no bearing and the bill is considered a new matter. The convention of the confidentiality of bills on notice is necessary, not only so that members themselves may be well informed, but also because of the pre-eminent rule which the House plays and must play in the legislative affairs of the nation.

The previous findings of contempt in relation to the premature disclosure of government legislation concerned the disclosure of legislation that was put on the notice paper and intended to be introduced into Parliament. Here, there are no suggestions that the document provided by the member for Mississauga South was put on the notice paper and, indeed, it was never intended to be introduced in this House.

Therefore, I respectfully submit, Mr. Speaker, that there is no contempt of the House and I look forward to your ruling.

**●** (1505)

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, you will know that the tabling of this document was delayed by two days, specifically, I believe, to make some changes. For instance, there is a new preamble that was not in that document. It is very clear that the representations made to the Sierra Club and other environmental groups was that this was the substantive provisions of the legislation to be tabled as the Canada clean air act.

Mr. Speaker, if you will have officials look at the documents, they will see that although the member has mentioned a number of titles and other incidentals, the fundamental or substantive points of the legislation that have been discussed in this place and in the media are identical to the document that was publicly circulated on Friday, October 13.

I never represented to this place that this was the identical piece of legislation. I had no way of knowing that until the legislation was tabled. The representations that had been made and the subsequent review of that show that the document I provided to you, Mr. Speaker, has substantively the same critical provisions of the clean air act that were publicly circulated on October 13.

I therefore submit, Mr. Speaker, although it is not the identical document, and I never expected it would be, that the substantive provisions were leaked to the public prior to the tabling in Parliament.

The Speaker: I thank the hon. government House leader and the hon. member for Mississauga South for their further submissions on this matter. I will take them into consideration in the course of my review of the facts and in the preparation of the ruling that I will be delivering to the House on this issue in due course.

## ROUTINE PROCEEDINGS

[English]

#### COMMITTEES OF THE HOUSE

PUBLIC SAFETY AND NATIONAL SECURITY

Mr. Mark Holland (Ajax—Pickering, Lib.): Mr. Speaker, it gives me pleasure to present, in both official languages, the second report of the Standing Committee on Public Safety and National Security.

This is the second report of the committee making recommendations that the Government of Canada issue a formal apology to Maher Arar and his family, and to negotiate compensation and other such related matters.

**(1510)** 

Mr. Gord Brown (Leeds—Grenville, CPC): Mr. Speaker, I have the honour to present, in both official languages, the third report of the Standing Committee on Public Safety and National Security.

This would be the interim report of the subcommittee reviewing the Anti-terrorism Act. It specifically deals with investigative hearings and recognizance with conditions.

#### OLDER ADULT JUSTICE ACT

Mr. Lloyd St. Amand (Brant, Lib.) moved for leave to introduce Bill C-360, An Act to establish the Office of the Ombudsman for Older Adult Justice and the Canadian Older Adult Justice Agency and to amend the Criminal Code.

He said: Mr. Speaker, the bill is intended to protect Canada's older or oldest citizens from physical, psychological and financial harm.

The bill would establish the office of the ombudsman for older adult justice as well as the Canadian older adult justice agency. As indicated, it would also amend the Criminal Code.

The office of the ombudsman would promote the protection of seniors' rights, investigate complaints and refer certain matters to the Minister of Justice.

The older adult justice agency would provide resources, protecting seniors, including information on preventing and detecting abuse, and the treatment of seniors' abuse, neglect and exploitation.

It is my view that the bill is long overdue. It will, if adopted, increase the awareness among all Canadians that elder abuse is a significant problem that impacts the life of many older adults across

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

\* \* \*

[Translation]

#### **COMMITTEES OF THE HOUSE**

CANADIAN HERITAGE

Mr. Maka Kotto (Saint-Lambert, BQ): Mr. Speaker, I move that the seventh report of the Standing Committee on Canadian Heritage, presented on Thursday, October 5, 2006, be concurred in.

I am grateful for this opportunity to propose to all hon. members in this House that the seventh report of the Standing Committee on Canadian Heritage be concurred in.

This report reflects a motion adopted by the committee on October 4. The motion reads as follows:

That, pursuant to Standing Order 108(2), the Standing Committee on Canadian Heritage recommend that the government maintain the Museums Assistance Program (MAP) at the same level as in fiscal year 2005-2006, that a new museum policy be established, and that the Chair report the adoption of this motion to the House as soon as possible.

I should point out here that this motion was not unanimously passed by the Standing Committee on Canadian Heritage. However, it was supported by a clear majority of members who are worried about the damage done by those who are killing Canadian and Quebec cultures.

On April 10, following the throne speech, which was unacceptably silent on culture, I expressed in this House the concerns that were emerging in Quebec and Canada's cultural sector.

I remember saying that many people are concerned about the future of culture in Quebec and in Canada under a Conservative government, and that some even believe that the term "culture" is not part of the Conservative vocabulary owing to the absence of any significant vision for culture in the throne speech.

I remember telling this government about the importance of culture, explaining that culture is what enables humankind to create a framework for itself and for its development. It helps us to think for ourselves. It enables us to understand the world and to contribute to changing it for the better.

I remember telling this government that, in Quebec, many of us believe that culture is key to having a sense of belonging to a community. It represents the essential fibre of the Quebec people; it influences its thoughts, words, actions and daily life, and it enables the development of individual members of that community. For Quebec culture, this reality is intertwined with the exceptional need to affirm itself and to encourage the expression of its uniqueness in North America.

I remember saying that the silence on the issue of culture leads us to anticipate a slow death of culture by destruction of the arts, artists, the next generation in Quebec, of Quebec's identity, by the liquidation of our cultural sovereignty. I remember saying that this destruction will strike a major blow to Quebec's humanist and progressive culture.

I also remember asking questions. Would the silence concerning culture in the Speech from the Throne be hiding rather the temptation of a massive intrusion by the private sector, with its alienating financial power, into arts and culture? Are we headed towards U.S.-style homogenization and will we eventually undergo the unilateral, impoverishing ideological marking of content in the publishing media? Are we going to witness the accelerated deterioration of our public television and radio services, followed fatally by privatizations and moronic ratings races to sell available brain time to consumerism?

I remember asking the government, on April 10, are we going to witness the dismantling of the museums? The answer to all these questions, and in particular that about Canadian and Quebec museums, was brutal: \$4.6 million was hacked from museum budgets.

Museums are vital institutions in communities throughout Quebec and Canada. There are just over 2,000 exhibit spaces in Canada and, of those, more than 400 are in Quebec. We must consider that 40% of these spaces are considered seasonal. Also, exhibit spaces are divided into three types of space: museums, exhibition centres and interpretation centres.

#### **(1515)**

Museums are not only cultural centres but also centres where the arts, history and science are displayed and interpreted.

Quebec and Canadian museums welcome 59 million visitors annually. They receive support from over 400,000 members and 55,000 volunteers.

Quebec museums alone, on average, welcome between 12 million and 13 million of these 59 million visitors annually and employ some 6,000 professionals and employees.

Museums bring citizens together and exhibit our achievements both here and abroad. Museums preserve our history, our art and our scientific and cultural achievements. They are places of learning, for teaching our children, adults and families; they play a major role in building collective identities and in social integration.

The Standing Committee on Canadian Heritage and the Standing Committee on Finance have presented successive recommendations to previous governments and the current government in favour of new investment in museums. The urgency of having a federal museum policy is supported by the current Government of Quebec, by the provinces and territories of Canada, by the tourist industry, the cities, municipalities and several other entities.

In light of this data, the Canadian Museums Association and the Société des musées québécois recently called on the Government of Canada to immediately honour the election promise by the Conservative Party of Canada to implement a new Canadian museum policy with multi-year funding for museums across Canada

#### Routine Proceedings

as soon as possible. And they were absolutely right to remind the Conservative government of the promises it made during the last election campaign.

It is in black and white. Wisdom guides us. On December 16, 2005, the Conservatives made clear promises that are well illustrated in the questionnaire and responses I will read to you.

#### Question 1 states:

Does the Conservative Party of Canada support the development of a new Canadian Museums Policy to replace the current policy that dates back to 1972?

#### Here is the Conservatives' response:

Yes, the Conservative Party of Canada supports the development of a new museums policy for Canada. Canadians want to see the country's rich heritage protected and preserved for this generation and for future generations. It is not acceptable that this policy has not been updated and that Canadian museums have been neglected by the federal Liberal government. A Conservative government looks forward to working with the Canadian Museums Association to develop a revitalized and renewed vision for Canada's museums.

#### Question 2 read as follows:

Does the Conservative Party support the CMA's principal objectives for a new policy:

- a. preserve Canada's national heritage, including artifacts of key importance held in museums across Canada;
- b. support museums in their role as important economic engines in the revitalization of cities and communities:
- c. increase engagement of citizens, visitors, volunteers, and members by greater outreach to community groups and the general public; and
- d. stabilize the capacity of museums to achieve these objectives through multiyear funding, endowment programs, tax incentives, and so on.

#### The Conservatives answered as follows:

Yes, the Conservative Party of Canada supports these objectives. A Conservative government would look forward to discussing these policy objectives with the Canadian Museums Association and to developing a new policy for Canada's museums which allows us to fully realize these objectives.

#### Question 3 asked:

Does the Conservative party support the investment of \$75 million per year, as recommended by the CMA, in sustained, multi-year, predictable programs, to meet these policy goals?

#### The Conservative Party answered, and I quote:

As was confirmed at our policy convention last spring, the Conservative Party of Canada affirms the federal government's role in the preservation of Canada's natural and historical heritage (such as national parks, museums and historic sites) for the benefit and enjoyment of all and as an enduring reminder to all Canadians of our common inheritance. The Conservative Party of Canada supports stable, long term funding—

## And I stress the words:

stable, long term funding for Canada's museums.

## And they continued:

### **●** (1520)

We believe that continuity of programming is important and can only be achieved through stable, predictable funding. Canada's museums conduct the valuable work of educating Canadians about their nation's rich history through their conservation and preservation efforts.

#### This is still the Conservatives speaking.

Canadians are avid visitors to our museums and enjoy viewing museum exhibitions and collections, but many do not recognize that the "behind the scenes" work of conservation and collections management is expensive and labour-intensive. Canada's museums make this look effortless—

#### How compassionate. It continued:

-but are increasingly strained by a lack of funding.

#### This is the Conservatives speaking.

Although we would need to see a definitive plan before making a specific funding commitment, please be assured that generous funding for Canada's museums would be a priority for a Conservative government.

How cynical.

Big words. Big mouths. Easier said than done. A hundred rejections hurt less than one broken promise, wisdom teaches.

In reality, the answer of the Conservatives, these culture poachers and vultures, is a brutal one: a \$4.6 million slash in the museums assistance program.

Last October 4, the Société des musées québécois passed resolutions at its annual general meeting in the Saguenay region asking the Conservative government to keep its election promise and adopt a new museum policy as soon as possible along with funding to provide multi-year support for museums. They also asked the Conservatives, as the Bloc Québécois has been doing, to revoke their decision to cut the budget of the museums assistance program until a new museums policy has been adopted.

The \$4.6 million in budget cuts announced over the next two years amount to one-quarter of the funding currently provided under MAP. If the 50% in budget cuts over the last 10 years is added to that, for the Canadian heritage minister to announce these reductions is totally incomprehensible, especially when the federal government is telling us that it is running a \$13 billion surplus.

This situation is all the more paradoxical in view of the fact that the Conservative government is campaigning to have the convention on cultural diversity ratified by as many countries as possible and this convention requires the signatories to ensure a fair income for their artists so that they can make their voices and works felt on the national and international scenes. Ultimately, the Conservative government is making a decision that undercuts this convention and shows no consideration for the difficult situation facing artists and producers who show their works.

This is extremely disturbing news for the Regroupement des artistes en arts visuels du Québec, which is trying to persuade Canadian museum directors to pay visual artists more for their exhibition and reproduction rights—these people, whose average annual income is about \$3,500, will be the first to suffer from Ottawa's decision—but also for all Quebec museums, which suffer from chronic under-funding. Cutting the rations of museums is no way for this government to contribute to the development of the cultural and artistic forces in Quebec and Canada.

While elsewhere in the western world museums are doing tremendously well thanks, in part, to substantial government financial support, museums in Quebec and Canada have been suffering from chronic under-funding for nearly a quarter of a century now and are growing ever weaker.

Allow me to share some reactions to these cuts. In a press release, the Société des musées québécois denounces the cuts made by the Government of Canada.

Montreal, September 26, 2006

The Société des musées québécois was dismayed to learn late yesterday that the Minister of Canadian Heritage was cutting the budgets of some of her department's programs. These cuts are devastating to museums, because the only Canadian Heritage program dedicated exclusively to museums will be reduced by roughly \$4.6 million over two years. In fact, these cuts represent a 25% decrease in the already inadequate museums assistance program (MAP) envelope.

#### • (1525)

According to Guy Vadeboncoeur, president of the SMQ, "this is extremely disturbing news for museums in Quebec, which have suffered from underfunding for several years already". The museum community is especially surprised at these cuts because last week, the Standing Committee on Canadian Heritage tabled a report and a recommendation in favour of a new museum policy for Canada.

The situation is also paradoxical, because these cuts affect the mounting and circulation of numerous art, history and science exhibits. Recently, consultations had been held to examine MAP's parameters. They showed the strategic importance of this program and underscored the inadequacy of the program envelope—

Here is the reaction to the cuts to the MAP from the Canadian Museums Association, which was in shock.

Ottawa, September 25, 2006

Late this afternoon, the Minister of Canadian Heritage, Hon Bev Oda, announced a series of cuts to her department. In particular we are alarmed that the Museums Assistance Programs has been selected for a \$4.6 million cut. MAP is the one program that is dedicated solely to museums.

We are shocked, puzzled and feel betrayed by these cuts-

Quebec and Canada are on the same wavelength on this.

I will conclude with the reaction of the Quebec minister of culture and communications, Ms. Beauchamp. The headline of the article that appeared in the *Journal de Montreal* on September 29, 2006, read:

#### MINISTER BEAUCHAMP IS WORRIED

Ottawa announces \$4.6 million in cuts to museums.

In a press release yesterday, the Quebec minister of culture and communications, Line Beauchamp, expressed her concern following the federal government's decision to cut \$4.6 million from its museums assistance program...For Quebec museums, this could mean a shortfall of over \$500,000 annually.

#### The Quebec minister of culture and communications said:

I am surprised by the federal government's decision to slash the museum assistance program, while considerable effort is being made in Toronto to bring together tourism and culture...Museums are a main component of tourism products across the country.

#### Later, the article went on:

According to Minister Beauchamp, the federal government's cuts only undermine Quebec's ongoing efforts to strengthen its museum network.

In light of all my arguments, my proposal to adopt the seventh report of the Standing Committee on Canadian Heritage represents a simple gesture inspired by the desire to protect our museums. We must, absolutely, resist this civilized-seeming barbarity.

#### **●** (1530)

Hon. Michael Chong (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister for Sport, CPC): Mr. Speaker, I have a clarification for the hon. member from the Bloc Québécois.

Our government is spending \$240 million per year on museums. We recovered \$2.3 million in savings out of the museums program. This represents less than 1% of annual expenditures.

I would liken that to the situation of a Quebec family with an annual budget of \$20,000, which recovers \$100 a year in savings.

There is, however, something more important that the Bloc member failed to mention. This government has increased the budget of the Canada Council for the Arts by \$20 million this year, and another \$30 million increase is planned for next year. This is much more money than the member was talking about. I would like to hear him on that.

Mr. Maka Kotto: Mr. Speaker, first, concerning the budget of the Canada Council for the Arts, it must be remembered that, for years in this House, the Bloc Québécois and other parties, such as the NDP, have urged that the budget of \$151 million be doubled in order to provide artists, creators and artisans with a decent living. When we see an addition of \$20,000 one year and \$30,000 the next year, I have to laugh. We are far from the results that the museum community expected.

There are a great many creative people in this country, who, out of frustration due to the denial of their applications, give up their essential passion. The cultural situation outside Quebec may be different. I say different because in Quebec, as I have said previously, culture is essential to the survival of the Quebec identity. The more creative people who are at work, the more artisans and artists there are, the greater is the hope for the long-term survival of our culture and history, because it is through culture that one makes one's mark on history and reaches people's hearts.

I return to the savings that were made in the museums assistance program (MAP). I am astounded that any savings would be made in this program because it is a residual amount that has gone back into the public treasury every year. But let us be clear on this subject. We need to put several factors into perspective. When an application is submitted, there is a delay in the response. Projects have to be carried out within a fiscal year, between April 1 and March 31. If a project goes beyond March 31, it is turned down. Some projects, even after approval, have to be abandoned before they can be carried out because people are desperately waiting for a cheque that never

The government is very much aware of this Machiavellian ambiguity—let us call it that—and plays the game marvellously. Without imputing motives, it practices financial retention in a calculated manner. It should be known that the museum assistance program is divided into three components: access and exhibition, aboriginal heritage and organizational development.

Under this program, the minister decides at his or her—in this case her—own discretion, in accordance with utterly obscure criteria, what portion of the budget will be allocated to each of the program components, in a proportion that is unknown to the museums, even though applications are made every year. Only departmental officials know the percentages, and they are not allowed to disclose them.

Let us suppose that the minister, with her discretionary power, were to decide to favour the aboriginal component by providing \$6 million from an \$11 million budget. The other two components would share the remaining \$5 million. Suppose that the aboriginal component only submitted one eligible project worth \$20,000; that

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would leave \$5 million and change that would never be spent under the program.

It is impossible for officials to transfer unspent monies from one component to another. The minister's directive is in force for the whole year unless she decides to change it along the way. That is the reality. Figures are juggled when it suits the government that wants to save money on the backs of the most vulnerable and on the backs of the ambassadors of our identity.

**●** (1535)

[English]

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, my hon. colleague has been a strong fighter for cultural issues in the House. We have sat together in the heritage committee, in which the issues of museums have been discussed for a number of years. It is my very clear understanding that the work on the issues toward new museum policy has been done, as has the input into it.

The fig leaf of credibility that the government hides behind is the fact it will take the money out of the budget that helps all small museums, but it will create a new policy. My sense is we already have what we need for a new policy.

Does my hon. colleague feel that we need to begin a whole new round of discussions that will draw out a conclusion long enough that the government will come back after another election and start over again? Do we or do we not have what we need now to bring forth a museums policy?

[Translation]

Mr. Maka Kotto: Mr. Speaker, we work very closely in committee because we have the same interest in culture. The Standing Committee on Canadian Heritage recently heard from representatives of the Canadian Museums Association and other interested individuals who stated that, in the last Parliament, a tremendous amount of work went into developing a new museum policy.

The information is there. It is just a matter of taking it, organizing it and introducing a bill that would outline a new museum policy. It is ridiculous that, at the beginning of this Parliament, we were made to drop this urgent debate and to start over with the museum exercise, to once again question those in charge, managers, curators and everyone involved just to waste time. Allow me to say it: to waste time.

I will confirm what my colleague said: there is enough material today, collecting dust on the shelves, that could be used—were the government to show its goodwill—to serve as a basis for a new museum policy.

• (1540)

**Ms. Paule Brunelle (Trois-Rivières, BQ):** Mr. Speaker, people involved with museums in Trois-Rivières have certain expectations with respect to a museums policy—they want the stable, recurring, long term funding this government promised—but they are in a precarious position.

Education, which is key to any society's progress, must be alive, and we want people and youth to be interested. This often happens in museums, which are places where we can express our culture.

I would like to ask my colleague to what extent we should do as they do in Europe, where they are well aware of the major economic benefits of tourism, and where they recognize that museums are places for culture and education, and places to bring tourists. Money spent on museums comes back in the form of tourist dollars.

Consequently, funding museums is an investment. It seems to me that Canada should have some vision and introduce the long-awaited museums policy.

**Mr. Maka Kotto:** Mr. Speaker, there are innumerable members of this House who defend culture, because we know how important it is and what it means to a democratic, open and progressive society.

As I said in my opening statement, we are dealing with graverobbers, with poachers preying on culture, people who, because of their focus on dogma and ideology, have no idea of the importance of that culture. They are more likely to think that entertainment alone is what defines a culture.

We must continue this discussion nonetheless. I could have gone on at greater length, but I am being told that not much time is left for me to answer questions.

[English]

Mr. Chris Warkentin (Peace River, CPC): Mr. Speaker, I am pleased to rise today to take part in this debate. While the member opposite seems intent on distorting the record of this government, I will attempt to engage in a higher level of debate and discuss the importance of museums in this country.

I want to begin by congratulating the committee that I am part of, the Standing Committee on Canadian Heritage, for drawing to the attention of the House the importance of the role that the collective heritage of our country plays. For over 13 years of Liberal rule, museums were left on the back burner. Nothing was done. This government recognizes the important role that museums play in terms of our society and our culture.

I want to speak about the importance of heritage to all Canadians and about the safeguarding of our heritage for the benefit of our current and future generations. Heritage is a vital aspect of all of our lives. It binds us to our past, to each other and to our country, Canada.

The standing committee's motion reminds us of the important aspects of our cultural policy. Canadians connect to their heritage and each other in their communities and mobilize hundreds of thousands of volunteers to cherish the places, the stories and the objects that epitomize the spirit of the communities they live in.

There are over 2,500 museums and related heritage institutions across this country. They range from the tiniest historical society, entirely staffed by volunteers, to the largest institutions with encyclopedic collections and international reputations.

Through our heritage, we are able to reflect with pride and confidence as a nation about our accomplishments throughout our past. Since Confederation, the federal government has played an active role in cultural heritage, beginning with the creation of our national heritage institutions to preserve heritage objects, records, buildings and sites significant to Canada. The Government of

Canada makes its greatest investment in the sector as guardian of our national collections.

The federal government is not alone in the efforts to preserve Canada's heritage. All levels of government across the country own and support heritage assets within their areas of jurisdiction. While the Government of Canada makes its greatest investment in our national museums, it also recognizes that all across this country our collective memory finds its home in museums.

Canada's new government recognizes the efforts and the actions of our provincial and municipal governments, which make, at the local level, a major effort in terms of protecting our national historical documents and our historical items so they will not be irreplaceably lost.

This government also recognizes the efforts and actions of countless community leaders across this country who serve as volunteer board members of not for profit museums, who give generously of their time and their financial resources, and who are actively involved in fundraising.

As the Minister of Finance said when he introduced the budget in May of this year, "Charities"—and museums are included in this definition—"play an invaluable role in assisting Canadians, and in contributing to our sense of community and to important projects in the cultural, educational and social sectors".

Canada's new government has made it more attractive for taxpayers to make donations to charity. In the 2006 federal budget, Canada's new government eliminated the capital gains on donations of publicly listed securities and registered charities. This new measure is already having a dramatic impact on charitable giving across Canada and will provide significant benefits to the arts and cultural communities, including museum communities.

I want to speak about our commitment to the preservation of national collections. As I indicated, since Confederation the federal government has played an active role in preserving our cultural heritage. The Government of Canada allocated approximately \$140 million in the 2005-06 budget to national museums and a further \$90 million to Library and Archives Canada.

• (1545)

Our national collections are national treasures and belong to all Canadians. I am reminded of the words of the great Nova Scotian Joseph Howe, who said, "A wise nation preserves its records, gathers up its monuments, decorates the tombs of its illustrious dead, repairs its great public structures, and fosters national pride and love of country...".

In 1880 the Governor General inaugurated the first official exhibition of the Royal Canadian Academy and launched the National Gallery of Canada at the Clarendon Hotel in Ottawa.

Many of the hon. members in the House today have visited the Canadian Museum of Nature in the Victoria Memorial building, but I do not know how many know that the Victoria Memorial building is the birthplace of the Canadian Museum of Civilization. The Victoria Memorial building opened to the public in 1912 and was one of the earliest buildings in Canada designated as a museum to preserve and showcase collections.

In the late 1950s, the single National Museum of Canada was divided into two branches, the National Museum of Natural Sciences, dedicated to natural history, and the National Museum of Man, representing human history, both housed in the Victoria Memorial building. The building has also housed the national collection of fine arts.

Today we have four national museums. The Museum of Man is now the Canadian Museum of Civilization. Together with its affiliate, the Canadian War Museum, it tells a story of human achievements and sacrifice. The Canadian Science and Technology Museum helps the public understand the ongoing relationship between science and technology and Canadian society. The National Gallery of Canada is proud to present outstanding Canadian art, together with its international collection.

In 1990 the National Museum of Natural Science became the Canadian Museum of Nature and continues to occupy the Victoria Memorial building. The Canadian Museum of Nature has embarked on a renewal project marking its 150th anniversary. The project includes extensive renovations of the 90 year old building that is recognized for several reasons as a national historic site. It takes a fair bit to do, because the extensive renovations have to respect the fact that it is a national historic site. I was there on October 20 for the grand re-opening of the west wing. It means that new activities, programs and special exhibits will continue to delight visitors as they walk through this wonderful new expansion.

The Canadian Museum of Civilization is also celebrating its 150th anniversary in 2006. With its scholarly expertise, extensive collections, absorbing exhibitions, stunning architecture and high standards of operation, the Canadian Museum of Civilization is a source of pride and inspiration for Canadians and is one of the most visited cultural attractions in the nation's capital.

Close behind is its affiliate, the Canadian War Museum, which attracted over 575,000 visitors in its first 11 months of operation. That is unbelievable. Its new building has won many architectural design and construction awards in both national and international competitions.

I also want to speak about some of the other federal government initiatives that we are involved in to preserve our heritage.

The Cultural Property Export and Import Act came into force in 1977. The act regulates the import and export of cultural property and provides special tax incentives to encourage Canadians to donate or sell important objects to public institutions in Canada.

The act protects objects of cultural significance to Canada by regulating their export. It also supports Canada's obligations to international agreements that prevent the illicit trafficking of cultural property. Lastly, it assists designated, well-managed custodial institutions and public authorities to acquire cultural property and to apply to the Canadian Cultural Property Export Review Board to have donations certified as cultural property for income tax purposes.

## **●** (1550)

The government assists designated institutions and public authorities in acquiring outstanding artifacts that might otherwise be threatened. More than 600 major collections and objects have

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been retained or recovered from outside of Canada with support from the government through this program. For example, the government recently helped the Royal Alberta Museum to acquire important first nations and Métis artifacts from the 1840s and 1850s, acquired in 1859 during the travels of a Canadian throughout the plains.

In March 2006 Canada's new government announced that Canada has agreed to the two protocols of the UNESCO Convention for the Protection of Cultural Property in the Event of Armed Conflict, known as the Hague convention. The protocol came into force in Canada on March 1, 2006.

The Canada Travelling Exhibitions Indemnification Act is also something that addresses two key objectives that are important to Canadians. First, it increases access for Canadians to Canada's and the world's heritage through the exchange of artifacts and exhibitions in Canada. Second, it provides Canadian art galleries, museums, archives and libraries with a competitive advantage when competing for the loan of prestigious international exhibitions.

Through an indemnification, the government assumes financial risk for potential damage or loss in major travelling exhibitions should this occur. In the first five years, the program indemnified 46 exhibitions valued at \$7 billion, without a single claim for financial compensation, saving Canada's museums more than \$20 million in insurance.

The Standing Committee on Canadian Heritage is currently reviewing the first five years of operation of the act. I look forward to hearing and being involved in the committee's review of this matter.

The museum sector encompasses the national museums, the provincial museums and other major collections, the mid-sized institutions in regional centres, aboriginal cultural centres, and small community institutions that reflect local experiences of the forces that helped shape Canada. Each segment of the sector has a role to play in Canada's heritage sector and each segment must contend with unique issues.

Canada's new government is meeting with museums and representatives of the museum sector to discuss priorities and to develop a renewed vision for the role of museums in the 21st century.

Provincial and municipal governments also share an interest and a responsibility in the preservation of museums. We will continue to recognize the responsibility of other levels of government as we undergo this process. We will take the time necessary to get it right.

I appreciate the opportunity to speak about this important issue this afternoon and I will entertain any questions.

**●** (1555)

[Translation]

**Mr. Maka Kotto (Saint-Lambert, BQ):** Mr. Speaker, I would first like to recognize my colleague, with whom I sit on the Standing Committee on Canadian Heritage.

I would like to know whether, in his view, it is reasonable to make commitments, in an election campaign, relating to a field that has been operating on a shoestring for a quarter century and then today, once in power, to renege on those commitments? Does behaviour like this help to generate respect for politics or does it rather bring politics into disrepute and lead to the public becoming disengaged from politics and ultimately tarring us all with the same brush?

[English]

**Mr. Chris Warkentin:** Mr. Speaker, I appreciate the involvement of the member opposite in the committee. We work collaboratively with the hope of developing the necessary environment for cultural expression in the years to come.

Certainly, there is no question that specifically with regard to museums there has been a negligence when it comes to the previous government in dealing with the programs that will assist the museums. What we have identified as a committee is that in years past, money has been allocated for museums but unfortunately, because of the criteria and the archaic nature of the particular program, the money was not being given out to museums. Museums were unable to access the full amount of these dollars.

Certainly, this has to be looked at. It is incumbent upon the committee to look at the issues surrounding local museums, address this issue and bring a proposal forward to the minister. The minister made it very clear that she is interested in seeing what the committee comes up with as a long term tangible plan to assist museums.

There was money pulled back from a particular program because it was not being utilized. Museums were not able to access it. Members of the committee collectively have to look at a plan going forward as to how they are going to ensure that museums are able to access the funds that are allocated.

It is my commitment to work with the member opposite to develop a strategy that will benefit local museums.

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, I listened to my hon. colleague's speech. It says in the good book to make yes mean yes and no mean no, so I would like a fairly straightforward answer.

When the President of the Treasury Board described the cuts, he said they were going after wasteful, inefficient programs that were completely out of touch with average Canadians. We looked at what Canadian Heritage was facing and it was a museums program. Now we hear that every year \$3 million was not used by the museums. I asked the minister why that was and the minister's assistant said there was a lack of sophistication in local museums in that they did not know how to use the money.

I am asking him what he thinks the problem is and why there was this decision to take the \$3 million out. Was it because the museums were inefficient and wasteful with the money and did not need it?

• (1600)

**Mr. Chris Warkentin:** Mr. Speaker, there is no question that the Treasury Board went through a process of trying to find ineffective programs and it identified one. At least it was the Treasury Board's idea that this program was not effective if museums were not able to access the funds. There is no question in my mind that if local

museums are not able to access the funds, we have to look at a program that would be more efficient in terms of getting the money to the ground level where local museums would be able to access these funds.

There is no question that the member and I, as well as other members in the House and members of the committee will be playing an important role as we look for a strategy going forward.

Mr. Jim Abbott (Parliamentary Secretary to the Minister of Canadian Heritage, CPC): Mr. Speaker, I was wondering if the member might want to comment on the fact that our colleague from the Standing Committee on Canadian Heritage, the member for Saint-Lambert, has brought forward his concurrence motion at this particular time.

I have the highest respect for the member for Saint-Lambert and for his dedication to this question. Considering the fact that the Minister of Canadian Heritage and I on her behalf have made it perfectly clear that we are working toward a new museums policy, I am wondering about the timing of this debate. Today we were supposed to be debating Bill C-25 from the Minister of Finance, a bill regarding the proceeds of crime and money laundering, an important issue, Bill C-26 from the Minister of Justice, an act to amend the Criminal Code (criminal interest rate), and Bill C-27 from the Minister of Justice, an act to amend the Criminal Code (dangerous offenders and recognizance to keep the peace).

We are trying to make Canada a safer place. I am wondering if the member for Peace River would agree with me on the timing of this debate. While I respect the member's intent of trying to keep the pressure on the government, nonetheless, we have to make sure that we are keeping Canada safe, not the issue that the member has brought forward with this motion.

**Mr. Chris Warkentin:** Mr. Speaker, museums document history. I hope history will not show that because we engaged in this debate today we delayed something else from happening.

Certainly, we were involved in a very important debate this morning. I spoke to the issue of the importance of cutting off terrorist financing. I agree with the parliamentary secretary in that the minister did come before our committee and explained that as we work together we will be able to address this issue. There seemed to be a consensus among all members that that is what we would do. I find it very surprising that this motion came before the House today, especially on a day like today when we were discussing such an important piece of legislation that would protect Canadians from the terrorist organizations that have been able to get funding through illegal means, money laundering and that type of activity.

I agree with the parliamentary secretary that today there is an issue we should be addressing and that is the issue of terrorist funding. The sooner we deal with that, the safer Canadians will be.

[Translation]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I am somewhat surprised that we are being criticized for using the parliamentary process that is available to us to bring forward our proposals, as is being done in this motion. The parliamentary process allows us to make proposals in this way. Today, we have done nothing more than to use our power as members of Parliament.

In Quebec, and in Canada, museums have been struck a mighty blow. They have been handed over \$4 million in cuts. On the same day, the federal government reported that it had a \$13 billion surplus and applied all of it to the debt.

Could anyone have done anything more bizarre than that? The people who earn a living in all of Canada's museums, in Quebec or in Canada, are told that they will have to cut their budgets so that, ultimately, they will find themselves in dire straits and depending on employment programs so that they can provide decent services. And the same day that they are told about a \$4.6 million cut, it is reported that the \$13 billion surplus will be applied to the debt.

Is this not an unacceptable message coming from the Conservative government? At the same time, we are being told, as members of Parliament, that we should not exercise our rights according to the rules of this House. It is completely unacceptable to say that. This government must absolutely come to its senses and give these millions of dollars back. This is the money needed to carry out projects that will cost in the order of \$10,000, so that the museum in Kamouraska, for example, can digitize and put up a web site. They are not asking for fat. They are asking the minimum needed to ensure that our museums are able to survive.

Will the government reconsider its decision and will it agree, this year, that \$13 billion will not be put into the debt, and instead a few million dollars more will be spent on museums?

**(1605)** 

[English]

**Mr. Chris Warkentin:** Mr. Speaker, I appreciate that the member brought forward this concurrence motion now, because I am able to correct some of the information that the member across the way had wrong

He stated that there was \$4 million being pulled out of Quebec from Quebec museums on an annual basis. In fact the entire amount that was reallocated was \$2.3 million. If there is \$4 million that is being pulled out, it must be through some other imaginary program that the member has concocted. That was across the country; it was \$2.3 million that was pulled out of MAP, the museum assistance program.

As I stated earlier, this money was not being distributed anyway. The federal government was holding it in its coffers and it was not being allocated. The minister made it very clear in committee that there would be minimal impact, little or no impact on any local museum.

The minister has actually asked the member opposite to identify a single museum in all of Quebec or in the country that will be negatively impacted by this reallocation. Not yet has he been able to table or bring anything to the minister's attention.

I find it curious that we would stop the discussion we were having earlier on a bill with regard to terrorist financing to discuss an issue on which even the member opposite has not been able to identify any evidence that it is going to do what he says it is going to do.

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Mr. Speaker, I appreciate the opportunity to speak to the issue of culture and identity, two words that keep coming up. They

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are two words that we take very seriously, certainly in my esteemed neck of the woods in the eastern part of this country, Newfoundland and Labrador.

I have always looked at the province of Newfoundland and Labrador as brimming over with culture, as the expression goes. Certainly, anyone who travels there bears witness to what a beautiful place it is.

Over the past 10 to 15 years, Newfoundland and Labrador has gone through a lot in the way of a downturn in its traditional industries, such as the fishery. Tourism, however, has been a small gem for many areas of my province and for many areas of Atlantic Canada. One only needs to look at places like Prince Edward Island and Nova Scotia where tourism is on the increase. One of the big reasons, and I would argue one of the major reasons, is the infrastructure that now exists, an investment in a vast amount of infrastructure that dedicates itself toward our culture and identity as people who live in Newfoundland and Labrador, or on the east coast in general.

To me what truly represents Canada is the diversity of culture across the entire country, whether it is in British Columbia, the north, certainly Quebec, and now Atlantic Canada as I have mentioned. The museum assistance program represents a vast investment into parts of this country that certainly show themselves to the world. For the past five or six years the numbers would dictate that a lot more travellers are coming to this country from other parts of the world to celebrate our culture, as we like to do ourselves.

One of the reasons I really like the museum assistance program is it provides the funding for the incorporated non-profit Canadian museums. So many volunteers give their time and their expertise to so many organizations, institutions and museums across this country. It is absolutely outstanding. The volunteers in this country who give up so much of their time to celebrate our culture have been absolutely outstanding. I think some of our greatest volunteers are in my part of the country, in Newfoundland and Labrador. I commend them all because to put up our culture to the world shows just how proud we are of that culture.

Approximately nine years ago we celebrated our 500 years in Newfoundland and Labrador. What a celebration it was in the town of Bonavista, which is one of the oldest towns in all of North America. It established that link between the old world and the new world with a replica of the *Matthew*, the first ship to come over to this country about 500 years ago. Before that, we celebrated the Vikings in L'Anse aux Meadows up on the northern peninsula.

The volunteers and the money that we have invested into infrastructure showed to the world that we have a good sense of who we are and our identity has been celebrated because of that.

The MAP funding is available under certain components. That is how the program has worked. Access to heritage, the exhibition circulation fund, aboriginal heritage, organizational development, and the Canada-France agreement are some of the programs accessed by many people across this country. As some of my hon. colleagues talked about , all the data is there, the work has been done and now all we need is to say yes to our cultural organizations across the country.

A short time ago members of the committee had the pleasure of welcoming Exporail, celebrating our linkage to the railway. Let us face it. The railway is what brought us to who we are as Canada. Being the second largest nation in the world, we certainly have a great appreciation for our geography. The railway, and the establishment of it, has shown that to us.

#### (1610)

Anyone who has the chance should see the fantastic museum in Saint-Constant, Quebec. That is the place to celebrate our heritage when it comes to railways. There is also one in St. John's, Newfoundland and Labrador, which also celebrates our connection to the railway. I encourage all members of the House to take advantage of this.

I mentioned earlier that Newfoundland is celebrating 500 years. I also mentioned the fact that the Vikings first landed on Newfoundland and Labrador. It was somewhat of a contentious issue I might add. Thousands and thousands of visitors over the last couple of years have come to celebrate with us. To me that is the essential link between our government, a museum assistance program and the ability of my constituents and all Canadians to show the world exactly who we are. It gives them a reason to be very proud.

I want to talk about some of the programs the museums assistance program has helped benefit over the past couple of years. In Newfoundland and Labrador alone, these include groups such as the St. Michael's Printshop. We are also involved with the National Tour of Possessions and Speaking our languages, in conjunction with the provincial museum of Newfoundland and Labrador and the professional development program. A lot of this helps us to gather information and present it. It provides essential support for many volunteers across the country and for staff as well. These programs alone will testify. Anyone who has been into the museum rooms in St. John's, Newfoundland and Labrador will see the celebration and linkage to the old world.

My hon. colleague from Churchill and northern Manitoba pointed out the Métis National Heritage Centre. The Manitoba Métis Federation received money to conduct a feasibility study for the centre. It is an incredible program. It helps find the information, creates the links and gives something to our young, a sense of identity and pride. It is one of the greatest gifts we can give to our next generation.

I also commend some of the projects ongoing in Prince Edward Island such as the museum development project by the Community Museums Association of Prince Edward Island and the Confederation Centre Art Gallery exhibition, "To a Watery Grave".

I will go back to my riding once again and talk about Bonavista. Certain events over time have defined us. They may be good times, they may be tragedies, but they reflect who we are. My hon. colleague brought up the term "diversity".

What a perfect way to show the diversity across the country when we visit the museums and institutions of Manitoba and we hear about the struggles of the Métis. The residential school museum project is also part of the museums assistance program. We also have British Columbia and Quebec. It is quite fascinating to go through rural

Quebec and see some of the older churches. It is the same for our urban areas as well.

I commend the people who do much of this work behind the scenes. The bureaucrats involved in Canadian Heritage do a tremendous amount of work, and we commend them for that. They want to get in there and get every area of our country represented. This program is all about that.

I congratulate my hon. colleagues for bringing this issue to the floor. I also commend our committee for doing the work. I also commend a colleague of mine, who I served with on the heritage committee, the hon. member for Perth—Wellington, chair of the heritage committee. He has brought this matter up quite often. I commend him for the works he has done and continues to do. He has been an inspiration to us all.

#### **●** (1615)

I hope he manages over the next little while to convince his colleagues, when it comes to investment in our museums, no matter how big or small they are, small town or big town, that one step forward and two steps back is really not the way to go. Essentially that is what we are seeing.

Commitments were given in the election. Now recent cuts show that the Conservatives were maybe not as sincere as we had first thought, and what a crying shame. As my hon. colleague pointed out earlier, with the information that is there and the commitments that have been given, the logical step now is to make this happen, certainly for my province and for the entire country.

My hon. colleague, who spoke earlier, talked about his sincerity, about protecting our cultural institutions such as the national museums in Ottawa and other museums across the country. Let us go forward with that. Let us not say to them that we will cut this now and maybe do something in the future. One of the biggest problems with our cultural institutions is that they need the core funding to allow them to operate. It gives them the flexibility by which they can make the long term plans. Let us bring some clarity to this. Let us find out what they stand for and bring this forward to the House for a vote.

I support my colleague, the member for Saint-Lambert, in his efforts to do this. I congratulate him as well as my hon. colleague, the member for Timmins—James Bay, from the northern part of Ontario, who, like me, represents a lot of small communities that love to put their culture out there for public to see.

Hon. Michael Chong (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister for Sport, CPC): Mr. Speaker, it is important for the House to put this into context.

Our government made a solemn commitment during the last campaign that we would ensure programs delivered results and that those results were delivered in a way that ensured the value for money was there. We want to keep the faith with Canadians and we have delivered on our commitment. The government has identified \$1 billion in savings this year out of an annual budget of close to \$200 billion a year.

To put this in context, because sometimes the numbers get quite large and out of touch with ordinary Canadians, this is a very similar thing to a family living in the province of Newfoundland and Labrador that has an annual household budget of \$20,000 and they identify \$100 a year in savings. It is entirely reasonable. Families do this day in and day out and families expect us as a government to do the same with their hard-earned tax dollars.

Furthermore, the government invests close to \$250 million a year in museums and their programs. We will continue to do so, but only if those programs deliver the results that were intended and in a way that ensures the value for money is there. We identified \$2.3 million in a museum budget of close to \$250 million that we felt could be more effectively spent. This is why we decided to proceed with the initiative.

More important, the member opposite talked about how museums and arts and culture are integral to Canadian identity, integral to the identity of the country. If identity is so important to us as Canadians, if the idea of the Canadian nation is so important, does he agree with his colleague's, the member for Etobicoke—Lakeshore, comments and belief that Quebec is a nation?

#### • (1620)

**Mr. Scott Simms:** Mr. Speaker, let me carry this analogy a little further. The member talked about \$20,000 and realized a savings of \$100. If we think about it, they have to come up with savings of \$100 or the new government will take it back anyway. That is called unused spending. Therein lies the trap in that little analogy. With a median income of about \$25,000, it would be interesting to hear what other financial plans he has for other families in my riding.

The other thing he talked about in this case was cultural identity. We are comfortable in Newfoundland and Labrador with who we are. We tell the world we want to bring it in because we want to show it the cultural institutions by which we define ourselves.

Newfoundland and Labrador is a cultural distinction that needs investment in infrastructure, year after year core funding, operational money. If the savings, about which he talks, is to cut some sort of underbelly of spending, or some grey area, or some wasted money, then where does it go from there? Will we face more cuts in the upcoming budget out of a \$13.2 billion surplus?

My other colleagues talked about how they have negated the need for this debate to happen today. Now I am starting to question the validity or at the very least the sincerity of what the government says.

As I have said before, we take one step forward and now the government plans on taking two steps backward. Every region of the country has its own cultural identity, whether it is recognized or not. This one came from Bonavista—Gander—Grand Falls—Windsor. That also applies to Etobicoke—Lakeshore.

#### [Translation]

Mr. Jean-Yves Roy (Haute-Gaspésie—La Mitis—Matane—Matapédia, BQ): Mr. Speaker, I was looking at the amounts allocated under the museums assistance program. What the government has been saying for the last little while is totally wrong. They say that there were \$4.6 million in cuts and the programs were

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not working very well so they decided to recuperate the money by making these cuts.

But that is not where the problem is. The amounts allocated to museums were in the range of \$10,000, \$15,000, \$17,000 or \$35,000. The problem was not that the museums did not want the money or could not use it. It was rather that the program was poorly designed. There is a difference between a poorly designed program and a museum not being able to get a grant.

If a museum requests government assistance, the assistance must meet its needs. The program in question here is badly designed at the present time. This does not mean, though, that museums do not need the money.

In its great wisdom and desire to make cuts, the Conservative government has been saying that the program did not work very well and therefore museums did not need it. Talk about logic! That does not make sense. Since a government is doing something badly, they conclude that there is no need for it. If I go to a country where people do not eat beef and I offer them some, they will obviously not eat it. It is not in their culture to eat it.

I would like to ask my hon. colleague whether it is right to say that museums did not really need these funds.

**(1625)** 

[English]

**Mr. Scott Simms:** Au contraire, Mr. Speaker. My colleague touched on a very good point. There seems to be a synapse between the operations in a particular museum and what the federal government and the bureaucrats here put out. It is almost like we need more leverage.

We need to get to the people to provide them with the information they need by which to invest. My colleague brought up a very good point. As a result of the hours a volunteer puts into these programs, they become stretched to the point where the information about these programs does not get to them or they have not heard about them, or they do not realize they exist. The government should allow them the flexibility by which to make these programs work for themselves.

If unused money is out there, and the government takes it away simply because it is not used, is not to say the need is not there. I wholeheartedly agree with my colleague. It is not that the money is not needed. The fact is that it is somewhere between Ottawa and the people on the ground who are actually doing the work. As it floats there nobody seems to know how they can access it or how they could make it work for their own program. Therein lies the problem.

I will give an example of my hometown of Bishop's Falls, which is a railway town. If there is a program that is essentially tailored for it, there could be something available that the community is not aware of. It is incumbent upon it to come to us and tell us what its needs are and we can then provide it with the information it needs to make it work.

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Speaker, I want to thank the member for Bonavista—Gander—Grand Falls—Windsor and the member for Saint-Lambert for the information they are providing us today.

I was a volunteer member on the Workers Arts and Heritage Centre in Hamilton. I was really struck when I heard government members talking today about the fact that money was available, but people were not sophisticated enough to access it. It strikes me that it would be the government's responsibility to help people who are not sophisticated and need access to their government and government programs.

I was extremely disappointed to hear a government member today comparing Bill C-25, Bill C-26 and Bill C-27. These are very serious pieces of legislation. The member was saying this should be minimized debate. It sounds to me as though the government started searching for programs it wanted to cut and unfortunately it chose this one.

**Mr. Scott Simms:** Mr. Speaker, this may come as a shock to many people in this House, but I agree with my hon. colleague. I would go further and describe the museums assistance program as welcoming us to the days of the politics of abandonment. If groups are not utilizing this money, then I think the government takes this as being the code word for saving. The government feels safe enough to cut a program in the hopes it will not get as much negative feedback.

What the member talked about as a volunteer cuts right to the core of this issue, which is money. I am sure in his experience he knows what that means to him and to millions of others across this country.

• (1630)

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, I am pleased to rise to discuss this issue today. I think it is a very important issue and I thank my colleague from the Bloc for bringing this forward today.

When we are talking about a commitment that was made to museums, we have to place it in context of the political rollout that has happened with these cuts. We have not heard from the government that tough decisions had to be made, that this is difficult, and that it wants to work with those in the museum sector who have lost a major share of their funding.

What we heard is ridicule. I was there when the President of the Treasury Board made his announcement. He was emphatic. In fact, he seemed almost gleeful. He said he was going after programs that were wasteful, inefficient, and completely out of touch with average Canadians. That is what he said.

He did not say that some of these programs needed to be tweaked and could be better if we got stakeholder interest. He attacked these programs. The program he attacked in heritage was our museums program. The finance minister followed up with the same sort of gleeful contempt saying that he did not mind saying no to what he considered a bad idea.

I have a question for these minister. Are the museums that we have in Canada a bad idea? Are they wasteful? Are they inefficient?

We had a colleague from the Conservatives who just left who said that in choosing where to cut they went after programs that did not deliver value for money. He used the example that some \$240 million a year is spent on museums, so why are we trifling about 1% or 2% that is being taken out of the MAP?

That is a code word. That money is given to Ottawa and Toronto, to the three or four big museums. The government did not cut those. No, it cut every small museum in the country.

When the government says that these are not delivering value for money, it is sending a message to Gander, Newfoundland, to Moose Jaw, to Timmins and other small communities. That message is, "Buzz off. Your story is not part of our story. If we're going to fund something, it will be one, two or three of the large national centres. We will continue to put money in there, but for your museums you can continue to find ways to raise your own funding like bake sales".

I think this discussion is very important now. We have had this discussion over and over again about where we need to go with the museums policy. We have looked at the problems with the MAP. One of the things that is very clear is how do the voices of the small regions of Canada fit into some sort of national voice? How is it part of a national significance? That is one of the criteria for federal funding. The museum, the story and the history has to be part of a national significance.

I have always found, as a writer of history and the arts, that we are arbitrary in what we consider nationally significant stories and what stories we consider absolutely not worth funding. This is an important issue for museums.

Across Canada, since 1990, we have seen a 40% drop in attendance at museums. Museums are struggling to reinvent themselves because history is not objective. History is not something that exists out there. History is reinterpreted all the time. For a museum to keep pace with changing demographics and changing cultural attitudes, it must change its own presentations and programs of study which requires research. It requires a commitment between museums and educational institutions. It requires funding in order to rediscover histories that have been erased and deliberately forgotten. We know of stories all across Canada where our histories have been forgotten.

I am from the mining community of Timmins. As a little boy growing up I always felt that the story of the people who came to work, the multi-ethnic families who worked in the hard rock mines of northern Ontario and northern Quebec, were not represented in any national story.

We did not fit the sort of two dimensional tableau by which we tell our stories: the prairie print dresses in Saskatchewan; the happy bûcheron; the roller piano player in the Klondike; the story of families who came over from Yugoslavia, Finland, and my own family who came from the slums of Dundee, Scotland. These families were sent underground, entire multi-ethnic communities, with men who died at age 41 of silicosis.

#### (1635)

These stories were never part of a larger sense of history. I always had my own desire to find where this history was and who could tell the story. I spent many years doing oral histories, meeting people, and realizing that there is a much larger sense of history out there than the history that is often presented to us in schools. The museums recognize this and the need to be reinventing themselves.

When we talk about a museums policy, a lot of that work has been done. This work was laid out. The issues were brought forward. Last year I met with museums from across northern Ontario to talk about what we would need in terms of a museums policy that we could present to the government so we could get some action. What we are being told now by the government is that not only is it going to take the money, but it will give the vague promise of a new policy somewhere down the road. That is not good enough.

What we are seeing right across Canada is that museums are suffering now from years and years of underfunding in terms of their ability to maintain capital costs, collections and artifacts in carefully enclosed areas. The discussion that arose is that somehow this MAP was not delivering value for money. My colleague from Gander was saying that money was not spent and perhaps they did not know how to spend it.

What strikes me as amazing in this situation is that I have met with people from museum after museum who said they have tried to work with heritage officials. They tried to get a program that responded to the needs of museums across this country. What did we see? Since 1995-96, when the program was at \$11.8 million, there was spending of only \$8 million, \$7.9 million, \$8.3 million or \$7.2 million. Year after year the program was not being utilized.

I asked the minister in the House this question. Why was it not utilized and was this part of what the government said was wasteful, inefficient and out of touch? Was it that the museums somehow did not bother to apply for this funding?

The minister's assistant said there was an issue of sophistication. The word used was "sophistication", as if the museums all across Canada are just a bunch of country bumpkins that do not know how to fill out the forms properly. I would suggest that was not the case at all

Unfortunately, under the former Liberal government there was a program in place that did not meet the needs of museums across this country. Year after year museums were asking for help and did not get it. Year after year the Liberal government was throwing that money into the surplus.

Now we come to this so-called new government. Canadian museums across this country needed a champion. They needed a government that was willing to fight for them and say that the museums were right, that year after year this program was not meeting their needs and the government will make it meet their needs

However, no, they did not get a champion. What did they get? They got a pack of ideological buzzards who set upon them, feasted upon them and, not only that, crowed upon them when they were done. That is what we have seen here.

The government said it was taking the money back, money that the museums were never able to access. It said it was going to take the money back and give it to its buddies in tax cuts. That is an unacceptable situation. We needed a minister who was willing to sit down and make this program work. Unfortunately, she has been more like an absentee landlord.

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Why are our museums not able to access these funds? I will give an example. I was speaking with an arts organization the other day that had successfully applied for the cultural spaces program. It is six months into the year and it has not seen a penny. It is waiting. The government committed, but no money has flowed.

In fact, one of the bureaucrats from the Department of Canadian Heritage wished the person good luck in using the money as the museum would need a full time staff person just to administer the amount of money it was receiving. We are not talking about a very large amount of money.

The Ontario Métis and Aboriginal Association has not received any money this year from the funding commitments of the government. In fact, it has not received money from last year. It has been running on empty halfway through the fiscal year because of the Department of Canadian Heritage.

#### ● (1640)

I would say that culture is not the only "c" word that our government and our minister seems to have a problem with. I would say that contracts, commitments and capability might be other questions that need to be asked. When the minister was in opposition she heard the problems and she knew what the problems were. They were discussed, brought forth and she presented herself as a champion.

During the election, the Conservatives told our museums that they would support them by bringing forward increased funding. What we hear now is claptrap, another "c" word, claptrap from the government that the museums never bother to deliver good value for money. Why did the Conservatives not say that in the election? Why did they not have the guts to tell people?

Another fiction that is being thrust upon the House by the Conservative Party is that we will all be sitting around the heritage committee working with the government on a new museums policy. We do not need a new museums policy. Canadian museums do not need to hear the heritage committee talk for another year. They need some action. They need that money put into programs.

What we are seeing here are the 12 steps for doing nothing. The government has laid out a course of action in terms of our museums and our other arts programs, which is to do nothing.

I would like to read Sir Humphrey Appleby's twelve steps for doing nothing. Sir Appleby is on a well-known U.K. television show. He says, first, informal discussions; second, a draft proposal; third, preliminary study; fourth, a discussion document; fifth, an indepth study; sixth, a revised proposal; seventh, a policy statement; eighth, a strategy statement; ninth, a discussion of strategy; tenth, circulation of an implementation plan; eleventh, the revision of the implementation plan; and twelfth, cabinet agreement. However, guess what? In a minority government, we will not even bother getting to step 12, so here we are at step 1 again.

The Conservatives have taken millions out of the program and we are back at step one. The Museums Association is supposed to come into the House and kiss the ring of the absentee landlord ministry and say "Thank you, Madam Minister, for not only taking our money, but putting us back to the first step out of the 12 step program when we thought we were at step 12. What a wonderful situation". For me to be standing in the House and talking about it is an outrage.

I was told by one of our former members that we should be talking about important things in the House like terrorism rather than the fact that our cultural sector is going down the tubes.

It is incredible that we have put in place a minister who has basically sat back on issue after issue and done nothing. We are seeing major issues that are being brought before government right now that will forever change cultural policy in this country. The government is talking about its commitment to UNESCO, its commitment to cultural diversity and yet there is a complete undermining of our cultural industries, the people who create our notion of culture.

A series of issues are coming forward right now. The CRTC review of television will have profound implications. The government is over in Geneva right now pushing for the Telecom deregulations, Telecom, which is now our delivery system for our forms of culture. We need a mandate review of CBC and it is obviously not happening. The minister appears to have choked in Banff on her commitment to hold a mandate review.

In terms of the television sector, where so much of our culture is being delivered, serious decisions are being made right now and we have heard nothing from the government. We have heard lots from the industry minister. The industry minister has been on record. He is telling CRTC to let the market forces rule. If we talk about culture in the House we will hear members from the Conservative Party ask what business it is of Parliament to tell a private industry how to run its business.

Those private industries receive the right to the public airwaves. They do not have to compete. Those airwaves belong to the people of Canada and in belonging to the people of Canada, there are certain commitments and requirements that go along with it, which is the entire cornerstone of our cultural policy in this country. That policy is being undermined at this moment and we have no plan from the government other than to sit back, wait and watch it fall.

(1645)

This brings me back to my earlier metaphor which is that we need a champion in culture but instead we have a pack of ideological buzzards.

I want to go back to the issue of museum policy in this country. This government told people it would make—

The Acting Speaker (Mr. Andrew Scheer): I am not sure the term "a pack of ideological buzzards" is parliamentary. I hope the member for Timmins—James Bay was not referring to any member of this House in that metaphor. I caution him in his language in the future to get away from animal references.

**Mr. Charlie Angus:** Mr. Speaker, I made sure I did not call anyone in particular a buzzard. I was referring to the general term.

Would I call it a murder of crows or a flock but perhaps flock is not correct? I will not use that expression a second time, as long as I got it in the first two times I will be pleased.

I have been thrown off my discussion and I must get back to what we are talking about. We are talking about the fact that a government told an arts and cultural sector that it would be there for them. It told them that it would commit because it recognized that this was a sector that for years had been underfunded.

We are not talking about a sector that had received adequate funding. People understood that the museums across this country were having serious problems and that an infusion of cash was needed. Meanwhile, some of the cash was sitting there.

What the government could have easily done is it could have worked with the museum sector to ensure the money flowed. The government would not have needed to increase it because the money was there but it did not. It took the money back while it was sitting on a \$13 billion surplus and then turned around and told this House and the public that the museums were not delivering value for money and that they were wasteful and inefficient.

It is the insult to the injury that has to be opposed here most strenuously. We also need to clarify the misinformation that is coming from the government that it has only cut 1% out of the \$240 million. It has in fact cut 25% of the funding that goes to every regional museum across the country. In doing so, the government has undermined the ability of smaller regional museums to partake in a national conversation, to tour exhibits and to work together, a number of museums working together to create stories that are of national significance. Under the present government these stories will not matter. The government will put its money into two, three or four main urban museums and leave everyone on the sidelines. That is not acceptable.

What we need in this House is a commitment. We need to tell our cultural arts sector, not only that they are the ones who tell our stories and make of us a nation, but that they are also a serious industry. These museums are a serious player in the creation of jobs. If we go to any small town in Canada and ask people in the town about their tourism strategy, what do they point to? They point to their museum. Every small town knows that culture is what brings in tourists and tourists play a major role in the ability of our smaller communities to survive. Our regions understand the value of art and culture in terms of economic development but the government does not seem to have a clue.

The government does not seem to think that culture is anything other than some kind of soppy waste for the left wing socialists. I would argue that culture is an industry that needs a commitment and, if there ever was a time, we need it now.

In terms of the Canadian Television Fund, where is the government on its commitment to invest in the Canadian Television Fund? It is absent. Where is the government in terms of a mandate review on CBC? It is absent. Where is the government's review of its need to push art and culture internationally so we can sell our cultural voice and products abroad? It has been absent on every account. It has been missing in action.

I have to say that I am very sorry that the minister, who I had some great hope for as being someone who understood the issues of culture in this country, has instead turned into an absentee landlord on fundamental issues that are facing the cultural sector at this time.

**(1650)** 

[Translation]

**Mr. Maka Kotto (Saint-Lambert, BQ):** Mr. Speaker, I would like to start by congratulating my hon. colleague on the fine presentation he just made in defence of culture in the broad sense and museums in particular.

I would like to ask him a question, though, that is not directly related to what he said but rather to the reactions in the House of the parliamentary secretary to the Minister of Canadian Heritage and the minister herself: she asked me to name a single museum that had been negatively impacted by the deplorable decisions to make cuts to the museums assistance program.

The Canadian Museums Association and the Société des musées québécois have expressed their concern, their anguish and their frustration with these decisions.

I therefore want to ask my colleague the following question: when a government promotes misrepresentation by way of the minister—people might wonder why—what does that inspire?

[English]

Mr. Charlie Angus: Mr. Speaker, I was also astounded that the government's position would be to challenge us to point out a museum that had suffered or that had complained. I thought it was fairly clear from the consensus across the country that the museums associations were led to believe that the government was finally willing to address the years of chronic underfunding. The perception was based of course on campaign commitments made by the government.

However, what the museums have seen instead is that their funds are being cut. Not only are they being cut but now they find out that there was money there all the time that was not being utilized and they are being blamed because the government programs did not respond to the ability of museums to meet them.

On top of that, some museums have met the requirements. They have gone through all the hoops that the government can think of to keep them from getting money and they are still not seeing any money being added to their operating budget now six and seven months into this operating year. I find the position of the government to be incredible.

Ms. Catherine Bell (Vancouver Island North, NDP): Mr. Speaker, if the minister is looking for a number of museums that have been impacted by the cuts and by the lack of funding over the years, I have probably 11 municipalities in my riding on about six little islands and each has a museum that has been struggling for many years maintaining, collecting and storing artifacts in barns and garages. They were very hopeful that funding would be forthcoming.

Would my colleague agree with me that our rural rich heritage is in jeopardy of being lost if the funding is cut for rural museums?

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**Mr. Charlie Angus:** Mr. Speaker, the hon. member has raised something that really needs to be pointed out and hammered home in this discussion.

We are not talking about organizations that were receiving adequate funds for years and are now having to make due with less. Year after year the problems facing museums were identified. Some museums have mould on the walls, some have leaks and some have no proper storage facilities in certain areas.

I want to refer back to the issue of the lack of research dollars. Museum curators do not have the funds to get out into the field and to create new exhibits. Museums have identified this problem year after year.

What we now have is a major cultural deficit in the country. We are at the point where we need investment. We needed the federal government to say that it was impossible for little municipalities to handle it and that it was too much for a single province. The federal government needed to make a national commitment to look at a cultural framework. When I hear members of the Conservative Party say that they want to see other forms of government step up to the plate, I say, what an insult.

I have to watch myself before I get ruled out of order but who does the government think is putting the money into our small museums across the country? It is the municipalities. I have seen small municipalities with hardly any budget at all and they are the ones who keep these museums open. They are the ones who do what they can with volunteers.

What we have asked for is a federal government that is at the table but it is not at the table on this because not only did it decide to cut the funds but the funds that were sitting there that it knew could have been utilized better it thought it could just—

An hon. member: Swipe it.

**Mr. Charlie Angus:** Yes, swipe it, take the money away and then slap them on the head and call them inefficient for not having known how to get to the money that the government got to first.

An hon. member: Too dumb to get it.

**Mr. Charlie Angus:** Too dumb to get it. That has been the message of the government.

**(1655)** 

Mr. Jim Abbott (Parliamentary Secretary to the Minister of Canadian Heritage, CPC): Mr. Speaker, the sky has fallen. The NDP has declared that the sky has fallen on museums. What a bunch of, well, I guess we have some unparliamentary words that I cannot use

The reality is that the NDP, as the third, pardon me, the fourth party in this House, has no opportunity ever probably, in the history of this nation, to actually form government and show some responsibility for the taxpayers' dollars, so those members can go ahead and make whatever claims they want.

The fact is that the federal treasury is money that comes out of the pockets of individuals and corporations in Canada. We have to be responsible with the expenditure of that money, and I should point out that the amount of money still in the budget, \$9.4 million, in fact is \$2 million more than was spent last year.

I ask the member, if he were to think about his words for just half a second, in all good conscience, is the NDP not really saying that what we should do, because there is enough money in the federal treasury, is raid it indiscriminately?

What we are doing is saying that we are responsible to the people of Canada about the spending of their tax dollars.

**Mr. Charlie Angus:** Mr. Speaker, I find it highly enlightening that the parliamentary secretary for heritage is, first of all, accusing me of saying that I will never form government so how dare I speak about policy. But his party did form government, and what did it do? It turned around and took a campaign commitment that it made to museums to deal with the chronic underfunding and ripped up that agreement.

Then the Conservatives turn around and have the gall to stand in this House and say they are delivering value for taxpayers, the gall to hide behind the taxpayer as an excuse for the fact that they raided the museums fund. They did not raid the treasury. They knew that museums were underfunded and they took that money.

They also raided the treasury while they were at it because they took \$13 billion in surplus and are putting it specifically on the debt when they could have put money into reinvestment and education. They could have put money into infrastructure. They could have put money into literacy. They raided the illiterates of this country.

My God, that man there is supposed to represent culture in the House, and I have yet to hear him stand up and defend culture. We asked for a champion of culture and, as for what we got, I will not use the words "pack of ideological buzzards" because I could be ruled out of order. What we have is a bunch of yes-men to Bay Street.

[Translation]

Mr. Christian Ouellet (Brome—Missisquoi, BQ): Mr. Speaker, I would like to ask my hon. colleague if he has done the math to figure out how much the \$4.6 million cut amounts to per year per taxpayer. It amounts to precisely  $35\phi$  on the income tax account. That is right,  $35\phi$  per year per taxpayer. That is not per day or per week, but per year. This goes to show how ridiculous it is to claim to be making cuts on behalf of the taxpayers.

Does my hon. colleague not think that this is just a beginning, that similar cuts will be made to the CBC, movies, everything cultural, that this is just the tip of the iceberg, a trial balloon? I would like him to comment on that.

**•** (1700)

[English]

Mr. Charlie Angus: Mr. Speaker, I appreciate my colleague's math. We have the government telling us that it has to stand up for the taxpayers on this  $35\phi$ , as the member said. We had the other member from the heritage committee saying that we should be

arguing about terrorism rather than culture when, again, he is on the culture committee and these are fundamental cultural issues.

I do believe that this is round one of a series of major cuts, because we have yet to hear from the government serious commitments in terms of a cultural vision. In terms of Radio-Canada and CBC, Canada is already pretty much near the bottom, except for the United States, in terms of how much money we put into our public television and public radio. We are almost at the bottom.

We are almost at the bottom on key sectors in terms of arts development. There is no other country in the civilized western world that does not feel that having a strong domestic cultural voice in terms of its television, its magazines, its development and its outreach is a laudable and fundamental goal. Other western countries know, as the government does not, that it is not just the creation of an identity that holds people together, but these are also very important industrial sectors.

They are industrial sectors. It is not charity we are talking about. We are not robbing the poor taxpayer to give to these indolent, wasteful museums that are sitting on their rear ends when they should be working. These are industrial sectors that draw tourists, just like our other industrial cultural sectors, and we need a government that is willing to stand up and work with them instead of feed off them.

Mr. Jim Abbott (Parliamentary Secretary to the Minister of Canadian Heritage, CPC): Mr. Speaker, the reality is that what we are talking about here is an abysmal failure of the previous Liberal government. The reason why our small museums are in trouble is the Liberals' inaction, their absolute neglect. This neglect is something that has been endemic throughout just about every facility that we can think of, every facility, whether we are talking about museums or facilities that relate to other infrastructure.

Right now what we are talking about here is the possibility of being able to move forward with a new vision of museums. There is a question that really has to be asked here, which I put to my friend from the NDP. What is the vision forward?

In taking a look at funding, we can go to the deep pockets of the federal government because, after all, we have about \$200 billion or more in spending annually. We can go to the deep pockets of the federal government and we can pick those deep pockets as much as we possibly want, which is basically what my friend from the NDP is saying.

What basically happened with respect to the Liberals is that they did not have any kind of plan or any kind of foresight as to what should be happening with museums.

There is a fundamental question that has to be answered. What museum, at what place in Canada, should be getting federal funding, and for what purposes? There is, within museums, the entire issue of the facilities, the building of the facilities. There is the maintenance of the facilities. There is the issue of acquisition and storage of artifacts. There is the staffing issue.

What portion of museum costs should be borne by the federal taxpayer and why? This is the question that the minister is trying to arrive at. I am very proud to represent her and the government of this Prime Minister to the House in saying that we are forward looking in taking a look at museums to try to figure out what is going to be in the best interests not only of the museums and the artifacts, but indeed of our entire cultural heritage.

We are going to be hearing on Wednesday from the museums of rail travel. We had a presentation at our committee a week ago from the museum of rail travel in the Montreal area. We are going to have other people before us to explain to us how they see the federal government and the federal government's responsibility fitting into

Unlike the NDP, which does not take any responsibility for the spending of millions and millions of dollars, on the other side of the coin is the fact that the Liberals have not had a plan, a way of coming forward with the expenditures in any kind of a concrete way. That is very telling, which is where the problem comes in. There has been no articulation of the Liberal federal government's museum policy and the place of MAP and CMAP since the 1990 Canadian museums policy.

In the context in which the programs operate, it has evolved considerably over that period of time. This lack of vision is a real and serious problem. There is obviously a basis or a potential for overlap between jurisdictions.

Let me give an example in my own constituency. I have a wonderful group of people in the city of Revelstoke. Revelstoke, with a population of 8,500, is geographically isolated from the Okanagan. It is geographically isolated from the southern west Kootenays. It is geographically isolated from the east Kootenays. There are 8,500 people who work diligently in a very beautiful town and they are all pulling together.

Within that town, there is the museum of rail. In addition to the museum of rail, there is also a city museum for the city of Revelstoke. The museum has a building and the upstairs of this heritage building is used for public purposes. In addition to that, there has also been the creation of the B.C. Interior Forestry Museum.

### **•** (1705)

Which of these, if any, should be getting federal funding? There is no way of defining which of those museums should be getting the federal funding and why.

We have to determine very clearly, in addition to the ongoing museums assistance program, which has some good history to it, what other funding should be available.

There has been a patchwork, as I understand it, of various programs, either through infrastructure or student summer works programs, whereby those museums and others in my constituency, and indeed in the constituencies of all members of this House, have been able to access students to come and work on the artifacts, to actually work over the summer and advance particular cataloguing or archiving of materials and information.

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What portion of that is a make-work project, as the federal Liberals were wont to do over a long period of time? What portion of that is specifically aimed at the idea of assisting the museums? Again, we have to sort that out. Where does it all fit together?

Now, if there is funding available, who should actually be making the decision? I am just floating an idea here. It is my own idea. I have not had any reference to the minister or to my party. I am just wondering about this. Is there a place, for example, for some kind of an organization, an NGO, that would actually sit outside of the federal government and could take a look at where the funding should come from?

What about the financing itself? Why could we not do some work on the idea of making properties available when they are contributed? In the same way that we have gone forward with our removal of capital gains taxes for other contributions to arts and cultural organizations, why could we not get involved in real property? These are just my ideas. They are not the ideas of the government. I am just saying that there are ideas out there like that which really should be looked at.

We have to be creative, because while we recognize that the Canadian museums association program provides operating support to a single museum services organization, the Canadians Museums Association, the only national museum organization that can include all types of museums and institutions, the organization is important to the department for two reasons. Because the CMA is a means through which the department can communicate with the museum community and because the CMA delivers the bursary program on Parliament's behalf, it probably is as good a starting point as any, in my own personal opinion.

In taking a look at this, we can come to far more productive and far more creative ways of making sure that museums programs are going to be able to move forward.

The last speaker who was on his feet is representing a point of view, as I say, that because the federal government has very deep pockets, obviously we should be able to reach into those pockets. That, in my judgment, was the sole justification on his part, speaking on behalf of the NDP, for the fact that the federal treasury should come up with the money.

That is not good enough. It is not even remotely good enough, certainly not for this government.

Our government is out to make sure that there is proper value realized by all Canadian taxpayers, proper value that the money is put forward in the most responsible manner. For example, another idea that has been floated is the idea that we could get to a situation of establishing trust funds, establishing a large trust fund for museums so that we would be in a position, then, to be able to have some relative security of forward-going funding for individual museum properties.

What the Bloc member for Saint-Lambert brought forward in this motion is specifically about the museums assistance program. What I am saying is that my minister and my government want to get to the point of not being bound by the museums assistance program.

#### (1710)

We want to be creative. We want to take a look at ideas, whether they are my ideas or the ideas of the member for Etobicoke North, wherever the ideas come from. We need to pull the ideas together to see how we can do better.

The museums assistance program will retain an annual budget of \$9.6 million, which will continue to help museums across the country. The member from the Bloc, our Liberal friends and the NDP are basically saying that the sky has fallen and there are no funds left. Excuse me but \$9.6 million is not chump change. That is a fair amount of money, and as I indicated, it actually exceeds the amount of money that was distributed by former Liberal governments by about \$2 million a year. There were \$2 million a year more at \$9.6 million.

In addition to the museums assistance program, Canadian museums are able to access funds through Cultural Spaces Canada, which assists in the renovation of buildings to meet modern standards, a contribution on the government's part of an additional \$2.21 million a year.

Add to that the arts and heritage sustainability program which invests in improvements in the business practices of those managing the museums. Guess what? That is almost \$2 million. It is \$1.8 million a year.

As I indicated, the previous Liberal government failed to address some of the most basic needs of our museums. Our Conservative government, our new Government of Canada is committed to reviewing the museums policy to ensure that it reflects the real needs of Canadian museums in the 21st century. We are not going to be bound by the museums assistance program.

In a previous intervention I asked the Conservative member from the committee what he thought of the fact that my friend from the Bloc had brought this motion before the House at this time when we should be discussing how to make our streets safer. The member knows full well that the Minister of Canadian Heritage is committed to going ahead with a new museums policy. He heard it from my lips. He heard it from her lips. He has heard it from the Prime Minister. What else does he need? Why are we taking the time of the House on this issue at this time?

Did I say that this issue was not important? Of course it is important, but it is a done deal. It is already taken care of. The minister, this government, the Prime Minister have it under control. We are moving forward. Why are we taking the time of the House at this time to talk about the museums assistance program when it is a done deal and we should be discussing how to make our streets safer?

We want a policy on museums that will recognize there are different types of museums. For example, it makes sense that the Canadian Museum of Civilization, the Canadian Museum of Nature and the Canada Science and Technology Museum have national sites in Ottawa. In addition, there are the National Art Gallery, the National Arts Centre, and Library and Archives Canada. All of them require a tremendous amount of money.

As a matter of fact, the amount of money the government is spending on them is well over a quarter of a billion dollars a year. It is not a question of money; it is a question of using the resources of the people of Canada in the most responsible manner. What we are talking about here though is not the national museums and the national collections. We are talking about the 2,500 museums across Canada. Again I ask the most fundamental question, what is the responsibility of the federal government to the small museums spread out across Canada?

Come back to Revelstoke with me for half a second with the three museums that I outlined. What is the responsibility of the federal government to the rail museum in Revelstoke? Is that federal responsibility any different from the responsibility the federal government may or may not have to the museum in downtown Revelstoke? Or, because some people got together in good faith and came up with the B.C. museum of forestry in Revelstoke, is there a responsibility on the part of the people in Chicoutimi to pay for the B.C. museum of forestry in Revelstoke? Is there some responsibility on the part of the people in Victoria or Victoriaville to pay for the museum in downtown Revelstoke? If so, why? What is the rationale? What is the raison d'être?

#### **●** (1715)

If the raison d'être is that the pockets of the Canadian government are so deep because it has collected so much money from individuals and corporations, then that is a lousy reason. That is a terrible reason for reaching into those pockets.

Conversely, rail, for example, was the backbone of Canada. Canada exists because of the creation of the Canadian Pacific Railway. It continued to thrive with the takeover by Canadian National Railway of the bankrupt railways that were built following that. I believe that is a pretty good reason to look at the responsibility of Canadians at a national level to take some financial responsibility to reach into and extract some dollars from that deep pocket, to make sure rail museums are honoured and supported.

Does that mean when a community rolls in an old diesel locomotive or Rubber Boots, Saskatchewan rolls in an old caboose, those communities should end up with some kind of grant from the federal government? I do not know. That is the kind of thing we have to outline. If, and this is a big if, there is a national responsibility for the rails, then at what point and with what size of display and where should there be a national responsibility for the federal taxpayer to pay for those facilities?

In view of the neglect of the Liberals over their 13 years in government, I am anticipating there are not going to be any questions from my Liberal friends, because for them to ask questions would be to admit they should have done things differently. Although in fairness and under House rules, the Liberals can go ahead and ask whatever questions they want, but if I were a Liberal, I would be awfully red faced to be asking a question about a museums policy when they completely failed. Since 1990 there has been no revision of any museums policy.

As this motion and debate is about the museums assistance program, which in fact now has \$9.6 million in it, I suggest our time could be spent more profitably on behalf of the people of Canada. As the federal minister has made a commitment to go ahead with a new museums policy, there is no reason for this debate. Our time could be more profitably spent talking about how we are going to keep our streets safe, talking about how we are going to create interdictions and problems for drug traffickers, talking about how people who borrow money through payday loans will be properly protected. All of these things are forward looking. We have the developed policy and we simply want to get it through the House so that we can protect Canadians.

#### (1720)

[Translation]

Mr. Maka Kotto (Saint-Lambert, BQ): Mr. Speaker, as a preamble to my question, I want to draw to the attention of the members of this House that, based on what the member opposite said, we are going through a change in cultural paradigm in terms of governance. I thank him for the frankness and clarity of his statement. The information he provided gives us a better idea of the values he stands for, as compared to the ones we in Quebec stand for.

In Quebec, we have a Minister of Culture and Communications who, while not of the same stripe as us, is opposed to the decisions made by this government. The hon. parliamentary secretary asked why we are bringing this up today. Quite simply, I will say that, when a government makes bad decisions, there is no ideal time. An opportunity arose, and we seized the chance to put a motion forward.

Tomorrow, if the debate on security issues continues, we will gladly participate in it. Our intention in bringing forth this matter for debate was not to hamper security concerns. After hearing what this government's plans are for culture, we need to see. Like doubting Thomas, we believe in what we can see. And we can see that \$4.6 million was cut.

Why did the government make such cuts when the national defence budget is \$14 billion and yet it has not been touched at all in any way?

[English]

**Mr. Jim Abbott:** Mr. Speaker, the amount that was cut, as the member put it, as my colleague from Peace River has pointed out, traditionally had not been distributed in any event.

The amount that the federal Liberals had been producing for the museums assistance program was in the range of under \$8 million. We are now talking about a federal budget under the Conservative government of \$9.6 million.

In addition to that, let us take a look at where this government is coming from in terms of values, in terms of a cultural paradigm shift. I agree with him completely. Our cultural paradigm shift is that we are prepared to spend \$245.3 million on museums of all descriptions, a quarter of a billion dollars on museums of all descriptions, but when it comes to spending of every single solitary thin dime, this government is going to make sure that we are receiving absolute value. At \$9.6 million for the museums assistance program, we believe we are going to be able to responsibly distribute that under the rules of the museums assistance program.

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In addition, we should be aware that the Victoria Memorial Museum building, the Canadian Museum of Nature, has had an improvement of \$48.3 million. Funding for one year of operating expenses at the new storage hangar at the Canadian Aviation Museum was \$1.5 million. Interim storage facilities for Library and Archives Canada was \$7.6 million.

We are going to continue to spend money wisely. We are going to continue to spend money well. We are going to continue to spend money responsibly, but only when we have a thorough program, rather than the kind of willy-nilly throwing around of the taxpayers' dollars that Canadians had been used to over the last 13 years.

**●** (1725)

**Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.):** Mr. Speaker, I think I will take the parliamentary secretary up on his dare to ask a question. He dared any Liberal member to stand up and ask him a question. I have two questions in fact.

In his speech, the parliamentary secretary mentioned that perhaps the funding envelope for museums should be given over to a non-profit organization or a trust. I am wondering what the government seems to have against the public servants of this country, those men and women who are experts in different fields. It is as if the government does not trust them to disburse funds, in this case to museums.

The government seems to be looking for ways to disengage public servants, to dismantle the government. That was my first question but I will leave it at that for now.

**Mr. Jim Abbott:** Mr. Speaker, as the member for Lac-Saint-Louis is aware, I have a very high regard for him and for his contribution on the standing committee.

We do not have anything against civil servants. As a matter of fact, without civil servants, Canada would not be the nation that it is. The bureaucrats bring with them a collective wisdom and collective knowledge of being able to move forward and receive direction at the political level and to do the fine tuning required. The Public Service of Canada is valuable and represents the backbone of our nation continuing to move forward as a government. I think very highly of public servants.

What we are talking about here is the potential for more money being available. Again, I caution the member that I was speaking as an individual, as Jim Abbott, when I was saying that I think there is room for an independent board. I recognize that I have the title of parliamentary secretary but I was not speaking on behalf of the government. I was blue skying as an individual.

In my blue sky I was looking at the possibility where resources and assets could come from an estate on the death of an individual, or as a legacy from people who have an excess of money and want to provide some funding which could possibly be used on an ongoing basis. The best way to handle that would be through an independent board, notwithstanding the fact that I continue to have a high regard for the civil servants.

**The Deputy Speaker:** Order, please. Before I recognize the member for Trinity—Spadina for a final question, I know there is a rule against referring to others by their names, but I am not sure whether there is a rule about referring to yourself by your proper name, not having ever heard anybody do that before. We will have to look into that and get back to the House.

The hon. member for Trinity—Spadina.

Ms. Olivia Chow (Trinity—Spadina, NDP): Mr. Speaker, I will not refer to my own name. Museums allow us to understand our past and to redefine our future. Canada is a relatively young country and we absolutely need to understand our past, and that is the role of museums.

We need to engage our young people to understand the past. Many of the immigrants who come into the country need to understand what has defined us in the past and how we could, together, reshape our future

For example, the Art Gallery of Ontario is in my riding of Trinity—Spadina, and I have been on the board for many years. We have other small museums and big ones like the Royal Ontario Museum. We understand that museums are vital to our heritage and understanding of ourselves. They are vital to Toronto, to Canada, to education, to a civilized society, to our culture, to our different ethnic communities, to understanding multiculturalism and the arts and to a civilized life.

Therefore, I do not quite understand what possible justification could there be to savaging our own heritage and then trashing the past by slashing funding for such vital institutions like museums.

**•** (1730)

**Mr. Jim Abbott:** Mr.Speaker, I categorically reject the characterization of savaging the funding. We have already discussed the fact that we will be distributing more money this year than historically, over the last better than a decade, has been distributed: \$2 million a year more under the museums assistance program.

Further, perhaps the member was not in the House when I pointed out the fact that Canada's new government has invested \$245.3 million on museums because it believes that it has an important role to play in preserving Canadian heritage, making it available to Canadians. She has pointed out that the Royal Ontario Museum and other museums in her riding are important to Toronto, Ontario and Canada.

What part of the funding of that museum, which comes out of the public purse, should come out of the Canadian Treasury? Until we answer that question, it is just a case of continuing to throw money at a situation that requires money, not realizing whether it should be coming out of the pockets of Toronto taxpayers, or the pockets of Ontario taxpayers or the pockets of Canadian taxpayer pockets. I just realized, however, that is the same person.

[Translation]

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): Mr. Speaker, it is a pleasure for me to address this House on a question as important as our identity as Canadians.

I would first like to congratulate the member for Saint-Lambert for introducing this motion at the Standing Committee on Canadian

Heritage, for getting it passed and then for ensuring that its report was tabled in this House.

We have different views when it comes to Quebec's position in Canada, and its future. My dear colleague cannot be right about everything. But he is right when he talks about the importance of culture for society as we define it, and for individuals, for the hearts and minds of man.

As my colleague said, the government seems, at worst, to have completely abandoned culture, and at best to have forgotten how important it is. For example, we are talking today about budget cuts to the museums assistance program, but also about cuts in other areas and in other components of culture that affect the arts and culture in Canada

The government does not seem to be achieving specific objectives for assisting cultural industries, for example the film industry. The Quebec film industry is not particularly happy with what the government has done. The magazine industry in Canada is teetering on the brink and is not far from a crisis of its own. The government does not seem to want to do anything about this.

**•** (1735)

[English]

I can understand how the government might not be keen on supporting cultural endeavours of a more vibrant and dynamic nature, like film or music, the types of cultural expression that challenge orthodoxies, like neo-conservative orthodoxies or even separatist orthodoxies, but we are talking about museums. We are not always talking about the most current or cutting edge forms of cultural expression. I have trouble understanding why the government is pulling back its support for museums.

We hear often from educators and historians how we do not put enough effort on the teaching of history, that our young people are not as aware of the history of our country and of the country's regions as we would like them to be. Museums are an excellent vehicle for sensitizing not only young Canadians but all Canadians to our past.

There is a lot of talk these days about the Internet and how there are new ways to deliver information. In fact, the federal heritage information network makes pictures of artifacts in museums across Canada available through the Internet, and that is wonderful. That is keeping up with the evolution of technology, but there is nothing like actually seeing an artifact in a museum, to come into contact with a physical object, a material object. There is something evocative about that.

If I am not mistaken, Marcel Proust, the great French writer, alluded to the power of material objects when he coined the term madeleine object. For him a madeleine object was an artifact or material object that could allow one to live in the past and in the present simultaneously. That is what museums do. They give us the perspective that other forms of transmission of culture do not.

A lot has been said by some of my colleagues on the other side, and in fact by the minister herself, when she came to committee last week. They have said that no small or regional museums has been hard done by in Canada as a result of the cuts to the MAP. The minister, and again the parliamentary secretary today and other members of the Conservative caucus, challenged others in the opposition to come up with clear cut examples of museums that would be hurt by these cuts.

There were a couple of examples In the *Globe and Mail* of a few weeks ago. One was the Duck Lake Regional Interpretive Centre in Batoche, Saskatchewan. Its director was interviewed by a journalist from the *Globe and Mail*. She said that the centre's building needed \$80 million worth of repairs, that it relied on MAP for research and conservation and so on. She then went on to say that the cuts would indeed hurt her museum.

If small town museums like hers cannot preserve their collections through assistance from the federal government, they will have to sell their collections. This is happening in other areas. We have heard of museums having to sell their collections in the past. My hon. colleague from Bonavista—Gander—Grand Falls—Windsor mentioned the Exporail Museum in Saint-Constant, Quebec, with which I am familiar. It is crying out for money. It is a small museum, but I think it should be considered a national museum and that it should receive funding from other sources than the MAP.

#### (1740)

However, museum officials have told me directly that some of their artifacts, their railway cars that they keep or other railway cars that they would like to get their hands on, are snapped up by wealthy individuals south of the border who think it would be nice to have an old-fashioned railway car to ride around in the continent. If we do not act decisively and we put off decisions in terms of supporting our museums, their artifacts will be snapped up and we as Canadians will be the poorer as a result.

There are some concrete examples of museums that are going to be hurt by the cuts to the MAP. As a matter of fact, a *Globe and Mail* article was recently published on this subject. It referred to the cut that was announced by the Conservative government a few weeks ago. It stated:

Yesterday's cut has put a big question mark beside a plan by the Diefenbaker Canada Centre in Saskatoon to mount an exhibition marking the 50th anniversary next year of John Diefenbaker's election as a Progressive Conservative prime minister. Acting director Teresa Carlson said the cut "is definitely going to curtail our abilities".

Imagine that. I do not know if the new Conservative government was aware that its cuts would impact on the ability to showcase the contribution of a former Progressive Conservative prime minister to our country's history.

It is very important that we restore the funding cuts to the MAP, but my colleague's motion also alludes to the necessity of establishing a new museums policy in Canada. We can do things in parallel. We can restore MAP funding and we can pursue a new museums policy.

In terms of a new museums policy, I would like to take this opportunity to go back to my earlier reference to a museum in Saint-Constant called Exporail, which is really Canada's premier national

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railway museum. I had the opportunity to visit Exporail this summer. I was just overwhelmed and extremely impressed by what is in that museum

As a matter of fact, I had the opportunity to visit the inside of the railcar which belonged to Sir William Van Horne and the railcar that is showcased in the photos we see of the workers knocking in the last spike. I have seen this photo on the Internet and of course I find it interesting, but to actually see the car, and even better to be allowed inside the car, was something that has fired my imagination and made me think about the origins of this country.

A museum like that, as part of a new museums policy, should be considered a national museum and treated in the same way that we treat the National Art Gallery or the Museum of Civilization or the National Museum of Science & Technology. Even though it is not physically located in Ottawa, it should be part of that network of national museums.

I hope the new museums policy that the government is working on will take account of the fact that the Exporail museum is one of the top five rail museums in the world, which is really quite extraordinary to have here in our own backyard. This museum needs some funding. It needs to be considered as a national museum and given the support that other national museums receive.

We have great museums in the Ottawa region. We have the National Art Gallery and the Museum of Civilization. These, in many cases, were Liberal government initiatives, the initiatives of a government that thought big about Canada, that did not try to make Canada smaller than it really is, and that had a vision for Canada. Where would we be today if Liberal governments had not put forward the ideas and proposals for building these majestic temples of art and civilization in our great capital?

On that note, I would like to ask that the government start to think big, put the politics and the government of gimmicks and clever political tactics aside and think big about this country. Let us begin by funding the repositories of our past which will fire our future dreams, namely the museums.

# **●** (1745)

[Translation]

**Mr. Robert Carrier (Alfred-Pellan, BQ):** Mr. Speaker, I thank my colleague from Lac-Saint-Louis for his presentation. I appreciate his recognition of the Quebec fact in the work of the standing committee.

However, he said earlier that he did not share the opinions of his colleague from Saint-Lambert concerning Quebec culture. I would like to remind him that his party very recently recognized that Quebec was a nation. Culture is precisely the vehicle by which a nation expresses itself. Quebec already has a strong voice, thanks to its writers, the television programming that it produces in abundance, its films and its cinema, which are not discussed in Canada as a whole. It is precisely that expression of the nation that we in Quebec comprise that means that we must be recognized as such within Canada as a whole.

Would he like to revisit his position on the fact that he does not share the opinions of his colleague from Saint-Lambert, a member from Quebec, given that the member for Lac-Saint-Louis is also a member from Quebec, where the nation of Quebec is recognized as such?

**Mr. Francis Scarpaleggia:** Mr. Speaker, I would like to thank the hon. member for Alfred-Pellan for his question. However, I must correct some of his remarks.

He said that I did not share the opinion of my hon. colleague for Saint-Lambert regarding Quebec culture. That is not true. That is not at all what I said. Furthermore, in my speech, I drew inspiration from a few examples of Quebec culture.

I mentioned, for example, the Quebec film industry, which is an extraordinary, remarkable industry that has grown within the framework of Canadian federalism. I also mentioned the Exporail museum in Saint-Constant, on the south shore of Montreal, in a riding that is not currently represented by a federalist member.

I am extremely attached to Quebec culture. Quebec culture serves as a model and example, in many respects, for the rest of the country, even the rest of the world. Talking about culture is not the same as talking about political infrastructures, federalism and the relative weight of each province vis-à-vis the government. It is another matter altogether.

Quebec has served as an example in showing the world how a dynamic culture can grow within the framework of a federalism that is flexible and forward-thinking.

[English]

**Ms.** Catherine Bell (Vancouver Island North, NDP): Mr. Speaker, in rural British Columbia, where I come from, we have many museums which have been asking for funding for a number of years. They are feeling left out and are struggling to maintain their artifacts in order to build a sense of community.

I heard some hon. members mention that we need to keep our streets safe and we should be talking that. One way to do that is to have viable museums in our communities that children can attend and learn about their heritage, build that sense of community, and learn who they are in the world. That is a small thing that we can do.

The parliamentary secretary mentioned that \$245 million is going into museums. That is about \$9,800 per museum if we divide that by 2,500 museums across this country, which is really not very much to maintain those small struggling museums and to build infrastructures to maintain their buildings.

Does the hon. member believe that our tax dollars, that we pay to take care of one another, and to look after our communities and our families is wasted? Is it a waste of money to invest in our museums and our heritage?

**●** (1750)

**Mr. Francis Scarpaleggia:** Mr. Speaker, as a matter of fact, I had thought of the member's point. Namely, museums are a place for people to gather. They attract youth and in some ways make our streets safer by giving our young people constructive and educational pursuits.

I would like to pick up on the theme of community in the hon. member's question. I think this is very important. It is something that is lacking more and more in public policy in Canada, the importance of building communities. I lament this fact.

I think community building is not all about government spending and using taxpayer money to fund projects left, right and centre. That does not exclude the fact that there are some important expenditures that governments at all levels can make that will benefit the community and reinforce the social fabric.

I agree with the hon. member that money is not wasted on small, local and regional museums if it is well spent on good projects. I am going back to the point I made when I asked the parliamentary secretary what he thought of the abilities of public servants who are responsible for disbursing government funds to museums. I go back to that point. We have excellent people in the Department of Canadian Heritage who know the difference between a good museums project and maybe one that should be rethought or redeveloped.

I put my faith in these people. I think they can make good spending decisions and put the money in the right place in such a way as to build up our community infrastructure from coast to coast to coast.

Mrs. Lynne Yelich (Parliamentary Secretary to the Minister of Human Resources and Social Development, CPC): Mr. Speaker, I want to pick up on a point that the member made about no vision. This report entitled "Summative Evaluation of the Museums Assistance Program and Canadian Museums Association Program" is from the Government of Canada and it says:

There has been no articulation of the federal government's museum policy and the place of MAP and CMAP within it since the 1990 Canadian Museum Policy, and the context in which the programs operate has evolved considerably... Two new programs for cultural and heritage institutions, the Canadian Arts and Heritage Sustainability Program (CAHSP) and Cultural Spaces Canada (CSC), each with a considerably larger budget than MAP's, have been introduced by the Department in the last five years, and there is some potential for overlap.

I want to ask the member a question. This program was under the former Liberal government, the party that he represents today. He went on to say that this government had no vision and it had no focus.

How can the member say that when in fact the focus and the vision was made in this decision? The museums programs were acting on recommendations, first of all, and then they were finding savings and allowing for small museums.

I must agree with many of the comments made this afternoon. These museums are very precious to our small communities. With this new focused spending, more vision and less overlap, and with these savings, we will find that museums, such as the ones in my constituency, and I have many small museums, will be not overlooked any longer.

I also want to remind the member that many of the larger museums across the nation were being allowed to crumble under the previous government. How can the member say that this government has no vision, when in fact this is what this is all about? It is about vision and less duplication, and more about focused spending on our museums, heritage and culture.

**Mr. Francis Scarpaleggia:** Mr. Speaker, let me take a case in point of a proposal from the previous government that appears to be doomed, much to the chagrin of the editorial board of the *Globe and Mail* as a matter of fact.

I am talking about the portrait museum. We put forth a vision for a portrait gallery in this country. It does not seem to be going anywhere under this government.

The hon. member also mentioned the cultural spaces program. That was a very visionary program and concept put forward by the previous Liberal government. I agree that things were not maybe as they should be, that the museums policy required a revamping or a rejigging or whatever it is called. That is why the heritage committee developed some recommendations for a new museums policy in the last Parliament.

I think we have demonstrated a vision. We hope that things will go forward and that we will continue with some of the ideas that the previous government and the previous committee put forth.

• (1755)

[Translation]

Mr. Luc Malo (Verchères—Les Patriotes, BQ): Mr. Speaker, I am pleased to rise today in this House as a member of the Standing Committee on Canadian Heritage who voted in favour of this seventh report. I am also pleased to support today the motion of my colleague, the hon. member for Saint-Lambert. Long before the latter became a member of Parliament, defending Quebec's culture was very important to him. He was a strong voice for this culture; he was an actor and a man who always put the defence our culture at the heart of his actions. Again today in this House, by tabling this motion, he is proving to what extent defending Quebec's culture is at the heart of his political life.

I will read this motion because I find it highly important:

That, pursuant to Standing Order 108(2), the Standing Committee on Canadian Heritage recommend that the government maintain the Museums Assistance Program (MAP) at the same level as in fiscal year 2005-2006, that a new museum policy be established.

Before getting to the crux of this issue, allow me to explain what happened to us, the members of the Standing Committee on Canadian Heritage, when these cuts were announced. We were in a regular committee session at the time and we asked the chair of the committee if he was aware of what the minister was in the process of announcing, whether he knew these cuts would be made to the museums assistance program. Although he thought it odd that this could be true, the chair of the Standing Committee on Canadian Heritage was not aware of these cuts.

This shows that there was no respect for the meeting, the members of the committee or the chair.

Respect should be the foundation of any political action: respect for the point of view of our adversaries, respect for our electors and in this case respect for those involved, the people who are the heart and soul of the culture of our nation. In my opinion, these cuts

#### Routine Proceedings

should not have been made, especially not without the knowledge of the people who, day after day, defend in this chamber the expression of culture and the fact that this culture cannot be properly expressed if funding is not available to do so.

Every year, thanks to the museums assistance program, dozens of museums in Quebec are able to expand their services and update their catalogues and programming. In every community, riding, and region there flourish museums that house treasures to be shared and that are run by individuals, extraordinary volunteers who give of their time and money to promote our culture and our history.

**●** (1800)

That is what the museums assistance program does. It makes it possible to update the exhibits and make relevant the collective treasures that we own and that we seek to enhance in each of our communities. Without the dynamic efforts of these volunteers, boards of directors, employees, without all this money, without all the effective means of promoting and running these museums, it would not be possible to share our treasures. By updating exhibits of our collective treasures we make it possible for others to enjoy them, we make them accessible to our own citizens and also to tourists—domestic or foreign—who may visit our regions. With a history as rich as ours, it is important to be able to take pride in it and to put it on display for the world.

When these cuts were announced, this government also announced surpluses of \$13 billion. What signal did this send to those who reflect who we are and promote our heritage? What signal did the Parliamentary Secretary to the Minister of Canadian Heritage and Status of Women send today to these people, who are fighting every day to protect and preserve our heritage, when he said in this House that this is neither the place nor the time to stress the importance of the museums assistance program or the importance of protecting and promoting our culture?

Hon, members know that my colleague, the member for Saint-Lambert, is a man of great wisdom and he has shown it on numerous occasions in this House. This wisdom is reflected in his motion. Indeed, the hon, member for Saint-Lambert is not asking that we never revisit the MAP. He is simply saying that funding should be maintained at the same level, until a new museum policy is established.

Personally, as a member of the Standing Committee on Canadian Heritage, I feel that this new museum policy could soon be ready. Indeed, in the last Parliament, a large number of stakeholders came before the committee to present submissions. The committee worked extensively on a new policy. Documents were submitted to the department and to the minister. Stakeholders from the museum sector even came to see us earlier this year to tell us that things had not really changed and that what they had said when the previous government was in office was just as valid now.

Therefore, as far as I am concerned, the new museum policy could be tabled tomorrow morning, because the only change that may have happened is the deterioration of artifacts. It goes without saying that the more we wait before giving these people the means to preserve our collective heritage, the more it can deteriorate. This is precisely what officials from Saint-Constant's Exporail recently came to tell the Committee on Canadian Heritage. They told us that, without funding, some major artifacts of great value to the community could be lost in the very near future.

The situation is urgent and this government must not try to debate endlessly the implementation of a new museum policy.

**(1805)** 

Time is running out: the government must act fast and take the necessary steps to establish a new, modern policy to meet the needs expressed by the people at the heart of museum life in Quebec and Canada.

Mr. Speaker, earlier, my colleague from Trois-Rivières told us that her riding lacked funding for museums. The government must address this issue soon, because, as I said, we risk losing valuable artifacts.

The Conservative member for Peace River described earlier what the major Canadian museums are doing. This leaves us with the impression that the member opposite and the Conservative Party recognize the role that museums play.

But we have to do much more than just talk in this House about the stakeholders in the museum community, the museums and the role they play. We have to go further. As my colleague from Saint-Lambert said earlier, in the last election campaign, the Conservative Party said that it would boost funding for museums. It made a commitment.

However, in announcing cuts to MAP, the government seems to be sending an entirely different signal. This may be a dangerous signal for the future, and that is why my colleague from Saint-Lambert, other members of this House and I will be vigilant in the coming days and weeks, to make sure that Quebec culture and Canadian culture will be preserved and enhanced.

Earlier, the Minister for Sport asked the member for Bonavista—Gander—Grand Falls—Windsor whether he recognized that Quebeckers formed a nation.

Although the Liberal member did not really answer the question, I would like to remind the Minister for Sport that all Quebeckers know that they form a nation. That is why they recognize the importance of investing in culture.

A strong nation with an important, rich, centuries-old culture must provide the people who promote and enhance that culture with the means to preserve it and disseminate it to an ever-wider audience. An audience accustomed to multimedia and new technologies demands that museum facilities be technologically advanced and be able to endure, because history is ongoing.

● (1810)

**The Deputy Speaker:** Order, please. It is my duty to interrupt proceedings and put the question on the motion now before the House.

[English]

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 nays have it.

And more than five members having risen:

The Deputy Speaker: Call in the members.

And the bells having rung:

**Hon. Jay Hill:** Mr. Speaker, I think you would find acceptance to defer the vote until the completion of government orders tomorrow.

The Deputy Speaker: The motion is deferred until the completion of government orders tomorrow.

The House will now resume with the remaining business under routine proceedings.

\* \* \*

[Translation]

## PETITIONS

#### NATIONAL HOMELESSNESS INITIATIVE

**Mr. Christian Ouellet (Brome—Missisquoi, BQ):** Mr. Speaker, I would like to thank my colleague from Sherbrooke for the two petitions I am about to table. They urge the government to renew the national homelessness initiative, the SCPI and the RHF immediately, to make them permanent and to increase their funding.

The Chaudronnée's meal services and other support activities are essential and improve quality of life for the underprivileged. The first petition is from Chaudronnée de l'Estrie, which is a soup kitchen. One hundred and twenty-five people signed the petition.

The second petition, also from Sherbrooke, was signed by 200 people. It is from Accueil Poirier, a shelter for homeless men and women, and it says that the program is absolutely critical. It is their only source of funding to fight homelessness. Over a 30-month period, they sheltered 1684 people for a total of 8909 nights. They feel that this program should be renewed immediately.

[English]

## RIGHTS OF THE UNBORN

Mr. Leon Benoit (Vegreville—Wainwright, CPC): Mr. Speaker, in 2005, Olivia Talbot of Edmonton was shot and killed and her 27 week unborn child, Lane Jr., was also a target of that attack and was killed. No charges could be laid because there is no protection for an unborn child today under our law.

The petitioners call upon Parliament to enact legislation where the unborn child is recognized as a separate victim of an attack when he or she is injured or killed at the same time as the pregnant mother is

• (1815)

[Translation]

injured or killed.

#### REMPLACEMENT WORKERS

**Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ):** Mr. Speaker, I am very pleased to table in this House a petition with over 2,000 signatures in favour of Bill C-257 against replacement workers.

Quebec has had such legislation for 30 years for workers under Quebec's jurisdiction. Strikes and disputes do not last as long, they are less violent and the general mood is healthier when employees go back to work. Generally speaking, there is labour peace in Quebec. This is due in large part to the anti-scab legislation.

Some 2,000 workers from across Quebec have signed this petition.

I want thank in particular Monique Allard from the Canadian Union of Postal Workers for collecting most of the signatures.

[English]

#### CHILD CARE

**Ms. Olivia Chow (Trinity—Spadina, NDP):** Mr. Speaker, I have the pleasure to present a nine page petition on the question of child care.

The petitioners call upon Parliament to provide the provinces and territories with annual funding of at least \$1.2 billion to build a high quality, accessible, affordable and community based child care system and to ensure fair and effective income support programs for Canadian families.

They note in the petition that there is an absence of secure and stable funding and child care services are greatly in demand across Canada.

The petition was signed by citizens of Toronto and British Columbia.

# QUESTIONS ON THE ORDER PAPER

Mr. Ted Menzies (Parliamentary Secretary to the Minister of International Cooperation, CPC): Mr. Speaker, I ask that all questions be allowed to stand.

The Deputy Speaker: Is it agreed?

Some hon. members: Agreed.

Government Orders

## **GOVERNMENT ORDERS**

[English]

# PROCEEDS OF CRIME (MONEY LAUNDERING) AND TERRORIST FINANCING ACT

The House resumed consideration of the motion that Bill C-25, An Act to amend the Proceeds of Crime (Money Laundering) and Terrorist Financing Act and the Income Tax Act and to make a consequential amendment to another Act, be read the second time and referred to a committee.

Hon. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, I am pleased to speak to Bill C-25, a bill to deal with the Proceeds of Crime (Money Laundering) and Terrorist Financing Act and the Income Tax Act.

The bill builds on the work that our government did in 2001 when we introduced the legislation, which was passed by the House and the other place, and when the government set up FINTRAC, the financial transactions agency that serves as the financial intelligence unit for various reports that come in from financial intermediaries to track the suspicious transactions that might be laundering activities.

This bill proposes certain amendments to the act and basically builds on a number of themes. The financial action task force, which is the body that sets the standards in the fight against money laundering, came out a number of years ago with 40 recommendations with respect to standards in the fight against money laundering. Given the advent of 9/11 and other events, it added to its 40 recommendations on money laundering a further nine special recommendations on terrorist financing.

What these amendments do in part is they bring the legislation up to date with that but they do a number of other things, and I will be happy to speak to those as well.

Before I do that, perhaps I could talk briefly about the size and the scope of money laundering. People at home might be watching this debate and wondering what money laundering is. Money laundering has many definitions but the one I prefer is the one that says that money laundering is the processing of criminal proceeds in order to disguise their illegal origin.

If someone were a drug dealer or if someone were involved in planning a terrorist activity, the person would be disinclined to take the money he or she had received and put it into a bank account under his or her own name. Criminals try to launder the money through legitimate businesses. They reinvent themselves into some legitimate purpose and deposit the money and try to launder it in that way.

We do not want to have that type of activity in this country, nor is it something we want happening worldwide. It is an international problem of significant scope. In fact, KPMG, the consulting firm, estimates that money laundering is somewhere in the region of \$500 billion to \$1 trillion annually. I would suggest that is probably on the low side. I think it is probably more than that.

#### Government Orders

Who are the money launderers? We have basically four major categories. The first one relates to major drug crimes and we are talking primarily about drug related activities. The second category would be terrorist financing, which would be financing done before a terrorist event or after a terrorist event where money would either be accumulated to enact a terrorist event or it would be money that would be used to pay off various terrorists who had committed these offences. The third category is money laundering related to corruption. This is a very serious problem worldwide. The fourth category is money laundering related to tax evasion.

There are many ways and reasons to launder money, which is why our government brought in the anti-money laundering legislation in 2001 and that is why we set up FINTRAC, the Financial Transactions and Reports Analysis Centre of Canada. That organization began making disclosures in the year 2002.

It is quite appropriate for Parliament to review the act. In fact, a committee reviewed FINTRAC in 2005 to see what it was doing, what it was proposing to do, how successful it had been and what kind of changes it wanted to see. There was also a review recently in the other place on money laundering, and the Auditor General completed a report not too long ago.

#### (1820)

It is quite timely that the government has introduced the amendments. Generally, I would support the way it is proceeding, but if the bill passes the House and goes to committee, there are a number of issues the committee should examine in some more detail.

We are very privileged that the presidency of the Financial Action Task Force, which is the standard setter in the fight against money laundering, has been assumed by a Canadian, a very distinguished public servant from the Department of Finance, a gentleman by the name of Frank Swedlove. This gives us a unique opportunity to be engaged in the fight against money laundering.

What is FINTRAC? The Financial Transactions and Reports Analysis Centre of Canada is an arm's length agency. It is required to collect all the reported suspicious transactions by financial intermediaries. In 2001 the government defined suspicious transaction as predominantly a cash or near cash type of definition. Any transaction over \$10,000 is automatically deemed a suspicious transaction. Then many other types of transactions are covered by guidelines and some of the professional people look at these types of questions. A number of guidelines published by FINTRAC and the Department of Finance define transactions that might be suspicious even though they are below \$10,000.

In fact, in its recent report, FINTRAC reported that it had disclosed more than \$5 billion in suspicious deals to law enforcement and CSIS last year, which was twice what it had reported in previous years. We are seeing that the laundering of money is not diminishing. It is increasing and it is of particular concern now with the threat of terrorism before us.

I had the great honour, from 1999 to 2001, to serve as the parliamentary secretary to the then minister of finance, our colleague, the member for LaSalle—Émard. I was very proud that we were able to get the support of the House and the other place for the legislation and to establish FINTRAC.

I have also been quite involved with the Global Organization of Parliamentarians Against Corruption. This organization started in Parliament. People from around the world were invited and GOPAC was formed. GOPAC sees its mission as not only being the fight against corruption, but also the fight against money laundering. A large conference was held in Tanzania at which some 300 parliamentarians from 50 countries around the world attended.

I would like to indulge the House, if I may, with the resolutions that came out of the conference with respect to money laundering. I will not read them all. There are six of them. I will highlight some of the more critical ones.

First, it is to seek observer status within the Financial Action Task Force. The request has gone out to Mr. Swedlove to get observer status for the Global Organization of Parliamentarians Against Corruption.

Another resolution was to look at the benefits of an international convention against money laundering and also to encourage GOPAC members of the importance of the 40 + 9 recommendations published by the Financial Action Task Force.

Another resolution was that GOPAC begin a dialogue with the offshore and international banking communities to better understand what the communities were doing to fight money laundering in the financing of terrorism and also to develop protocols specifically on fighting the laundering and recovery of corrupt money and assets. That was done, particularly in the context of GOPAC, which is concerned mainly with the fight against corruption.

In bringing forward this legislation in 2000-01, it was quite a challenging balancing act, balancing the need for Canadians to deal with the blight of money laundering and the risks to which Canadians were exposed while at the same time balancing the privacy needs of Canadians.

#### **●** (1825)

There were questions around what kind of information FINTRAC should disclose to law enforcement and to CSIS and on what terms they should disclose it. There were many issues like that.

There was the question of how we define financial intermediaries. We had a lot of presentations by various interest groups, whether they were the lawyers, the accountants, the department stores or the churches. They said they wanted to be exempt because, after all, they were not laundering money.

The tack the government took was to say that it would not create any exceptions, because money launderers being what they are, the money launderers would go to the areas where there were gaps or where exceptions were made. The decision of the government was to set a very big net and basically capture everybody in the sense of reporting requirements, and then, over time, evaluate what could be released and what would not.

As part of this amendment to the bill before us today, there is something that is quite a concern. I am not sure that there are many answers other than what is proposed here, but I think it would be a good discussion within the committee.

## Government Orders

So that Canadians understand what is being done here, the lawyers in Canada were included in the reporting requirements of FINTRAC. In other words, any suspicious transactions had to be reported by the legal community to FINTRAC. The law societies of Canada, or whatever organization represents them in this case, took this to court. The court agreed with them that it would create a problem with respect to solicitor-client privilege.

So what these amendments do is take the lawyers out of that reporting requirement. There are ways that the Department of Finance is working to incorporate lawyers, but it is an area of great concern, because once the launderers realize that there are gaps, that is where they will go. We know that, and I will pick this up again—

**●** (1830)

**The Deputy Speaker:** Order, please. I have the feeling that members are disappointed that the House is about to adjourn, but the hon. member will have eight minutes left in his speech when we resume debate on the bill.

It being 6:30 p.m., this House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6:30 p.m.)

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