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OFFICIAL REPORT
(HANSARD)

Wednesday, May 12, 2010

—
Speaker: The Honourable Peter Milliken

CONTENTS

(Table of Contents appears at back of this issue.)

HOUSE OF COMMONS

Wednesday, May 12, 2010

The House met at 2 p.m.

Prayers

• (1400)

[English]

The Speaker: It being Wednesday, we will now have the singing of the national anthem, led by the hon. member for Sackville—Eastern Shore.

[Members sang the national anthem]

STATEMENTS BY MEMBERS

[English]

SNOWBIRDS

Mr. Ray Boughen (Palliser, CPC): Mr. Speaker, on Friday, May 7, the Canadian Snowbirds kicked off their 40th show season with yet another incredible acceptance show. Before they did, however, the Snowbirds made history by making Lieutenant Colonel Maryse Carmichael the first female commander of this great Canadian institution.

The Snowbirds could not have made a better choice than Lieutenant Colonel Carmichael. Having served our country in many Canadian cities in a number of roles, her return to Moose Jaw is a kind of homecoming.

In 1994, Lieutenant Colonel Carmichael received her wings at 15 Wing in Moose Jaw and she became an instructor. In 2000, she became the first female pilot to fly with the team. Now she returns to achieve yet another first.

I will take this opportunity to wish the Snowbirds the very best in this their 40th year and I ask my colleagues to help me congratulate Lieutenant Colonel Maryse Carmichael on becoming the Snowbirds' first ever female commander.

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[Translation]

CANADA HEALTH DAY

Hon. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, we celebrate Canada Health Day on May 12, which is also Florence

Nightingale's birthday. She was an inspiration and an example for health professionals around the world.

She defended good hygiene practices such as handwashing and improved sanitation in health care facilities.

[English]

She launched social and health care reforms in England and abroad. She performed statistically based research and used innovative pie charts to illustrate her data. Her life as a statistician identifying patterns and causes of infectious disease goes beyond her reputation as the compassionate lady with the lamp.

On this Canada Health Day, let us honour Florence's legacy by championing a sustainable health care system, promoting more health, less health care, good data, accountability for results and preventing the preventable.

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[Translation]

MAISON MICHEL-SARRAZIN

Mr. Pascal-Pierre Paillé (Louis-Hébert, BQ): Mr. Speaker, I would like to highlight the 25th anniversary of an institution that is known throughout Quebec, the Maison Michel-Sarrazin. Established as the first francophone palliative care hospice, the Maison Michel-Sarrazin is dedicated to improving the quality of life for those in the palliative and terminal stage of cancer. It also offers support to their loved ones.

Let us take a moment to consider the tremendous work of the directors, employees and volunteers at Maison Michel-Sarrazin. By offering help and support, they give strength to those who are touched by disease. The hospice offers care and support throughout a time of great difficulty.

My Bloc Québécois colleagues and I pay tribute to the work of all these hospices and nursing homes. Congratulations on their 25th anniversary, Maison Michel-Sarrazin.

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• (1405)

[English]

ASBESTOS

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, asbestos is the greatest industrial killer that the world has ever known. In fact, more Canadians die from asbestos than from all other industrial and occupational causes combined.

Statements by Members

Yet, Canada remains one of the largest producers and exporters of asbestos in the world. In fact, Canada not only produces a great deal of asbestos, we spend millions of dollars subsidizing the asbestos industry and sending teams of Department of Justice lawyers around the world trying to block other countries' efforts to curb its use.

Today, members of the building trade unions, CAW, the Canadian Labour Congress, Health and Welfare and occupational health professionals gathered on Parliament Hill to send a message to the Government of Canada that we should ban asbestos in all its forms and institute a just transition program for asbestos workers who may be affected, that we should end all government subsidies of asbestos, both in Canada and abroad, and that we should stop blocking international conventions designed to curb its use, such as the Rotterdam Convention.

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DIABETES

Mr. Greg Rickford (Kenora, CPC): Mr. Speaker, I have the pleasure to rise in the House today to celebrate the remarkable achievement of an impressive young lady who really does put the "great" in the great Kenora riding.

I met Sarah Macdonald last year at the Kenora home show where she was busy fundraising on behalf of the Juvenile Diabetes Research Foundation's Walk to a Cure.

Sarah has type 1 diabetes and must use her insulin pump every day. In a letter to me, she said, "it's hard to imagine my life without diabetes, but it would be so awesome not to worry about any long-term complications like kidney failure, blindness, heart attack and stroke".

That is why Sarah walks for the research foundation, and she has raised over \$30,000 in the past five years with Team Sarah Macdonald. Because of her long history of participation, many of the organizers know Sarah by name and will shout out, "Hey, there's Sarah from Kenora".

Today I encourage Canadians and all members of the House to be inspired by the tremendous dedication of Sarah from Kenora.

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NATIONAL NURSING WEEK

Mr. David McGuinty (Ottawa South, Lib.): Mr. Speaker, since 1910, the Community Nursing Registry of Ottawa has been providing nursing care in the community, as well as acute care and in long-term care facilities. I am honoured to acknowledge its ongoing outstanding contribution to our community as it celebrates its centennial year.

I would also like to recognize that this week is National Nursing Week, a wonderful opportunity to celebrate Canadian nurses for their outstanding patient-centred care and dedication to improving and advancing the health care system.

This year's theme: Nursing: You can't live without it, reflects the immense value of Canada's largest group of health care providers.

As the proud son of a registered nurse, I encourage all members to join me in thanking Canada's nurses for their knowledge, skills,

compassion and dedication and helping keep individuals, families and communities healthy and for caring for us when we are ill.

Whether they are nursing students, new graduates, mid-career nurses or celebrating more than 30 years of service, Canadians need them more than ever and we can never thank them enough.

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RAIL TRANSPORTATION

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Speaker, all aboard for rural Ontario.

Rail service is a vital transportation link that is an environmentally responsible means to assist in the maintenance and development of rural communities and is an economical way to ship and receive goods over long distances.

Opposition MPs from northern Ontario voted against the \$9.2 million for rail and passenger service to Algoma central and Ontario northland in the last federal budget. That sounds like the controversial long gun registry where opposition MPs say one thing in their riding and do something different when ordered by their Toronto-based leaders.

Our Conservative government supports rail. I thank all municipalities who passed resolutions supporting rail in eastern Ontario. I ask everyone to speak up for the environment and rural Ontario.

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[*Translation*]

COMMUNITY RESOURCE CENTRE

Mrs. Claude DeBellefeuille (Beauharnois—Salaberry, BQ): Mr. Speaker, today I am very proud to pay tribute to the Carrefour du partage community resource centre, which was named the community voluntary organization of the year on May 1 at the 31st Salaberry-de-Valleyfield Chamber of Commerce gala.

This honour is well deserved as Carrefour du partage is celebrating its 40th anniversary. It is a meeting place, a place to exchange ideas and to learn for low-income and socially isolated families. Created by nine religious communities in 1969, this organization has been run for a number of years by only one nun and many lay people who are just as passionate.

I congratulate all the pioneers, volunteers and community partners who, year after year, work to make the Carrefour du partage a reliable, indispensable and welcoming resource for the families of Salaberry-de-Valleyfield.

I would also like to point out the dedication of the workers as well as their professionalism in dealing with families. I tip my hat to the ladies. I hope that they are able to carry out their plan for new premises. Long live Carrefour du partage.

Statements by Members

●(1410)

[English]

SPINAL CORD INJURIES

Ms. Candice Hooppner (Portage—Lisgar, CPC): Mr. Speaker, today, I participated in the Canadian Paraplegic Association's Chair-Leaders event on Parliament Hill in recognition of Spinal Cord Injury Awareness Month.

Participating MPs have spent part or all of their day in a wheelchair facing some of the same challenges a person with a spinal cord injury faces every day.

My colleague and good friend, the Minister of State for Democratic Reform, who is co-hosting today's event, is a perfect example of a person who is faced with these obstacles. His tenacity, dedication and accomplishments are an inspiration to me and to all of us.

The CPA was founded in 1945 by veterans who arrived back in Canada after fighting in the second world war. For 65 years now, the CPA has provided support to Canadians with a spinal cord injury.

Let us all continue to work together to support and advocate for Canadians with disabilities so that they can fully participate in Canadian society.

* * *

SPINAL CORD INJURIES

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, this year marks the 65th anniversary of the Canadian Paraplegic Association.

The CPA has offered important, meaningful service and support to more than 100,000 Canadians who have adjusted to a new way of life.

I am honoured to co-host, for the third year running, CPA's Chair-Leaders Day, a day when many of my colleagues in both Houses will spend their day in a wheelchair to get a small glimpse into the lives of those who are physically disabled.

Today, three Canadians will suffer a spinal cord injury; that translates to about 1,200 new spinal cord injuries each year. Many of these new cases are the result of a car accident, sports injury or other unintended accidents.

I want to acknowledge the work of my friend, Ron Swan, who is the chair of the board of directors for the CPA of Nova Scotia. I am always inspired by his work and tireless effort to make persons with physical disabilities feel comfortable in their community.

Two years ago, I was the lone MP on the Hill in a wheelchair. Today, we have 20 parliamentarians taking part in this event. I consider it an honour to be part of this day and I commend the CPA on its fantastic work to allow persons with disabilities to be full and active participants in our country.

ELIMINATING PARDONS FOR SERIOUS CRIMES

Mrs. Tilly O'Neill-Gordon (Miramichi, CPC): Mr. Speaker, yesterday legislation was tabled in the House to ensure that sexual offenders against children do not receive pardons.

As the Minister of Public Safety said, "These changes are tough, yet they're fair. And they're in line with the expectations of Canadians".

This legislation is a step in the right direction. Canadians agree and victims' advocates agree.

It is too bad the opposition members are not listening. Here is what they had to say yesterday. The Liberals want to hear from the experts. The Bloc members are concerned about stigmatizing rapists. The NDP members say they oppose the principles behind the bill.

The opposition parties need to stop playing games and start listening to Canadians. We call on the opposition parties to side with victims and law-abiding Canadians, not criminals.

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HOMELESSNESS

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, homelessness plagues cities everywhere and Edmonton is no exception.

In 1999 a count in Edmonton revealed over 1,100 homeless. By 2008 that number swelled to over 3,000.

Val Stevens did not accept this. A local author, she won an award two years ago for a story on changing public perceptions of homeless people.

My Home Street Home follows a woman who suffers a string of unfortunate circumstances, leaving her homeless. It is based on the lives of less fortunate Edmontonians whom Ms. Stevens met on walks in the river valley, downtown and through my riding. Val Stevens showed the remarkable resilience of women facing tremendous challenges and gave them a voice.

Sadly, Val Stevens died suddenly a year ago. Her family has relaunched Val's book to continue her campaign. Proceeds from the sale of the book will be donated to the Mustard Seed Church and Hope Mission.

I encourage colleagues to support the campaign, read *Home My Street Home* and support Val Stevens' efforts to address homelessness in Canada.

* * *

●(1415)

[Translation]

JUSTICE

Mr. Daniel Petit (Charlesbourg—Haute-Saint-Charles, CPC): Mr. Speaker, the Bloc's votes in this House have made it clear that they do not care about victims' rights. Yesterday afternoon, the Bloc leader made his indifference towards victims of serious crime very clear.

Oral Questions

Speaking with reporters on May 11, the Bloc leader said that, “with sexual assault, for example, it can be very important, or much less so when committed by a young person.”

How can a party leader say such things and trivialize a crime as violent as sexual assault against women or children? How can the Bloc leader try to reason that a sex crime is less serious if the offender is young?

It is clear that the Bloc leader does not support Quebec women and children who have been the victims of sexual assault.

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NEW BOOK ON SOVEREIGNTY

Mr. Nicolas Dufour (Repentigny, BQ): Mr. Speaker, today I want to acknowledge the release of the book *Souveraineté: nouvelle génération* by the Forum jeunesse du Bloc québécois. Twenty years after the failure of the Meech Lake accord, young people throughout Quebec have expressed what sovereignty means to them. These young people between the ages of 16 and 30 represent the passion and creativity of my generation.

Once again, I am proud to recognize the maturity of the new generation of Quebec separatists, who defend Quebec's independence with talent and rigour. With this book, these young Quebecers are clearly showing that the next generation of separatists is alive and well.

It is often said that the culture of a people is expressed through its youth. The nation of Quebec can be proud of this group of young people who, through their words, are contributing to making Quebec a country.

On behalf of myself and all the hon. members from the Bloc Québécois, I want to express my heartfelt congratulations to those who contributed to the book *Souveraineté: nouvelle génération*, and I encourage them to continue their activism.

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ETHICS

Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.): Mr. Speaker, over a month ago now, the Prime Minister informed Canadians that he had tossed the status of women minister out of cabinet and the Conservative caucus.

He also asked the RCMP and the Ethics Commissioner to investigate. One month later, Canadians still do not know why.

A lot has happened since then, but we still do not know the nature of these allegations, deemed so serious that the Prime Minister needed to call in the RCMP on a sitting cabinet minister for the first time since the days of Brian Mulroney.

It was not enough that the minister violated security regulations in an airport or that members of her staff passed themselves off as members of the public and wrote letters in support of her, or that her husband was making deals and conducting personal business in her office. All this time, the Prime Minister kept telling us that she was doing very good work.

Then overnight, he called in the RCMP. These are questions that have to do with the integrity of the government. It is time to end the

culture of deceit. The question is simple: When will the government come clean with Canadians?

* * *

[English]

ELIMINATING PARDONS FOR SERIOUS CRIMES

Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC): Mr. Speaker, yesterday the eliminating pardons for serious crimes bill was introduced in the House. Already this important piece of legislation is receiving overwhelming support from Canadians and victims' advocates.

Sheldon Kennedy said that the whole process was “about finding a balance and being able to switch the roles of victims not being the ones that are punished. This has been put together, yes, quickly but with a lot of thought”.

This is what Theo Fleury had to say, “I think it's just important that we've taken a step that probably needed to happen a long time ago”.

Canadians want a justice system that puts the rights of victims and law-abiding citizens ahead of the rights of criminals. Our government is taking action, and we call on the opposition to support speedy passage of this urgently needed legislation at all stages.

ORAL QUESTIONS

[English]

OFFSHORE DRILLING

Hon. Geoff Regan (Halifax West, Lib.): Mr. Speaker, for days the government has hidden behind PMO talking points when asked to produce an environmental disaster plan for drilling in highly sensitive areas like the Beaufort Sea. In fact, last December it handed over responsibility for safety and environmental protection to the oil companies themselves.

Why is the government hiding the fact that it deliberately weakened our offshore drilling regulations?

Hon. Christian Paradis (Minister of Natural Resources, CPC): Mr. Speaker, nothing could be further from the truth. The health and safety of Canadians remains the Government of Canada's top priority.

There are currently no active authorizations for drilling of any kind in the Beaufort Sea. The National Energy Board has announced that it will conduct a comprehensive review of Arctic safety and the environmental requirements for offshore drilling. This new process will be open and transparent and will include opportunities for the public to get involved.

The National Energy Board has also cancelled its written hearing on the same-season relief well capability.

● (1420)

Hon. Geoff Regan (Halifax West, Lib.): More PMO talking points, Mr. Speaker.

Oral Questions

[Translation]

The Minister of the Environment claims to be outraged and horrified by what is happening in the Gulf of Mexico. Canadians, for their part, are outraged and horrified by this government's inability to come up with a plan to prevent such a disaster from happening off Canada's coastline. On Tuesday, the National Energy Board cancelled hearings about the requirement to drill a relief well in case of a spill in Arctic waters.

Why does the government not care about this?

[English]

Hon. Christian Paradis (Minister of Natural Resources, CPC): Mr. Speaker, how can that party be credible? The Liberal leader said the opposite of what is in that party's press release.

[Translation]

Just to be clear, we are talking about an independent body, the National Energy Board, that reviews all of the regulations that apply to oceans. In the Beaufort Sea, the general rules do not allow drilling permits to be issued. In addition, there will be an open and transparent process for the public. I want to make it clear that the board will hold any necessary hearings. Let us have no more of their foolish politicizing.

[English]

Hon. Geoff Regan (Halifax West, Lib.): Mr. Speaker, one thing is clear. The Conservative government has been grossly negligent in its lack of preparation in the event of an Arctic oil spill. It is even forging ahead with plans for oil exploration in Lancaster Sound mere months after taking steps to declare it a national marine conservation area.

Apparently the Conservatives have no idea that there is no technology to clean up an oil spill under the ice. They have no policy on relief well capacity either.

Why has the government been so negligent when it comes to protecting our offshore and our environment?

Hon. Jim Prentice (Minister of the Environment, CPC): Mr. Speaker, let me explain what is preposterous.

First, the facts are clear. There have been no licenses issued for drilling of deep wells in the Beaufort Sea. In contrast, the Liberals yesterday issued a press release calling for a moratorium. Then their leader went on national television and said, "Well, maybe a moratorium, but not necessarily".

Perhaps what we need is a moratorium on disorganization on the part of the Liberals.

Hon. Ujjal Dosanjh (Vancouver South, Lib.): Mr. Speaker, for us on the west coast the *Exxon Valdez* was a devastating experience. We now see an environmental catastrophe happening in the Gulf of Mexico.

That is why the 1972 moratorium on offshore drilling and a tanker ban on the west coast, imposed by Pierre Trudeau, are so important for the west coast of Canada.

Does the government support the 1972 Trudeau moratorium on offshore drilling and the tanker ban on the west coast, yes or no?

Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, let me be very direct with our friend from British Columbia. The government has no plans to reopen the 1988 exclusion zone that is in place for tankers travelling between Alaska and Washington state. Under this long-standing agreement, U.S. tanker ships are not allowed within 25 to 30 miles of the B.C. coast.

We support that. That is something that is tremendously important not just for people in British Columbia, but for all Canadians.

Hon. Ujjal Dosanjh (Vancouver South, Lib.): Mr. Speaker, the question I asked was about the 1972 moratorium. It is the 1972 moratorium. It was the *Exxon Valdez* and now it is the Gulf of Mexico.

Under the circumstances there is absolutely no guaranteeing safety on the west coast in terms of offshore drilling or tanker traffic. That is why the 1972 Trudeau moratorium is absolutely important for British Columbia and for Canada.

Do the Conservatives support the Trudeau moratorium of 1972 on offshore drilling and the 1972 tanker ban on the B.C. coast?

Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, we cannot be any clearer. Thanks to the leadership of a Conservative government, in 1988 there was an exclusion zone. That is tremendously important not just to people in British Columbia but to all Canadians, and this government has no plans to reopen this. That is important and those are the facts. The scaremongering of the member opposite will not change that.

* * *

● (1425)

[Translation]

FOREIGN AFFAIRS

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the Prime Minister is meeting today with the Secretary-General of the United Nations, Ban Ki-moon. We know that one of the objectives of the meeting is to lobby for a seat for Canada on the UN Security Council. But since it came to power, the Conservative government has been at odds with a number of UN positions.

How can the Prime Minister aspire to sit on the UN Security Council when he still has not signed the UN Declaration on the Rights of Indigenous Peoples?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, on the contrary, as the Secretary-General has recognized, Canada is one of the largest donors and contributors to UN activities on security, human rights, development, responsibility and accountability. Canada's role within the United Nations is very important to our sovereign country.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, last fall, the Prime Minister did not even deign to speak at the UN climate change summit, even though a number of world leaders did, including President Obama.

Oral Questions

How can the Prime Minister aspire to sit on the UN Security Council when he has not taken any real action on climate change and he has even questioned its existence?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, on the contrary, Canada is a strong supporter of the Copenhagen accord, which is the first agreement to include all the major emitters. I hope the Bloc Québécois and the other opposition parties will also support this very important international agreement.

* * *

INTERNATIONAL CO-OPERATION

Ms. Francine Lalonde (La Pointe-de-l'Île, BQ): Mr. Speaker, the Canadian government's campaign to join the UN Security Council is not doing that well over in Africa. Its failure to invest in that continent in terms of international aid—reduced from 14 to 7 priority countries—has been strongly criticized. Furthermore, its backward position on women's health has no credibility.

Does the government realize that its conservative policies at the international level are hampering its campaign for a seat on the Security Council?

[*English*]

Hon. Bev Oda (Minister of International Cooperation, CPC): Mr. Speaker, I want to get the facts on the table. In fact, under this government, we have met our commitment to Africa and doubled that commitment to \$2.1 billion a year. Forty-five per cent of CIDA's aid goes to Africa. Sixty-two per cent of our food aid goes to Africa. Fifty-five per cent of our agricultural support goes to Africa. Fifty-one per cent of our multilateral aid goes to Africa.

Because of Canada's G8 commitment to save the lives of mothers and children, the majority of that support will go to Africa.

[*Translation*]

Ms. Francine Lalonde (La Pointe-de-l'Île, BQ): Mr. Speaker, when he was in opposition, the Prime Minister blindly supported the United States' illegal and immoral war in Iraq, when the UN Security Council opposed such unilateral action. Clearly the Prime Minister does not believe in multilateralism.

How could he possibly think that Canada has any chance of joining the Security Council when he has so little respect for the multilateral decisions made by the UN?

[*English*]

Hon. Peter Kent (Minister of State of Foreign Affairs (Americas), CPC): Mr. Speaker, we will let it leave to the members of the United Nations to decide when the time comes to vote on the non-permanency to the Security Council in the fall.

* * *

NUCLEAR NON-PROLIFERATION

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, the Nuclear Non-Proliferation Treaty Review Conference is under way, but the Conservative government is in the process of selling nuclear technology to states that are not getting on board with nuclear non-proliferation. That has to have the UN Secretary-General very concerned.

Will the Prime Minister tell Ban Ki-moon that he can count on Canada to be fully engaged and fully a part of his plan to rid the world of nuclear weapons?

• (1430)

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I think the government has been clear in the past. This is a long-term result that all of us would like to see. There is a lot of work to be done to get there. We are concerned today with nuclear weapons that are proliferating in the hands of both some dangerous states potentially and non-state actors. Those are the challenges with which the government is seized.

[*Translation*]

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, Canada is lobbying for a seat on the UN Security Council. Our chances would be better if the government showed some leadership concerning major global issues, but Canada now ranks 57th in contributions to UN peacekeeping missions. That is shameful.

The UN has issued a direct appeal to Canada on several occasions, asking for help in the Congo, for instance.

Will the Prime Minister finally respond positively to this direct appeal?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, Canada is committed. Our Canadian Forces are participating in six United Nations international missions, including our contribution to the mission in Afghanistan.

I hope the NDP will also one day support this United Nations mission in Afghanistan.

[*English*]

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, just at the moment we are leaving it, that is a bit of a bizarre proposition.

Ban Ki-moon had another very tough message for the government. He said that Canada had to live up to its greenhouse gas emission reduction targets. He also said that Canada had to show leadership on the whole issue of climate change. He is right to say that climate change poses an existential threat to all of us and that Canada has an important role to play.

Therefore, the Prime Minister has to make a choice. Is he going to listen to his advisory panel to downplay climate change at the G20, or is he going to put it on the agenda like the UN Secretary—

The Speaker: The right hon. Prime Minister.

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I am not sure what advisory panel the leader of the NDP is talking about. I can certainly say there have been consultations with all of the members of the G20 and the G8. I anticipate that all important subjects, including climate change, will be covered at the summit.

The position of the Government of Canada is very well known. We are strongly supportive of the Copenhagen accord, which for the first time in history involves commitments from all major emitters. I hope the NDP and the opposition parties will finally get on board with this international climate change accord.

Oral Questions

[Translation]

THE ENVIRONMENT

Hon. Michael Ignatieff (Leader of the Opposition, Lib.): Mr. Speaker—

Some hon. members: Oh, oh!

The Speaker: Order, please. The hon. Leader of the Opposition.

Hon. Michael Ignatieff (Leader of the Opposition, Lib.): Mr. Speaker, I just met with the Secretary General of the United Nations. He was very open and made it clear that Canada must take a leadership role regarding climate change at the G20 summit. The Conservative government has not done anything about climate change in four years, but it has one last chance to show some leadership in Toronto.

Will the Prime Minister listen to what the UN Secretary General had to say and make climate change a central issue on the G20 agenda?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I already answered that question when the Liberal leader was not here.

Some hon. members: Oh, oh!

[English]

The Speaker: Order, please. We will have some order. The Prime Minister is seeking to answer the question that was asked. I did not hear the words complained of, but we will deal with that after. We have to proceed with question period.

The right hon. Prime Minister has the floor.

• (1435)

[Translation]

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I hear that it is the Liberal leader's birthday. He apologized.

I just answered that question. There have been discussions among the members of the G20 and G8, and I expect that there will be discussions on all major issues, including climate change. Canada's position is clear. We support the Copenhagen accord.

[English]

Hon. Michael Ignatieff (Leader of the Opposition, Lib.): Mr. Speaker, the Prime Minister is not answering the question. The question is whether he will make climate change a central issue at the G20 summit, not just one among many but a central issue.

The Secretary General is saying that Canada has a leadership role to play, especially in contributing to mitigating the catastrophic effects of climate change on poorer countries. This is a leadership issue.

Will the Prime Minister step up and commit today in the House of Commons to lead on the issue of climate change?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the G20 is the world's primary principal economic forum. That is its mission. The main issue of discussion at the G20 will be the global economy. I anticipate that a range of subject matters will be talked about, including climate change.

The government's position is clear. We support the Copenhagen accord which, for the first time, includes all major emitters. We support the financing provisions under that accord. Where does the Liberal Party stand?

* * *

TAXATION

Mrs. Bonnie Crombie (Mississauga—Streetsville, Lib.): Mr. Speaker, leadership is about choices. On this side, we have a plan to reduce the deficit and we make vital investments in learning, care and innovations. The Conservatives have made a different choice: more tax cuts for wealthy corporations, paid for with borrowed money, but fewer services for ordinary Canadians.

Why are the Conservatives taking money from children and from families to help corporations that already have the second lowest tax rate in the G8, 25% lower than in the U.S.?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, unlike the party opposite, the Liberal Party, we actually do not believe in more taxes and more spending. We believe in less taxes on Canadians. In fact, since we took office, a typical family pays \$3,000 less in taxes than they paid back in 2006.

That is the difference between the government on this side of the House and the tax and spend Liberals on the other side of the House.

Mrs. Bonnie Crombie (Mississauga—Streetsville, Lib.): Mr. Speaker, Canada's corporate taxes are already the second lowest in the G8, thanks to a decade of Liberal tax cuts—

Some hon. members: Oh, oh!

The Speaker: Order, please. The hon. member for Mississauga—Streetsville has the floor. We will have some order, please.

Mrs. Bonnie Crombie: Mr. Speaker, it is thanks to a decade of Liberal tax cuts.

The Liberals cut both personal and business taxes when we had surpluses because it was the fiscally responsible thing to do. Now the Conservatives are offering more tax breaks for wealthy corporations, paid for with borrowed money. This will put us deeper in debt and leave those most in need more vulnerable.

Why are the Conservatives making such reckless and ideological choices?

Hon. Jim Flaherty (Minister of Finance, CPC): It is apparent, Mr. Speaker, that sometimes the Liberals like tax reductions and sometimes they like tax hikes. What is clear is they are prepared to raise the GST, which we reduced by two percentage points. It is clear that they are prepared to raise other taxes. Their leader talks about raising taxes. He describes himself as a “tax and spend Liberal”.

Oral Questions

●(1440)

*[Translation]***AFGHANISTAN**

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, the government told us that the 2007 agreement guaranteed that prisoners handed over to Afghan authorities would not be tortured. As well, ministers have assured us on numerous occasions that prisoners were not being tortured. But Brigadier General Guy Laroche said that the situation became critical in the summer and fall of 2007 because there were not enough visits to Afghan prisons. The safety of detainees could no longer be guaranteed.

Does this further testimony not prove, once again, that the government has failed in its obligations under the Geneva convention?

[English]

Hon. Peter MacKay (Minister of National Defence, CPC): Mr. Speaker, we have heard a number of witnesses now and we have heard a great deal of testimony. However, we have also heard from an individual who is a former director of international security at the Department of Foreign Affairs. He is now a respected professor at Queen's University, Paul Chapin. He wrote a very interesting article, which said:

Regrettably for the inquisitors, no evidence has yet been uncovered: no mutilated bodies, maimed survivors, photographs, first-hand accounts, or authoritative reports documenting specific cases with names, dates and places. Not a single individual appearing before the committee has yet provided any such evidence, beginning with the first one.

That is what he had to say.

[Translation]

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, while the government swore that prisoners handed over to the Afghans were not at risk of being tortured, Brigadier General Laroche told us that on the ground—and he was on the ground—civil servants did not visit Afghan prisons often enough and, therefore, could not guarantee that detainees were not being tortured.

How can the government say that it respected the Geneva convention on torture when the prisons were not being visited often enough?

[English]

Hon. Peter MacKay (Minister of National Defence, CPC): Mr. Speaker, another witness, Gavin Buchan, former political director of the Kandahar provincial reconstruction team during much of the time in question, said:

I'm confident that Canada has consistently met the test of its international obligations throughout our period in theatre.

Another witness, Cory Anderson, a former DFAIT employee also working in Afghanistan, said:

In my experience and in the interviews and the visits that I took at the NDS, we never uncovered a specific allegation of abuse.

These are people who were there, unlike the hon. member who just gets up and makes these allegations with no basis.

*[Translation]***SECURITIES**

Mr. Daniel Paillé (Hochelaga, BQ): Mr. Speaker, the Prime Minister said in the House that no decision has yet been made about where a single securities commission would be headquartered.

The Conservatives have a plan, but the Premier of Ontario is the one who said it out loud: the commission's headquarters will be in Toronto, the Gretzky of the finance world. Vancouver, Calgary and Montreal are all minor league players compared to Toronto.

How can Conservative members from Quebec stand by silently and watch as Quebec loses out to Toronto?

[English]

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, the Canadian Securities Transition Office has been working hard for many months with respect to the drafting of the legislation, which should be ready soon.

I can assure the hon. member that no decisions have been taken with respect to location of offices except this decision: that those participating jurisdictions, those participating provinces and territories, will maintain offices in the new national scheme.

[Translation]

Mr. Daniel Paillé (Hochelaga, BQ): Mr. Speaker, a strong Quebec coalition of economic, financial and business stakeholders opposes the federal government's plan.

Mouvement Desjardins has applauded the economic community's stance and is urging the government to reconsider its plan, which everyone considers authoritarian, pernicious, harmful, damaging and centralizing.

When will the government listen to Quebec and drop its ill-conceived plan to set up a securities commission in Toronto?

[English]

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, it is to be noted that two of the largest financial institutions in Quebec chose not to participate in that. However, let us say this. This is a great project for Canada. This is an opportunity for Canada to get that pillar, that securities pillar, in line with the rest of our harmonized system.

As we see around the world today, there are tremendous challenges to financial institutions. Fortunately, in this country, our financial institutions are functioning well, with the exception of 13 securities regulators. We look forward to gathering them together.

* * *

●(1445)

*[Translation]***GOVERNMENT PROGRAMS**

Mr. Pablo Rodriguez (Honoré-Mercier, Lib.): Mr. Speaker, after failing Quebec by making drastic cuts to culture, the Conservatives are at it again with their cuts to funding for FrancoFolies de Montréal.

Oral Questions

Do they not know about the FrancoFolies? I will explain it to them. It is one of the largest francophone music festivals in the world. It attracts 500,000 tourists every summer and makes it possible for our culture to shine throughout the world. In fact, the festival is part of Montreal's identity.

The Conservatives have already made a political choice by writing off Montreal. Is that why they have decided to no longer fund the FrancoFolies?

Hon. Tony Clement (Minister of Industry, CPC): Mr. Speaker, that is not true; that is not correct. In 2009, more than 50% of the funds were given to Vancouver, Montreal and Toronto. Here in 2010, the regional and national distribution fund ensures that all parts of Canada can benefit from this stimulus program. It is a major victory for the entire country.

Mr. Pablo Rodriguez (Honoré-Mercier, Lib.): Mr. Speaker, it is a great blow to Montreal. The FrancoFolies qualified last year, but not this year. Interestingly enough, the program is the same and the written rules are the same. The FrancoFolies will be held in three weeks and they have just learned that their funding has been cut. They were told that the rules were changed a little at the last minute and someone forgot to tell them. The rules are not like a box of Cracker Jack, where you know you will get a surprise, but you do not know what it will be.

Will the Conservative stop their surprises, follow their own written rules and fund the FrancoFolies?

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, yes we will respect the FrancoFolies. The FrancoFolies festival has signed an agreement, the first multi-year agreement with the Government of Canada, and will be receiving \$350,000 from Canadian Heritage. They will also receive funding from the Minister of State for the Economic Development Agency of Canada for the Regions of Quebec.

We have also provided funding to Pop Montréal, the FestiVoix festival, Festival Envol et Macadam, Festival international de Jazz et de blues, Festival du nouveau cinéma, Festival mode et design, Festival littéraire international and Festival international du film sur l'art. We have given more money than ever before to festivals. The Liberal Party voted against this.

[English]

Hon. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, why will the Minister of Industry not fund the Toronto Pride Parade? It brings in tens of millions of dollars in economic benefit to the city and it fulfills all of the criteria for the marquee tourism program. Is he afraid that, like the last secretary of state for tourism, he will have his portfolio yanked, or is he just another lemming in a government that ideologically discriminates against the GLBT community?

Hon. Tony Clement (Minister of Industry, CPC): Mr. Speaker, as I indicated, last year over 50% of the funds were shared by just three great cities in the country, Vancouver, Montreal and Toronto. This year we decided to make sure that other major urban centres also had access to the funds.

This meant that over 19 additional marquee events are funded by this fund. We think we are being fair and equitable to cities like Toronto, Montreal and Vancouver, but also fair and equitable to other parts of the country. This is good regional distribution. It is good for

the tourist economy throughout the country and we are in favour of that.

Hon. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, the government continues to make the ridiculous excuse that it does not have enough money when it comes to funding GLBT events. Yet, it still has a lot of money left in the marquee tourism program, \$11 million to be exact.

Why does the minister not just admit that he is ideologically opposed to funding any gay, lesbian, bisexual and transgender event in this country?

Hon. Tony Clement (Minister of Industry, CPC): Mr. Speaker, as a result of this more regional distribution, of course, events like the PNE in Vancouver and the International Jazz Festival were chosen. But the World Ski & Snowboard Festival in Whistler, Crankworx in Whistler, the Festival Series in Fort Langley and Interior Provincial Exhibition in Armstrong, they also received funds. Is the hon. member saying that she is against those funds being allocated in B.C.?

* * *

• (1450)

PUBLIC SAFETY

Mrs. Kelly Block (Saskatoon—Rosetown—Biggar, CPC): Mr. Speaker, yesterday, Canadians and victims' advocates spoke out in overwhelming support for our government's legislation to eliminate pardons for serious crimes. But what did the opposition parties say? The Liberal Party members responded that they wanted to hear from the experts. The NDP said it opposed the principles behind the bill. The leader of the Bloc Québécois expressed concern about stigmatizing rapists.

Could the Minister of Public Safety please inform the House why the opposition should get behind this legislation?

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, I thank the member for her very hard work on this important file. The current pardon system implies that what the offender did is somehow okay, or that the harm done to victims has somehow disappeared. Our government disagrees and so do Canadians. That is why our Conservative government is taking action.

I call upon the opposition parties to support speedy passage, to this urgently required legislation, at all stages. It is time for the opposition to finally side with victims and not criminals.

Oral Questions

[Translation]

SECURITIES

Mr. Thomas Mulcair (Outremont, NDP): Mr. Speaker, in theory, the Conservatives have decided to await a Supreme Court ruling before invading provincial jurisdictions in matters of property and civil rights. In reality, the government—bad manager that it is—is already spending millions of dollars on the transition office the minister just mentioned. It is clearly all a sham. They have already decided to take over the securities sector even though the provinces are against this and will lose jobs and expertise.

The other claim that this is voluntary is totally disingenuous because once the commission is created there will be no other choice. Why not wait for the Supreme Court of Canada ruling?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, we will respect provincial jurisdictions.

[English]

This provision, with respect to funding of the transition office, was in budget 2008 and it received the support of the House.

[Translation]

Mr. Thomas Mulcair (Outremont, NDP): Mr. Speaker, part of their argument is that cases like the Earl Jones scandal would not happen. Let us look at what the federal regulatory systems have actually done.

[English]

Earl Jones was denounced in 2001 as having used his trust account fraudulently. The Royal Bank deposited that document in court, federally-regulated. What did the Royal Bank do for the next seven years? Nothing.

What did the robust federal regulator do? Nothing. What did the victims get? Nothing. What lessons do the provinces have to learn about regulation and enforcement in their own areas of jurisdiction? None. They should mind their own business. Let the provinces regulate.

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, I am glad the hon. member does not feel too strongly about the subject.

This is a voluntary proposal. Ten provinces and the territories are working together with the federal transition office to create the common securities regulator. They are working together. We welcome the participation of those two provinces that have not chosen to participate yet.

Yes, we are going to do a reference to the Supreme Court of Canada. Yes, business and the Canadian people need to have certainty about the legislative authority of Parliament to legislate in this area, and that is what we will do.

* * *

[Translation]

OFFICIAL LANGUAGES

Mr. Serge Ménard (Marc-Aurèle-Fortin, BQ): Mr. Speaker, the Conservatives are enjoying confusing everyone and using bogus

arguments to justify their objection to requiring Supreme Court judges to be bilingual.

According to the Conservative spokesperson in the Senate, requiring judges to be bilingual would violate the Constitution, which says that a judge can use the language of his or her choice.

Could some kind soul explain to the government that this is not about forcing a judge to speak one language or the other but a matter of ensuring they are able to understand without the help of an interpreter?

[English]

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, our government is guided by the principles of merit and legal excellence in the selection of all our judges.

What surprises me about the Bloc is that it continuously gets it wrong. The Bloc has now decided to go on a campaign of attacking judges and procedures before the courts of this country.

When is the Bloc going to figure out that the problem is not with judges? The problem is with individuals who commit crime in this country. Why is that such a difficult concept for the Bloc?

• (1455)

[Translation]

Mr. Serge Ménard (Marc-Aurèle-Fortin, BQ): Mr. Speaker, why does the Minister of Justice always act like he does not understand my questions? Clearly because he does not have the answers.

The Constitution guarantees that judges can use their language, but what we are debating here is their ability to understand both official languages without the help of an interpreter.

Will the Minister of Justice admit that with a unilingual judge, it is the citizen who does not have a choice and who loses the right to be heard and understood?

[English]

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, that is precisely it. I actually do understand the Bloc. It does not want to crack down on white collar criminals. It votes against a bill to toughen up the sentences for people who traffic in children in this country.

Earlier, I heard Bloc members raise their concerns about the safety of Taliban prisoners. All I am asking them is that once and while, maybe every six months, they could worry about victims of crime in this country. That is all I am asking them.

* * *

[Translation]

AFGHANISTAN

Hon. Bob Rae (Toronto Centre, Lib.): Mr. Speaker, yesterday, General Laroche said, "I was not happy about the fact that these inspections were not conducted in a regular fashion and that there was not the rigour that we had reason to expect".

Those are not the words of some amateur. Those are the words of the person who was responsible for the well-being of our troops.

Oral Questions

Why is the minister refusing to level with us about what General Laroche said?

[*English*]

Hon. Peter MacKay (Minister of National Defence, CPC): Mr. Speaker, as I said, we have heard from a number of witnesses and what we know is that we have now in place a much more rigorous process of monitoring, a much more vigorous process of investing in the prison system and working with the Afghans. We never said it is perfect, but it is getting a lot better.

We have improved upon the system. We have improved upon the failed arrangement that was in place under the previous government. We have made things better in Afghanistan, the human rights situation, its agriculture, immunizing children, improving education. This is a tremendous effort on the part of our country, particularly the men and women of the armed forces.

Hon. Bob Rae (Toronto Centre, Lib.): Mr. Speaker, the question for the minister that still remains is that, despite the changes that were made in 2007 by the government, the general who is responsible for the operation in Afghanistan said, and I am translating, that the inspections were not conducted in a regular fashion and that there was not the rigour we had reason to expect.

The simple question for the minister is this. The government was responsible for that period in 2007-08. Why does the minister not stand up and admit that in fact General Laroche's response was right and that he in fact was wrong? Why not admit that?

Hon. Peter MacKay (Minister of National Defence, CPC): What I will admit, Mr. Speaker, is that the Canadian government, the Canadian Forces, members of the Department of Foreign Affairs, members of the public safety department all have made Herculean efforts to improve upon a very difficult situation.

Here is what Gavin Buchan, another individual on the ground, had to say:

...I met with the ICRC.... I met with Afghan judges, prosecutors, prison officials, and police. I met with political figures, with village elders, and with farmers. I met with the UN, with NGOs, and with NATO allies. I even met with the Kandahar Council of Religious Scholars.

None of these contacts produced information to the effect that Canadian transferred detainees were being abused, or that our detainee arrangement was not being respected by Afghan authorities.

Mr. Jack Harris (St. John's East, NDP): Mr. Speaker, yesterday we learned that the Afghan detainee situation was still unacceptable, even after the transfer agreement was changed in 2007. General Guy Laroche said prison visits were far too infrequent and that the situation was, indeed, critical.

When the military halted transfers in November after instruments of torture were found, General Laroche said they had to resist pressure from senior diplomat David Mulroney to resume transferring prisoners. This conflict between the Department of Foreign Affairs and the Canadian Forces shows a lack of leadership and responsibility by the Conservative government.

Does the government not trust General Laroche and will it now, finally, call a public inquiry?

Hon. Peter MacKay (Minister of National Defence, CPC): Mr. Speaker, again, what I have here in my hand is an article called "End the Inquisition". It comes from a respected former member of the

Department of Foreign Affairs. It outlines all of the myths, many of which members of the opposition have partaken in over the past number of months. One of the more telling passages from this article says:

In contrast, the committee has heard many hours of testimony from military commanders, ambassadors, and senior officials refuting allegations Canada delivered detainees over for torture.

We can play the partisan game here all day. These are people who know. These are people who have been involved and are listening.

• (1500)

Mr. Jack Harris (St. John's East, NDP): Mr. Speaker, the evidence is piling up and so are the legitimate concerns.

Brigadier-General Laroche said yesterday that the firing of the Afghan secret police head confirmed the allegations of torture made by a Canadian-transferred detainee on November 5, 2007. Why does the government continue to bury its head in the sand, refuse to admit that the detainee transfer record is a complete mess? It needs to listen to this general and to the courageous diplomats who have made similar claims.

When will the government admit its mistakes and call a public inquiry?

Hon. Peter MacKay (Minister of National Defence, CPC): Mr. Speaker, the evidence is piling up. We have heard from a number of generals who were there during the time in question. We have heard from numerous witnesses who were there, who worked for the Department of Foreign Affairs, who worked for public safety.

Here is a retired general, an individual by the name of General Hillier, who said:

We didn't base it on hearsay, hypothesis, or second-hand information. We didn't base it on Taliban detainees saying things without corroborating evidence.

The evidence is definitely piling up. The member is a former lawyer. Maybe he is still practising. He should listen to the evidence and come to a different conclusion.

* * *

[*Translation*]

JUSTICE

Mr. Steven Blaney (Lévis—Bellechasse, CPC): Mr. Speaker, Canadians, victims and the members of our government were deeply shocked by the pardon granted to convicted sex offender Graham James.

This shows that we have to act to prevent such an outrage from happening again and to ensure that our justice system remains credible.

Our Conservative government is taking action by introducing legislation to eliminate automatic pardons for serious crimes.

Can the Minister of Public Safety tell the House how this important legislation will ensure that the rights of honest citizens like the people of Lévis—Bellechasse and Les Etchemins always take precedence over the rights of criminals?

Routine Proceedings

Hon. Christian Paradis (Minister of Natural Resources, CPC): Mr. Speaker, I thank my colleague for that excellent question. Under the current pardon system, crimes committed are pardoned almost as though the damage done did not exist.

The vast majority of Canadians are against that, and rightly so. Our Conservative government is also against that.

These measures could eliminate pardons for people convicted of sexual assault against children, for example. In addition, the National Parole Board would have the tools it needs to ensure that our children and our communities are better protected.

The changes we are proposing are fair, and they make good sense. I hope the opposition will support them.

* * *

[English]

SYDNEY HARBOUR

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Mr. Speaker, two weeks ago my colleague, the member for Sydney—Victoria, asked a question of the minister responsible for the Atlantic gateway about the government's contribution to the Sydney harbour dredging project.

What he got in reply from the minister was vacuous. It was empty. It was like the Air Canada Centre during the NHL playoffs. And that comes from a Leafs fan.

The minister has had two weeks to prepare now. He has been able to be briefed by his staff. Will he tell us today what the government is going to do to help the people in Cape Breton with the dredging project?

Hon. Keith Ashfield (Minister of National Revenue, Minister of the Atlantic Canada Opportunities Agency and Minister for the Atlantic Gateway, CPC): Mr. Speaker, I thank the member opposite for his insightful question.

The dredging of Sydney harbour is a complex undertaking that will involve all levels of government and the private sector. Enterprise Cape Breton has been working together with Sydney Marine Group to develop this important project.

But I have to talk about the good things that are going on in Cape Breton: \$6.6 million under CAF; \$2.9 million under RInC, that is 41 projects; and 61 projects under ICF, worth \$19.2 million.

We are doing great work and are very proud of working in Cape Breton.

* * *

[Translation]

THE ENVIRONMENT

Mr. Raynald Blais (Gaspésie—Îles-de-la-Madeleine, BQ): Mr. Speaker, the people of the Magdalen Islands fear a major oil spill similar to the one the people of Louisiana are currently dealing with. The situation is even more worrisome given that a major drilling project off the coast of Newfoundland does not include any plans for relief wells.

The Association des pêcheurs propriétaires des Îles-de-la-Madeleine is calling for an emergency plan to deal with any major spills in order to protect the ecosystem and the way of life of the people of the Magdalen Islands.

Does the Canadian government have an emergency plan to protect the islands in the event of a spill on the scale of the one in the Gulf of Mexico?

• (1505)

Hon. Christian Paradis (Minister of Natural Resources, CPC): Mr. Speaker, Canada has an extremely rigorous regulatory regime when it comes to the safety of offshore oil and gas activities. Canada will carefully examine all the conclusions drawn from the current disaster in the Gulf of Mexico in order to increase safety, understand more and learn as much as possible in order to perfect our system.

* * *

[English]

PRESENCE IN GALLERY

The Speaker: I would like to draw to the attention of hon. members the presence in the gallery of His Excellency Ban Ki-moon, Secretary-General of the United Nations.

Some hon. Members: Hear, hear!

* * *

BUSINESS OF THE HOUSE

Hon. Jay Hill (Leader of the Government in the House of Commons, CPC): Mr. Speaker, there have been discussions among all the parties and I believe you would find unanimous consent for the following motion. I move:

That, when the House begins proceedings under the provisions of Standing Order 53.1 later today, no quorum calls, requests for unanimous consent or dilatory motions shall be received by the Chair.

I think, Mr. Speaker, you would find that acceptable to the House.

The Speaker: Does the hon. government House leader have the consent of the House to propose this motion?

Some hon. members: Agreed.

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

Some hon. member: Agreed.

(Motion agreed to)

ROUTINE PROCEEDINGS

[English]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's responses to five petitions.

FIRST NATIONS CERTAINTY OF LAND TITLE ACT

Hon. Chuck Strahl (Minister of Indian Affairs and Northern Development, Federal Interlocutor for Métis and Non-Status Indians and Minister of the Canadian Northern Economic Development Agency, CPC) moved for leave to introduce Bill C-24, An Act to amend the First Nations Commercial and Industrial Development Act and another Act in consequence thereof.

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

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NUNAVUT PLANNING AND PROJECT ASSESSMENT ACT

Hon. Chuck Strahl (Minister of Indian Affairs and Northern Development, Federal Interlocutor for Métis and Non-Status Indians and Minister of the Canadian Northern Economic Development Agency, CPC) moved for leave to introduce Bill C-25, An Act respecting land use planning and the assessment of ecosystemic and socio-economic impacts of projects in the Nunavut Settlement Area and making consequential amendments to other Acts.

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

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INTERPARLIAMENTARY DELEGATIONS

Mr. Leon Benoit (Vegreville—Wainwright, CPC): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, three reports of the Canadian NATO Parliamentary Association.

The first was a meeting of the Sub-committee on Future Security and Defence Capabilities held in Kiev, Ukraine, on October 12, 2009, and the Rose-Roth Seminar held in Lviv, Ukraine, on October 13 to 15, 2009.

The second was the Strategic Concept Seminar on NATO's Fundamental Security Tasks, held in Luxembourg on October 16, 2009.

The third was the visit to Rome, Milan and La Spezia, Italy, by the Sub-committee on Transatlantic Economic Relations and the Sub-committee on Energy and Environmental Security, from October 19 to 23, 2009.

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● (1510)

COMMITTEES OF THE HOUSE**PUBLIC ACCOUNTS**

Hon. Shawn Murphy (Charlottetown, Lib.): Mr. Speaker, this afternoon I have the honour to present, in both official languages, the following reports of the Standing Committee on Public Accounts: the 13th report of the committee, being on Chapter 2, Selecting Foreign Workers Under the Immigration Program of the Fall 2009 Report of the Auditor General; and the 14th report regarding the main estimates 2010-11, vote 15 under Finance.

Pursuant to Standing Order 109 of the House, the committee requests that the government table a comprehensive response to the 13th report.

*Routine Proceedings***CRIMINAL CODE**

Mrs. Kelly Block (Saskatoon—Rosetown—Biggar, CPC) moved that Bill S-215, An Act to amend the Criminal Code (suicide bombings) be read the first time.

(Motion agreed to and bill read the first time)

* * *

[*Translation*]

PETITIONS

HAITI

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, the Haitian earthquake happened four months ago today, and it is my pleasure to present a petition signed by Canadians from both sides of the river in the national capital region. They are asking the government to adopt a more flexible definition of family members. They want the government to create a special immigration measure allowing Canadian citizens and permanent residents to sponsor family members who were personally and directly affected by the earthquake, regardless of their age.

[*English*]

VOTING AGE

Mr. John Duncan (Vancouver Island North, CPC): Mr. Speaker, I have a petition signed by approximately 150 people in my riding.

The petitioners point out that youth bring a unique perspective to many issues, that there is youth apathy toward politics and government and that early participation in the democratic process will help curb this apathy.

Therefore, the petitioners call upon the government to lower the voting age to 16.

EMPLOYMENT INSURANCE

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, I have two petitions to present today.

The first petition is signed by dozens of Manitobans who are calling for equal employment insurance benefits for adoptive parents. The current EI program provides adoptive parents with 35 weeks of paid leave, followed by a further 15 weeks of unpaid leave. A biological mother is given both the first 35 weeks and the latter 15 weeks as paid leave.

We all know that adoptions are expensive, lengthy and stressful for the adoptive parents and their families. Studies have shown that an additional 15 weeks of paid leave would help parents to support their adoptive children and help them through a very difficult period.

The petitioners call upon the Government of Canada to support Bill C-413 tabled by my colleague, the member for Burnaby—New Westminster, which would amend the Employment Insurance Act and the Canada Labour Code to ensure that adoptive parents are entitled to the same number of weeks of paid leave as the biological mother of a newborn child.

Routine Proceedings

● (1515)

EARTHQUAKE IN CHILE

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, the second petition is signed by dozens of Canadians who are calling upon the Canadian government to match funds personally donated by the citizens of Canada for the victims of the Chilean earthquake.

Parliament knows that an 8.8 magnitude earthquake occurred in southern Chile on February 27, 2010 that caused massive damage in the country. The Chilean Canadian community has been mobilizing with social events trying to raise money for the victims of the earthquake.

People want to know when the Prime Minister will give the same treatment to the victims of the Chilean earthquake as he did for the victims of the Haitian earthquake and match funds personally donated by Canadians.

TAXATION

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, I have the pleasure today to present two petitions from the Montreal area and from Halifax. They both pertain to the government's decision in budget 2010 to get rid of the exemption for post-doctoral fellows.

The petitioners call upon the government to engage immediately with the Canadian Association of Postdoctoral Scholars, the research councils, the Association of Universities and Colleges in Canada and other stakeholders to create a fair and progressive policy that would stimulate Canada's research capacity.

This issue is making a lot of difference in a negative way for Canadian post-doctoral fellows.

JUSTICE

Mr. Blake Richards (Wild Rose, CPC): Mr. Speaker, it gives me pleasure to rise today and present two separate petitions. The first petition is signed by a number of my constituents from Olds, Alberta.

The petitioners call upon the government to enact legislation that would recognize unborn children as separate victims when they are injured or killed during the commission of an offence against their mothers, allowing two charges to be laid against the offender instead of just one.

CHILD PORNOGRAPHY

Mr. Blake Richards (Wild Rose, CPC): Mr. Speaker, the second petition is from an organization called Canadians Addressing Sexual Exploitation.

The petitioners call upon Parliament to protect children by taking all necessary steps to stop those who would use the Internet as a medium for the distribution of child pornography.

It gives me great pleasure to table both of these petitions today.

ANIMAL WELFARE

Hon. Joseph Volpe (Eglinton—Lawrence, Lib.): Mr. Speaker, pursuant to Standing Order 36, I am pleased to present a petition presented to me for the consideration of the House by several

hundred constituents from not only Eglinton—Lawrence but the greater Toronto area.

The petitioners point out that there is scientific consensus and public acknowledgement that animals can feel pain and can suffer and that all effort should be made to prevent animal cruelty and reduce animal suffering. They also point out that over one billion people around the world rely on animals for their livelihood and many others rely on animals for companionship.

As residents of Canada, the petitioners call upon the Government of Canada to support a universal declaration on animal welfare.

CHILD PORNOGRAPHY

Mr. Brian Murphy (Moncton—Riverview—Dieppe, Lib.): Mr. Speaker, it gives me great pleasure to present this petition pursuant to Standing Order 36 signed by hundreds of Canadians calling upon Parliament to do something to protect children by taking all necessary steps to stop the Internet as a medium for the distribution of child victimization and pornography.

Mrs. Joy Smith (Kildonan—St. Paul, CPC): Mr. Speaker, I have many petitions from people all across Canada calling upon the House to stop the issuing of child pornography over the Internet. Many Canadians are aware of the human trafficking issue and the sexual exploitation of minors. Hundreds of people are calling upon the government and all parliamentarians to take a stand against that.

HUMAN TRAFFICKING

Mrs. Joy Smith (Kildonan—St. Paul, CPC): Mr. Speaker, I also have hundreds of names on a petition to stop human trafficking, to support Bill C-268 and to get it passed as quickly as possible.

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QUESTIONS ON THE ORDER PAPER

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC): Mr. Speaker, the following question will be answered today: No. 166.

[Text]

Question No. 166—**Mr. Chris Warkentin:**

With regard to the Guaranteed Income Supplement (GIS) and seniors in poverty, what would it cost the government on an annual basis to increase the GIS until the combined GIS and Old Age Security payments raised the income of seniors to the level of the low-income cut-off?

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, the low-income rate among Canada's seniors has declined dramatically, from 21.4 percent in 1980 to 4.8 percent in 2007. The current rate is now one of the lowest among countries in the Organization for Economic Co-operation and Development. Together with other elements of the retirement income system, public pensions have contributed to this positive outcome.

The old age security, OAS, program provides a critical role in enabling low-income seniors to maintain a minimum standard of living in retirement. The program provides a basic monthly pension to 4.5 million seniors aged 65 and over and additional monthly income through the guaranteed income supplement, GIS, to 1.6 million seniors who have little or no income other than their basic OAS pension.

The vast majority of GIS recipients have incomes above Statistics Canada's after-tax low income cut-off, LICO. Out of 1.6 million GIS recipients in 2007, less than 170,000, or 10% of all GIS recipients, were below the after-tax LICO.

In order to bring the maximum level of OAS/GIS benefits in par with the LICO, the GIS would have to be increased by about \$360 per month for single seniors. This would cost approximately \$4.5 billion per year, as all single seniors, about 1 million, would benefit from the increase, not just those below the LICO.

GIS recipients have benefited from recent measures targeted to seniors most in need. These include, but are not limited to: a 7% increase to the GIS benefit, over and above indexation, since 2006; an increase to the GIS earnings exemption from \$500 to \$3,500 in July 2008. This means that low-income seniors who wish to work can retain more of their GIS benefits; and the creation of the tax-free savings account, TFSA, to increase tax-efficient savings opportunities for Canadians. TFSA investment and withdrawals do not affect GIS benefits, which is an important feature for low-income seniors.

As the Government addresses the income needs of seniors through public pensions, it also recognizes the importance of early planning by individuals and families. To help Canadians better understand and manage their finances, including planning and saving effectively for their own retirement, the Government launched Canada's Task Force on Financial Literacy to provide recommendations on a cohesive national strategy on financial literacy. The independent task force is undergoing cross-country consultations this spring and is expected to report back to the Minister of Finance by the end of the year.

* * *

[English]

STARRED QUESTIONS

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC): Mr. Speaker, would you be so kind as to call Starred Question No. 170. I ask that the question and answer to Question No. 170 be printed in *Hansard* as if read.

[Text]

Question No. 170—**Mr. Jim Maloway:**

With regard to body armour and fortified vehicles used by criminal gangs, what measures is the government planning to introduce to cooperate with provinces, such as Manitoba, to make these security features illegal?

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, the incidence of gang members resorting to the wearing of body armour or the fortification of their vehicles raises a number of challenges for law enforcement and legislators alike. A number of provinces have taken steps to address this conduct through provincially enacted legislation.

Routine Proceedings

Regulatory responses, which can include enforcement provisions, provide an appropriate way to limit such practices. The Government of Canada will continue to work closely with all its partners, including the provinces and territories to improve collective responses to organized crime.

For its part, the Government of Canada has recently taken steps to strengthen the Criminal Code's response to organized crime. Bill C-14, An Act to amend the Criminal Code (organized crime and protection of justice system participants) came into force on October 2, 2009 and, amongst other things, provides tailored responses to murders connected to organized crime and "drive-by" shootings. For more information on these new laws, please see: http://canada.justice.gc.ca/eng/news-nouv/nr-cp/2009/doc_32430.html. Moving forward, strengthening legislative responses to organized crime will remain a priority for the Government of Canada.

* * *

[English]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC): Mr. Speaker, if Question No. 168 could be made an order for return, this return would be tabled immediately.

The Speaker: Is that agreed?

Some hon. members: Agreed.

[Text]

Question No. 168—**Mr. Claude Gravelle:**

With regard to the provision of passport services to Canadians: (a) which Canadian communities with a population of at least 100,000 do not currently have access in their community to a Passport Canada office or a receiving agent located in a Service Canada Centre or Canada Post office; (b) what are the costs associated with placing a receiving agent in a Service Canada Centre or Canada Post office in these communities; and (c) are there planned placements of receiving agents in a Service Canada Centre or Canada Post office in these communities?

(Return tabled)

[English]

Mr. Tom Lukiwski: Mr. Speaker, I ask that all remaining questions be allowed to stand.

The Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

● (1520)

MOTIONS FOR PAPERS

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

Government Orders

GOVERNMENT ORDERS

[English]

FAIRNESS AT THE PUMPS ACT

The House resumed from May 10 consideration of the motion that Bill C-14, An Act to amend the Electricity and Gas Inspection Act and the Weights and Measures Act, be read the second time and referred to a committee.

The Speaker: When the matter was last before the House, the hon. member for Algoma—Manitoulin—Kapusksing had the floor. There are 17 minutes remaining in the time allotted for her remarks. I therefore recognize the hon. member for Algoma—Manitoulin—Kapusksing.

Mrs. Carol Hughes (Algoma—Manitoulin—Kapusksing, NDP): Mr. Speaker, as it has been two days since I started my speech, I will take some time to refresh the House a little.

This all came about because of an investigation by the *Ottawa Citizen* which revealed that between 1999 and 2007, government inspections of over 200,000 fuel pumps found that about 5% of the pumps delivered less fuel than reported on the pump display. The government inspection data showed that about one-third of Canada's gas stations, which is about 14,000, had at least one faulty pump. That occurred more than three years ago and the government has waited this long to respond.

It will come as little surprise to most members that gas prices in my constituency of Algoma—Manitoulin—Kapusksing are through the roof. When we hear Measurement Canada say that 5% of the pumps out there are delivering less fuel than reported on the pump display, we feel even more vulnerable based on the already too high gas prices we pay.

New Democrats have some problems with the bill and, by now, members will have heard most of these. Still, it is worth repeating some of them for the benefit of people who may have just begun to pay attention to this debate.

I would like to talk about some of the gas prices in my riding at this point. In Elliot Lake on Monday the price was 105.3 and today it is 104.9. In Espanola today it is 105.9. In Kapuskasing last Monday it was \$1.10. Unfortunately, I could not get the price today because I did not have a chance to check. In Sault Ste. Marie on Monday it was 106.9 and in Sudbury it was 104.9.

In the rural parts of Canada we pay more for gas than in cities. I would like to read some of the emails that I have received over the last couple of years. I have just picked them randomly because it is important to show that from year to year there have been some concerns by the citizens in my area. This email is from Eric Vincent of Elliot Lake. He says:

The daily gas prices shown on the [member for Pickering—Scarborough East] website should be enough evidence to see that the 2 gas stations here in Elliot Lake are not lowering their gas prices when others are lowering theirs and that they are too slow to lower them when they finally do.

I feel that we are continuously overcharged here. For example: we are no further remote from the refineries than Ottawa is. Tankers get to Ottawa one at a time the same as the tankers that arrive here, one at a time, to deliver gas to the only 2 stations that we have. Then these two stations always sell gas at exactly the same price.

Every day we hear of prices falling across Ontario, yet ours stay pinned at the same price long after any lower prices appear elsewhere.

For example: our price here [November 21, 2008] is 91.9 cents per litre which it has been for many weeks, while the gas price in Ottawa is 73.5 cents per litre. This is a whopping 20% difference today.

If you were able to locate the Gas Baron by phone to advise that immediate attention is needed to remove this major discrepancy, I am certain that it would result in immediate fairness at the pumps that could result in them making changes daily here in Elliot Lake and across Your entire constituency.

That is exactly why we need a commission and exactly why we need an ombudsman.

I have another email from Maurice Drolet who says:

As you may have noticed, the gas price has risen quite substantially in the past month. I do not understand why here in the North East Ontario, where we depend on vehicles as there are no transit or subway, the gas is much more expensive than anywhere else. The barrels are at a price where we used to pay around \$0.78 a litre [February 13, 2009] but now we are paying \$0.91.9. I feel that the people in the North should be hearing on the news, and newspaper that you are screaming bloody hell to the government about this outrageous lack of concern from the government toward us.

• (1525)

It is not the first time that I bring the issues of the gas prices and gas gouging to the House. This one is from Jerry Allen, who wrote on March 2, 2009:

I and many others are wondering how long the government is going to allow the oil companies to keep gouging the public. The price of oil per barrel has dropped dramatically, but the price of a liter of gasoline HAS NOT dropped accordingly.

On November 18, 2009, Garland Sullivan wrote:

...I was going to Sudbury the other day and I filled the car up at Thessalon, at a buck six [\$1.06]. When I got to the Espanola turnoff, it was ninety three [93¢]. When I got to Sudbury, I saw two places at ninety two [92¢]??????.

I have been in the transportation business most of my life, and there is no way anyone can justify that much of a difference in cost to move the stuff, and the expenses to operate a business in the Soo are no more than they are in Sudbury, SOOO back to the old adage we in the north are getting it where it hurts. Now what do we do about this, this seems to be a slap in the face to the northerners because we here in the north need our gas and fuel and I have not heard of ANYONE taking up our cause here in the north.

Just thought I would let you in on the secret.

I want Canadians to know that we certainly have been raising this issue here for the people in the north, and there continues to be concern that no one is being heard.

Some people say that the price of gas depends on where one is in the north and it depends on the markets and on whether the price of a barrel of oil is up. Recently I went to a reception on the Hill with some of the gas providers. I was told that it depends on whether or not a gas station sells other things, that the owner could make up the profit from those sales and lose a bit on the gas.

My colleague, the member for Timmins—James Bay, and a provincial colleague talked about the price of gas and that a case of beer, no matter where it is bought, is the same price. Another thing I was told was that if a location sold a lot of gas, the price of gas could be reduced because it is cheaper to buy it in bulk. Well, if more beer is sold at one of the beer stores, it is still the same price no matter where one buys it.

I regularly get phone calls from people about accuracy at the pumps and, of course, the high price of gas, as I have mentioned. It is a hot button issue in my riding of Algoma—Manitoulin—Kapusksing.

Government Orders

I want to read another comment, which I received on May 10. Mr. Tracy in Little Current talked about the price of crude oil and the disparity with regard to the price of crude oil when it is \$20 a barrel at the well head, and the price quoted on TV is around \$90. He wrote:

With Canada pumping 2 million barrels of crude oil per day the Canadian public are being taken for a ride.

Example - TV price of oil in the past year or so went down to around \$40 a barrel - and the public have been told as much as \$140 a barrel. YET AT THE SAME TIME A BARREL OF CRUDE OIL WAS ALWAYS LESS THAN \$20 A BARREL AT THE WELL HEAD.

We need to look at what is really in this bill. This type of legislation has been needed for some time. On paper the bill seems logical, yet the bill before us is difficult to support in its present form, which is a shame. The idea is good, but it is framed inside the same old Conservative fixtures.

• (1530)

The way in which the private sector is being utilized in this bill seems almost quasi-official. It is the first layer of bureaucracy that will decide if the next layer will be needed. If I understand this correctly, it is little more than a screening process. The actual inspectors from Measurement Canada would be required to do the heavy lifting.

The fact that there is no ombudsman being established in this bill is a huge oversight. This leaves no method of recourse. Let us not forget that it would not always be the consumer who required the assistance of an ombudsman. Very real taxes have been paid on what amounts to phantom fuel. We can look at this any way we want to and it still amounts to taxes paid on nothing at all. Consumers who have been ripped off would have no means to regain lost money, nor would there be any refund or restitution for taxes collected for phantom gas purchases.

As I mentioned in this House in November 2008, Algoma—Manitoulin—Kapuskwasing is a big riding and there is not a lot of public transportation. I have also discussed this in my speech today. Things that many Canadians take for granted, such as the ability to get to work or a doctor's appointment, can be a big deal for many of my constituents because the gas prices in the riding are much higher than they are in the major centres. This is just not right. When people have no choice but to rely on a car to get around, we can understand the frustration of those residents when they know they are being gouged at the pumps due to higher gas prices, inadequate measurement and false temperatures.

Information gathered shows that a motorist gets shortchanged at least twice a year. The results from a review of gas stations in Windsor showed that 25% of fuel pumps inspected were faulty. This study took over eight years. Again, let me remind members that not only were people shortchanged on the amount of gas they paid for, but also on the amount of tax paid on that gas.

Consumers have been gouged by millions and are now being told they will have to settle for a process that would do little to address all of the issues related to consumer gouging.

The proposed fairness at the pumps act would actually remove the federal government from the inspection process and would allow the oil industry to police itself. Can anyone imagine that?

My colleague from Windsor West, who happens to be the NDP industry, automobile and border critic, said:

The shocking revelation is not that this was only exposed by an access to information request by a media outlet, but that the Minister has not even met with the oil companies to correct the massive anomaly of a quarter of the fuel pumps in the Windsor and Essex area that are defrauding ordinary Canadians. This rip off needs to end now....

It is unfair that Canadians are being gouged at the pumps while big oil companies continue to reap record profits. We challenge the government to stand up to its big oil buddies and ensure fairness at the pumps.

I raised this issue in the House in November 2008 and again on February 11 in my speech on the budget. In that speech I told the government it is unacceptable that people in northern Ontario are paying ridiculously high prices for gas as the price per barrel of oil drops.

Unfortunately, there is currently no government department or watchdog that would deal with the issue of high gas prices or the gouging that makes gas more expensive from some companies but less expensive from others. This is why the creation of an ombudsman who could serve as a watchdog is so critical.

Gouging at the pumps is not fair, especially in regions such as northern Ontario, where there are no other viable methods of transportation. We need fairness at the pumps for Canadians.

I want to read a couple of sentences from an article that was in the *Ottawa Citizen* on Monday, May 12:

• (1535)

Most of the pump errors were small—between 30 and 60 cents' worth of gas on a fill-up at today's prices. But some pumps have shown much larger failures. Last year, a pump at a station near Chatham, Ont., was caught shorting consumers by one-and-a-half litres on a 50-litre tank, which is common to most average-sized cars. Drivers who visited one pump in Corner Brook, NL, would have had to buy an extra two litres to top up their tanks. And at a certain outlet in Yarmouth, N.S., a fill would have cost about \$2.25 more than it should have.

This is going on across Canada. The articles continues:

Measurement Canada conducts inspections based on standards set in the Weights and Measures Act, which peg the allowable maximum error for gasoline dispensers at an internationally accepted standard of 100 millilitres for every 20 litres pumped, or 0.5%.

That means on an average fill-up of a 50 litre gas tank at today's prices, a pump can legally shortchange the consumer by about 30 cents' worth of gas and still fall within the allowable tolerance zone.

As I have indicated, the bill seems to be a step in the right direction on paper, but there are so many difficulties with it. There is still the issue about the privatization of the inspection service by mandating frequent inspections that must be carried out by the newly created authorized service providers of private companies. We are asking them to police themselves. That is wrong.

Government Orders

We know what happened in the forestry industry when we asked companies to police themselves. We might as well be telling criminals that we are going to put them in jail and when they are on probation they can regulate themselves, or we can put people under house arrest and say that we will count on them to follow the guidelines.

Mr. Claude Gravelle (Nickel Belt, NDP): Mr. Speaker, Bill C-14 will increase fines and introduce administrative monetary penalties. The fairness at the pumps act proposes to strengthen consumer protection and provide greater deterrence against inaccurate measurements by increasing court imposed fines and mandatory inspections. The fairness at the pumps act proposes to increase retailer accountability and use of private sector authorized service providers. Mandatory inspections would be conducted by authorized service providers. Fees for independent inspection services would be determined by market forces. It is estimated that the number of annual gas pump inspections would increase from 8,000 to approximately 65,000.

Could the hon. member for Algoma—Manitoulin—Kapusking tell me what the problems are with the bill?

Mrs. Carol Hughes: Mr. Speaker, as I mentioned during my speech, the most important part of the problem is that the government sees fit to allow companies basically to police themselves.

It is great that the government is increasing the fines, but we know what happens when one polices oneself. We do not really see what is actually occurring and we will continue to see the problems that we are experiencing today.

The other issue is with regard to mandating private inspections which will now increase from 8,000 per year to 65,000 per year. We are telling the companies that we want them to police themselves and we expect them to do all of these inspections. For some of these organizations that is not financially viable.

I will wait for the next question because I have a few more things to add.

• (1540)

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Speaker, the thing that stood out in my mind as the member was speaking was that Bill C-14 allows the industry to police itself. That is kind of scary for me, given what is going on at the pumps.

A year and a half ago we were paying almost double per barrel what is being charged now and the prices at the pump were about \$1.00 or \$1.01. The prices now are about \$1.00 or \$1.01 and the price per barrel is half the price what it was.

There has to be some regulation. If we are allowing the companies to police themselves, God knows what is going to happen tomorrow. Could the member elaborate on that for us?

Mrs. Carol Hughes: Mr. Speaker, I think the answer is that we need to change the Competition Act in order to deal with that.

The member brought up the issue of the companies policing themselves. That is one of the biggest things about this bill. It is fine to say that we are going to increase fines but if the companies have the ability to police themselves, it just does not work.

The other thing is there is no recourse for a customer to get reimbursed for being gouged at the pumps. We need an ombudsman in place to ensure that will occur.

Although the bill seems to be a step in the right direction, there is a lot of meat missing from it.

Mr. Glenn Thibeault (Sudbury, NDP): Mr. Speaker, I have a question for the hon. member that relates to northerners.

I am her neighbour as well as a neighbour of my hon. colleague from Nickel Belt. We all seem to know a story from one individual or another who continues to get fleeced at gas stations.

We also know that our economy in northern Ontario, specifically in greater Sudbury, is hurting due to the strike at Vale Inco and the layoffs at Xstrata. We need to see a lot of things change. These poor individuals are being fleeced by companies.

What does the member think we can do in this bill to make it better, to help northerners from getting fleeced by big mining and oil companies?

Mrs. Carol Hughes: Mr. Speaker, we need to change the Competition Act. I am glad the member mentioned Vale Inco. My husband happens to be one of those people who are on strike. Our laws are truly unfair. The fact is, over and over again, the Liberals and Conservatives have voted against anti-scab legislation to deal with the issue.

With respect to the gas issue, people who are on strike are hurting right now because they are having to pay higher gas prices.

We need to deal with other issues as well. As I have indicated, it is not just a matter of a complaint and then an investigation. We need to have the ability for the consumer to have recourse with those companies. We need a process that will allow for a refund and compensation for consumers who are ripped off. We need refunds or restitution on the taxes collected on the phantom gasoline purchases. Also, we need an ombudsman office.

Mr. Brian Murphy (Moncton—Riverview—Dieppe, Lib.): Mr. Speaker, I have a question for my hon. colleague concerning concentration of ownership distribution in the industry and how it affects the little guy.

I come from a small city in New Brunswick. The member comes from northern Ontario. There are towns, cities and villages that still have independent operators, operators of small stations who pump the gas themselves.

Does she have any statistics regarding how this concentration of ownership might affect the small, independent retailer in a negative way and what might we do in Parliament to make people aware of that concentration of ownership and lack of competition?

• (1545)

Mrs. Carol Hughes: Mr. Speaker, again, we need to change the Competition Act.

The impact of the bill on small gas stations is whether they will be able to police themselves. A lot of these entrepreneurs do not have the dollars to do more investigations.

Government Orders

We need to change the Competition Act. Bill C-452 is coming up today. It would address that. I hope the members will speak on that bill.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, the member has nailed the real problem 100%. Over many years, the provinces have done about 125 studies on price fixing, trying to nail those gas companies, those retailers. In fact, Bill C-452, as proposed by the Bloc, comes up this very day. The bill would amend the Competition Act to authorize the commissioner to conduct inquiries into the entire sector.

We have always said that the bill has some pluses to it. The increased penalties are a positive. However, the idea that giving an offset to the private sector and farming out the inspections is the wrong way to go. If I were a retailer, I would rather have the government doing the inspection on a random basis than pay some private entrepreneur who may charge me double or triple what he or she should in this situation.

The Conservatives never come up with consumer protection unless there is an offset to private business, and that is what this is.

Mrs. Carol Hughes: Mr. Speaker, I totally agree with my colleague. It should not be left to the private sector to police itself. Government needs to do it.

I remind the House that a question was asked of the government whether it would create an ombudsman position. The answer from the industry minister at that time was “we will not be creating the position of ombudsman”. That is a sad day for consumers.

[*Translation*]

Ms. Meili Faille (Vaudreuil-Soulanges, BQ): Mr. Speaker, I listened closely to the speeches about Bill C-14. The member for Algoma—Manitoulin—Kapuskasung was right to say that the bill needs to be studied in detail.

I, too, am worried that the oil industry has been asked to police itself. Oil companies are being asked to evaluate how well they respect the laws. That is incredible. They are both judge and judged. The Bloc Québécois has the solution and it is Bill C-452, which will be debated a little later today.

Bill C-14 is also of direct interest to me. I often travel back and forth between Ottawa and my riding of Vaudreuil-Soulanges. Obviously, I have to take my car. Every time I stop to fill it up at a gas station, I cannot help but wonder why prices vary so much from region to region. In the same city or an area of a few kilometres, the prices may be the same or they may differ, oddly enough, by a number of cents a litre.

I often wonder if the prices at the pump are accurate. Those are a few reasons why I am interested in today's debate. I think that Bill C-14 is a good start, and because of that, I agree with it in principle. It would amend the Electricity and Gas Inspection Act and the Weights and Measures Act. However, the bill does not directly address collusion problems amongst oil companies, nor does it effectively prevent sudden gas price increases. I still believe that we need to continue our efforts in this area and encourage the members to pass Bill C-452.

In order to better understand the Bloc Québécois' position, it is important to understand what this bill is proposing. As its title indicates, the bill would make two amendments to two different acts. It would amend the Electricity and Gas Inspection Act by providing for higher maximum fines for offences, as well as punishing repeat offenders. It would also amend the Weights and Measures Act to require that retailers cause any device that they use in trade or have in their possession to be examined within a prescribed period. Non-compliance could result in penalties.

Bill C-14 introduces fines for violations of the Electricity and Gas Inspection Act. An inspector who noticed a violation would be able to impose a penalty on the offender.

In addition, a person who wanted to contest a fine would have to prove that he had exercised due diligence to prevent the commission of the violation.

Another interesting point is that the penalties can be cumulative. A violation that continues for more than one day is considered a separate violation for every day during which it continues. This measure is more stringent, because it requires offenders to act quickly and make the necessary changes to comply with the act.

Still in the section on amendments to the Electricity and Gas Inspection Act, Bill C-14 would allow the Minister of Industry to make public the names and address of persons who had violated the act. The advantage of releasing this sort of information is that people could avoid offending retailers.

We noted that a violation under the act would not constitute a Criminal Code offence, which means that an individual found guilty under Bill C-14 would not have a criminal record. This should be examined in more detail in committee.

Bill C-14 also amends the Weights and Measures Act. One of these amendments would allow inspectors to enter a retailer's premises. A government-appointed inspector who had reasonable grounds to believe that a violation had been committed could examine and seize any document that could prove that there was a violation. Under this provision, the inspector could even limit access to the premises and require that the retailer stop operating faulty equipment.

Bill C-14 provides for large increases in the penalties under the Weights and Measures Act. A person found guilty under the act would not be fined \$1,000, as now, but up to \$10,000, in addition to being liable to imprisonment of not more than six months for a first offence.

Government Orders

●(1550)

In the case of a first offence prosecuted by indictment, the fine is increased to \$25,000 and can be accompanied by a maximum prison sentence of two years. In the case of a re-offence, the bill increases the maximum fine to \$20,000 and if a repeat offender is tried for another conviction on indictment, the fine can go up to \$50,000 with a maximum prison sentence of two years.

I am very anxious to hear the minister's arguments on this once public servants are invited to appear before the Standing Committee on Industry, Science and Technology to justify these sentences and elaborate on the problems at the pumps.

Much like the amendments to the Electricity and Gas Inspection Act, the proposed changes to the Weights and Measures Act will allow for cumulative sentences to be imposed for each of the days the offender is found to be in violation. The bill introduces stricter penalties and allows for cumulative sentences. Repeat offenders will be punished. That is basically what the bill aims to do.

The Bloc Québécois has several concerns. When the Conservative government prorogued Parliament in December 2009, the Bloc Québécois began a pre-budget tour. I met with many citizens and various associations from Vaudreuil-Soulanges to find out what they wanted and what they expected from the budget. These meetings confirmed that the public's main concerns are the environment and the economy. The Bloc Québécois' positions are explained in the document *Saisir l'occasion pour le Québec*.

As I said in my speech, the Bloc Québécois supports Bill C-14 in principle, but Bill C-452 is also a direct response to the problems related to competition. My colleagues, the hon. members for Shefford and Chicoutimi—Le Fjord, will discuss that a little later today.

The Bloc Québécois' Bill C-452 addresses the flaws in Bill C-14. At the risk of repeating myself, we have some concerns about Bill C-14, but since we are a responsible serious party, we are suggesting solutions.

In response to Bill C-14 and the shortcomings of the measures put in place by the January 2009 budget implementation bill, we have introduced Bill C-452, which would give real powers to the Competition Bureau. The Bureau could act on its own and initiate inquiries, without waiting for permission from the minister or for a complaint to be filed. If the Bureau had reasonable doubts, it could investigate.

Bill C-452 would strengthen the Competition Bureau and would better protect the public against the actions of some businesses, which might take advantage of their position to unfairly fleece and gouge consumers.

We have other possible solutions. My Bloc Québécois colleagues and I strongly believe that we must adopt a comprehensive strategy to combat the rising cost of petroleum products. There are three criteria needed to apply this comprehensive strategy.

The first criterion to make our comprehensive strategy a success is that we must continue to support initiatives that help us decrease our dependence on oil. The rising cost of oil is making Quebec poorer. Increased prices affect the economy in many other ways. Increased

exports of Alberta oil tend to increase the value of the Canadian dollar. Our manufacturing companies are the ones who suffer.

The Bloc Québécois has three ideas to decrease our dependence on oil, and my colleagues can read about them in detail on the Bloc Québécois site, because the document is public.

We must increase the budget of the ecoEnergy for renewable heat program, and expand its scope to solar thermal power, to include forest biomass.

●(1555)

We need a program to support the use of forestry byproducts in energy and ethanol production. We have to stimulate new product research and development. We can do this by offering refundable tax credits for research and development so that companies can benefit even if they are at the development stage and are not yet making a profit.

There are many other suggestions and ways to reduce our dependence on oil. We just have to be bold and focus on the importance of acting now to help the environment. We need to think about what consumers, what our fellow citizens, what Quebecers are really paying for when they use oil products.

Bill C-452 meets one of those criteria. Its goal is to discipline the oil industry. As parliamentarians, we have to show people that we are ready to protect their interests.

I encourage members to discipline the industry by voting for Bill C-452 because it gives more powers to the Competition Bureau. The government should commit to setting up a petroleum monitoring agency. It is time for oil companies to respect people. They have to be accountable.

The final criterion is to make the oil industry contribute. The price of oil is going up, which results in higher prices for transportation and many consumer goods. Because of this, the oil industry is raking in huge profits. The very least these companies can do is pay their fair share of taxes.

As part of our comprehensive strategy to address the rising cost of oil products, we want the government to eliminate tax breaks. In 2003, the government cut oil companies' taxes from 28% to 21%. In 2007, the Conservative government proposed another tax cut, and according to the 2007 economic update, oil companies will be taxed 15% in 2012. Why should such a rich sector of the economy benefit from so many tax breaks?

The oil industry needs to be part of the solution. The \$3.6 billion pocketed by oil companies is not available to the public. That money could be reinvested in society.

Government Orders

Our comprehensive strategy to address rising oil costs is reasonable and feasible. There are only three ways to change the way we deal with oil. We have to reduce our dependence on oil, make the oil industry pay its share by eliminating tax breaks, and discipline the oil industry with Bill C-452.

I will give the House a short overview. In May 2003, before the Standing Committee on Industry, Science and Technology, the commissioner of competition pointed out that the Competition Bureau did not have the authority to initiate an inquiry.

Since 2003, subsequent governments have not taken action. The government never takes action when the price of gas fluctuates. It believes its inertia is justified by the fact that the Competition Bureau is not able to prove that there are agreements among oil companies to fix the price of gas.

An hon. member: Well, that is obvious.

Ms. Meili Faille: How can investigative powers be given to an institution when it must bow to the will of the minister or when this institution is only able to take action after receiving a complaint?

The Bloc Québécois wonders why it takes a complaint and a request by the minister to set the wheels in motion. If the Competition Bureau has information pointing to collusion, it should be able to initiate an inquiry immediately.

Still in 2003, the Standing Committee on Industry, Science and Technology concluded its study on fluctuating gasoline prices with some recommendations. The first was to create a petroleum monitoring agency. The second was to toughen up the Competition Act.

According to the committee, this agency would have been able to clear up confusion among the general public regarding the price of gas by providing existing data to the public. The agency would have overseen all aspects of this activity.

That same year, the Standing Committee on Industry, Science and Technology spelled out the changes it wanted to see made to the Competition Act.

• (1600)

Obviously the Bloc Québécois agrees with this recommendation and it pushed for the government to respect the work of the committee and agree to implement this monitoring body, something it did not do. In response to the committee, the government of the day said it did not feel it was necessary to create this monitoring agency and it argued for the status quo.

In 2005, the Liberal Party of Canada had proposed, through Bill C-19, amendments to the Competition Act allowing for measures to mitigate rising gas prices. Note that, once again, the government did not incorporate the recommendations of the Standing Committee on Industry, Natural Resources, Science and Technology into its Bill C-19. The committee had recommended reversing the burden of proof to address agreements between competitors and to make it possible for the Competition Tribunal to award damages to parties affected by restrictive trade practices, where applicable.

The purpose of the first recommendation was to make it the responsibility of the parties wishing to enter into an agreement between competitors to prove the ultimate social value of that agreement. The second recommendation of the Standing Committee on Industry, Natural Resources, Science and Technology would have made the pendulum swing back the other way since measures restricting the business practices of the guilty parties could have been imposed.

You can guess what happened. Bill C-19 died on the order paper since it was introduced just before the election. That is why, in 2007, the Bloc Québécois introduced Bill C-454. That bill made it to second reading stage, but another election saw the Bloc Québécois bill scrapped. In 2009, a little more recently, the Bloc Québécois noted that the Conservative government had adopted part of Bill C-454. Nonetheless, the government does not think it is necessary for the Competition Bureau to initiate its own investigations.

It is clear that in 2010 nothing much has changed. The flow of information has not improved much and there is no agency governing the attitude of the oil companies, quite the contrary.

The government must deal with problems of fairness swiftly and I want to know what it is waiting for to take action. Consumers are sick of bearing the cost of fluctuating prices at the pump.

• (1605)

Hon. Dan McTeague (Pickering—Scarborough East, Lib.): Mr. Speaker, I listened carefully to the member for Vaudreuil-Soulanges, and I am pleased to see that she is very knowledgeable about this subject. I know that this issue will be discussed later this afternoon, when we examine a bill from one of her Bloc colleagues. The former commissioner of competition clearly indicated that he needed the power to initiate investigations. I will quote the then-commissioner, Konrad von Finckenstein, in English, because I unfortunately do not have this quote in French. It was in response to a question he was asked by my former colleague, Serge Marcil, who unfortunately passed away in Haiti. Mr. von Finckenstein's response at the time was:

[*English*]

We have the power to undertake investigations ourselves, but we generally respond to complaints. If you are talking about tools, yes, we have all the tools we need. The provisions of the Competition Act give us the mandate we need to do our work.

[*Translation*]

What I am trying to say to the Bloc member is that we are talking about a power that perhaps already exists. Perhaps there truly was a misunderstanding, despite the good intentions of the member who will present his bill later this afternoon.

Ms. Meili Faille: Mr. Speaker, I would like to thank my colleague.

He listened closely to my speech. I did refer to the commissioner's comments. The problem this bureau has is with launching inquiries of its own accord. Yes, it has tools: it can use wiretaps and do investigative work. The problem comes when it wants to undertake an inquiry. The commissioner does not have the latitude needed to determine the scope of the inquiry and the structure of a particular industry or sector. That is what Bill C-452 is referring to.

Government Orders

[English]

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, I really do think that the Bloc's Bill C-452, sponsored by the member for Shefford, has a lot of potential. I have been following this issue for probably 20 years now and there have been 125 studies done in this country. Piles of studies and thousands of dollars have all come up with the same conclusion: the authorities cannot track down the price fixing in the gasoline industry because of the Competition Act.

This bill is going to amend the Competition Act to authorize the Commissioner of Competition to inquire into the entire industry sector. I think that this Parliament owes it to debate this Bloc bill later on today and refer it to committee. I think we are going to have some real potential here for some real change.

Dealing with Bill C-14 itself, I do want to ask questions of government members, but for the last two days I have not seen one yet. I do want to talk about the whole area of—

The Acting Speaker (Mr. Barry Devolin): Order. This hon. member is an experienced parliamentarian and knows that this is a period for questions and answers. This is not time for speech making. If there is time, he can ask a second question, but we try to hold questions to one minute and 15 seconds to a minute and a half. This member has been going on for more than two minutes now. I indicated several times for him to wrap up, which he did not.

• (1610)

[Translation]

The hon. member for Vaudreuil-Soulanges.

Ms. Meili Faille: Mr. Speaker, I believe that we will have a chance to hear him speak later on. Given how often he speaks in the House, my colleague will have ample opportunity to finish his thoughts.

I would like to thank him in advance for his support for Bill C-452. The Bloc Québécois is proposing this legislation to strengthen the Competition Bureau's authority. I believe that a comprehensive strategy for dealing with increases in the price of petroleum products would close the loopholes in Bill C-14. I spoke about that strategy earlier.

The member said that he has been following this issue for about 20 years. I agree with him because I have been driving for about 20 years, and I have seen gas prices fluctuate from one region to the next. One thing I have learned in the House is that you have to have patience if you want to take on the banks and oil companies.

[English]

The Acting Speaker (Mr. Barry Devolin): I have a brief point of clarification. When I rose a minute ago, I said it was time for questions and answers. It is time for questions and comments. Members do not have to pose a question. They can make a comment, but it is the time period that I was referring to.

Questions and comments. The hon. member for Yukon.

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, I just have a brief question. There was a petroleum monitoring agency that was in place by the Liberal government so that oil companies, refineries, et cetera, could get the information collected and out to consumers. It would help them very much, but the government has closed that

agency and refuses to fund it. I think the member's party was very supportive of that agency. Does she have any comments on the fact that it has now been closed?

[Translation]

Ms. Meili Faille: Mr. Speaker, the creation of a petroleum monitoring agency is a recommendation that has come up repeatedly at the Standing Committee on Industry, Science and Technology. I referred to that in my speech.

Several aspects need to be considered when looking at fluctuating gas prices. Four parameters need to be examined. I believe that if Bill C-452 passed and were sent to committee for study, we could then have a closer look at the price of crude oil, the refiner's margin, taxes and the retailers' margin. Thus, we could better understand how the industry works. The committee might then conclude that a petroleum monitoring agency should be created.

Mr. Claude Gravelle (Nickel Belt, NDP): Mr. Speaker, I would like to thank the hon. member for Vaudreuil-Soulanges for her speech on this bill. Bill C-14 will privatize the inspection of gas stations. But putting that in the hands of private enterprise is a little like putting prisoners in charge of prisons, or the fox in charge of the henhouse. We can see the result of companies being left to regulate themselves right now in the Gulf of Mexico.

I would like to hear the hon. member's opinion on this. What does she think of the fact that private companies will regulate the oil companies?

Ms. Meili Faille: Mr. Speaker, that was one of the first items I addressed at the beginning of my speech on this issue. The oil companies are both judge and judged. In the legislation, the people who will be called to examine the devices, those who will be called to evaluate compliance with the law, will be people from the industry itself. I believe there is a flaw, a major gap in this bill when it comes to this provision on the industry policing itself.

It is incredible to see that the oil industry will be put in a position of being both judge and judged.

• (1615)

[English]

Mr. Jim Maloway: Mr. Speaker, I will try to finish my previous question. Under the Weights and Measures Act, section 27 deals with the issue of odometer rollbacks, odometer replacement and odometer tampering. Inadvertently by bringing in the new penalties in this bill, those cover odometer rollbacks. That is a good thing for consumers. Is anyone aware of that and why is it not mentioned in any of the government press releases?

[Translation]

Ms. Meili Faille: Mr. Speaker, that is a very good question on all these new penalties. I summed this up earlier. The government will focus on guilty retailers who are repeat offenders. There will also be cumulative penalties and the need for retailers to act swiftly. Nonetheless, my colleague's question is also quite relevant.

Government Orders

I invite the committee that will examine this issue to look at the problem and the solutions in detail. Of course I am disappointed that the government did not give us more statistics on the problem and on what the actual situation is and that we have to turn to the newspapers for some of the information we are missing.

[*English*]

Mr. Brian Murphy (Moncton—Riverview—Dieppe, Lib.): Mr. Speaker, it is my pleasure to rise to speak to Bill C-14. I want to offer up my comments as a theme to the consumers of our country, the hard-working men and women who each day use vehicles to get to work, to take their children and their families around communities and to survive. Perhaps more than the people in the House, the issues of price of gasoline and the fairness of those prices and the lack of competition in prices of gasoline and fuel products are very important to them.

I also want to offer up my comments as a theme to the small independent retail service station owners like Lyle Hogan on St. George Street in Moncton, New Brunswick, and I will get back to that.

First is the issue of the framework of the bill. Bill C-14 is the government's highly publicized fairness at the pumps act. The legislation attempts to address tampering at the pumps and has been presented as the great hope that consumers have been waiting for across the whole stretch of issues that I mentioned. However, we have to analyze the bill to see if those expectations and hopes are met.

The Minister of Industry introduced the bill last month with much fanfare. He aimed to provide court imposed fines under the Electricity and Gas Inspection Act and the Weights and Measures Act. The bill would see higher fines for offences committed under either of these acts. As well, regular inspection and enforcement have also been heralded by the government as key elements in the proposed legislation.

[*Translation*]

The House should certainly support measures to protect the public against unfair retail practices, because confidence in the accuracy of measured goods and services is essential to a vital, efficient Canadian economy.

[*English*]

First, as I have briefly covered, the fairness at the pumps act would see increased fines and administrative penalties for inaccurate measurements. I do not think anybody can argue with that.

Court-imposed fines under the two acts that I mentioned would rise from \$1,000 to \$10,000 for minor offences and from \$5,000 to \$25,000 for major offences. Again, I do not think anybody quarrels with that fine imposition. It marks a change in time that these are serious offences under regulatory schemes that should be addressed. The act also addresses the need to deter repeat offences of inaccurate measurement, such that the ultimate fine is \$50,000 for repeat offences. That is significant.

The act would further allow for new administrative monetary penalties to allow for graduated enforcement reflective of the severity of the various offences. With fines for minor offences and

prosecution for serious and repeat offences, Canadians can be assured of appropriate and effective regulation and enforcement at the pumps.

• (1620)

[*Translation*]

Similarly, the use of prosecution would mean that offenders would not face tough penalties and a criminal record for minor violations, but for more serious offences.

[*English*]

The second item of interest in the proposed act is the much discussed introduction of mandatory and regular inspection of retail devices. This kind of accountability has no doubt been long overdue and it is high time Canadians see this sort of retailer responsibility.

Measuring device accuracy would be carried out through increased and regular inspection. At present, the bill proposes to phase in measuring of devices in the sectors of retail petroleum, wholesale petroleum, dairy, retail food, fishing, logging, grain and field crops and mining. Needless to say, the bill would seek to bring accountability to a number of economic sectors.

[*Translation*]

I fully support this amendment, because regular mandatory inspections are the norm in the G8 countries, in industrialized nations like France and Germany and nearly everywhere in the United States.

Canadians want this, even though it is a bit late in coming, because they expect to get what they pay for. With regular pump inspections, Canadians will get the goods and services they are entitled to.

I should point out that the recommended frequency of mandatory inspections is the result of consultations held across the country.

[*English*]

Finally, the other significant aspect of the proposed legislation would be the use of private sector service providers. The bill would provide the minister with the authority to appoint inspectors from outside the government under the Weights and Measures Act. Government has stated that this privatization of inspections would allow for Measurement Canada to “leverage its resources fully” and “enforce its mandate”. If the bill goes to committee, clearly at that stage these claims must be examined in detail.

The government would see Measurement Canada inspectors responsible only for enforcement actions. Meanwhile, independent inspectors or authorized service providers, as the government likes to call them, would be conducting the proposed increase in inspections.

I think consumers might want to be aware of the word accountability. Effective responses to complaints must be ensured as Canadians deserve this. However, ensuring these mandatory and frequent inspections are conducted with appropriate follow-ups may not necessarily be best accomplished through out-sourcing. This is but another example of matters that must be fully explored in detail in committee.

Government Orders

[Translation]

If the government is to provide independent inspection services, how much will that cost Canadian taxpayers? Bill C-14 may lead to more competitive inspection services, but that has not yet been proven.

Under this bill, the number of inspections will rise from 8,000 to 65,000 a year. Naturally, this increase will come at a cost, and the House has a duty to see that the services cost Canadians as little as possible.

The provision of the bill on independent inspectors includes small businesses that could take on this role. We have to be sure that we understand the full impact of this provision before we pass this bill.

[English]

When I first read the bill and examined the outsourcing of inspections, I could not help but think about the first experience I had on Parliament Hill as an elected person. That was not as a member of Parliament, but as a mayor of a city. I was brought up here to be a witness, under my own steam, I might add, in case there is some inquietude about that, to give evidence with respect to water quality and water management in the country as a result of what happened in Walkerton in 2000.

Members of the House will remember with regret that neither of the two men working for the Utilities Commission in the Walkerton incident had any formal training whatsoever. The tragic results of water contamination in Walkerton will not be forgotten and should teach us all a lesson about accountable and effective inspections, no matter what the industry.

I am reminded of why engineers have a steel ring on their little finger when they graduate. It is to remind them that the construction of items under their control are very important because it was linked of course to that very famous bridge collapse, which was an engineering failure.

Every time that we outsource a government service, we should be very mindful that the service serves the public and serves a very good purpose, which, we should all remember, in the Walkerton incident did not work.

The first thing we should note today in examining the preliminary evidence before it goes to committee is that industry analyst Michael Ervin made some comments about the proposed legislation. What he said, which was illuminatory to me, was that we are debating what really is, in effect, the Weights and Measures Act anyway. As he put it:

—there are laws and regulations around the metering of gasoline through pumps already. And to my mind they are more than adequate.

The act in question requires that consumers get fair and accurate value for whatever they buy, and that measuring equipment must be held to certain standards. While the government may want to assure consumers that they are being burned by the retail gasoline industry, the effectiveness of the measures in this bill must be examined. If customers are being charged an additional \$1.50 to \$2 each time they fill up, they have every right to be upset. That is very unacceptable, of course. I have no doubt that in this House there is agreement that hard-working Canadians deserve that protection.

The *Ottawa Citizen* did a study in 2008 that revealed that of more than 200,000 government inspections in less than a decade, 6% of the pumps were inaccurate. In fact, 2% of the time, the pumps erred in favour of the consumer and 94% of inspections revealed consumers were getting what they paid for.

I likened it a little bit to my job in the House as vice-chair of the justice committee. We hear that there are vast and grave problems with the administration of justice in our community. We are beset with a new law every day, but in many cases the evidence shows that the real solution to many of the crime issues is to put in the resources with police, put in the resources with corrections officials, and I do not want to stray too far from the topic, but it is somewhat the case here. Yes, there is a problem in 4% of the cases, but is that enough to herald this as the panacea to all problems with respect to gas prices at the pumps?

Retailers evidently want a fair and level playing field with regulations that apply to all. Moreover, fair treatment of the consumer must be a priority and the amendments to regulations must be based, however, on solid evidence.

A constituent of mine, a small, independent retailer whom they call the little man, is Lyle Hogan. He is the guy who runs the station that still fills up the gas with an attendant. My 81-year-old mother searches all around town to find a gas station like that because she never quite figured out how to use those automated systems. Lyle Hogan has expressed to me some very real concerns about the laws that are applicable across this country. He told me how alarmed he was at the increased cost this legislation would visit on the independents in addition to what already occurs. His quote was, “Annual inspection is \$2,000 for calibration and I am completely unaware of faulty equipment amongst others in this area”.

Mr. Hogan's worry is probably well founded because he is an honest, hard-working guy, out for the little man. It might even make it harder for the independents, who never make a lot of money in this industry, where the real problem is the concentration of ownership and the lack of competition in gas pricing in this country.

● (1625)

Lyle Hogan represents the hard-working Canadians whose livelihoods depend upon the retail gasoline industry. It does not matter what riding they are from. We all know them, and we also know, like the drug stores and millinery shops on Main Streets across this country, that they are a fading entity. They are the little guys. They are the Alan Jackson song, *The Little Man*.

We should be concentrating on the bigger issue. I hope that the debate that takes place at committee will follow a lot of the advice and information that we have received from the gas guru, my friend from Pickering—Scarborough East.

Government Orders

Hearsay of gross inaccuracy at the pumps in a malicious business practice about Lyle Hogan is not going to solve the issue. What is going to solve the issue about what affects Canadians is this. How often do we say the Americans are ahead of us with respect to retail price protection? They are. With respect to the *Weekly Petroleum Status Reports*, which come out of the energy information administration in the United States of America, they can give people like my friend from Pickering—Scarborough East the information that he needs to become the gas guru and know about the lack of competition, the wholesale industry of prices, and the substantial overvaluation of energy markets that occurs right now.

In other words, there is enough crude oil in the world. There is a supply in stock and it does not reflect the prices at the pumps. The prices at the pumps in this country are artificially high and the margin for retail operators such as Lyle Hogan might be 3¢, 4¢ or 5¢. He does not have a lot to play with.

When we talk about the retail industry, there have been mergers, acquisitions and closures to the point where in any town or city across this country, there are perhaps more gas stations, or bigger ones, but fewer owners and operators, brands, distinctions and diversification.

How is it that we can say there is probably a problem with information? We can say it because in the United States the service is there. The Americans know exactly what crude stocks there are, what prices ought to be, and what investors, through their Wall Street machinations, are doing to control upwards the price of retail gas.

Then we ask ourselves, why does any member of Parliament have to resort to an American publication and link it to Canadian stocks and the Canadian situation? The reason is because there was an idea floated around in 2005 of having a petroleum price information service for Canada, the same thing available in the United States. It has not been acted upon by the government. In fact, every inquiry to give it life has been quashed, and energy consumers, people knowledgeable in the industry, are left to use American information.

We have a situation where we do not really know what is going on in the Canadian industry. We can surmise from world crude prices. We have a concentration of ownership that is affecting the consumer dilatoriously.

Luckily enough, in my own province of New Brunswick, the provincial government saw fit to institute a regulator scheme. I am not saying it gives the right lower price that consumers deserve, because that is a Canadian issue, but it does give some regulation and some consistency over a period of time to prices, which at least allows people not to be shocked by price changes and not be subject to those long line-ups that we see in other provinces when it is announced that prices are going up or down, depending upon the market whims.

We are in May of 2010 now and the *Ottawa Citizen's* investigation came to light in May of 2008 with respect to pump accuracy. If Canadians had been gouged at the pumps, as the government maintained years ago, why did it not act on it sooner? I could say one word “prorogation”. That is something that we ought to bring up in this House. We ought to say that we have not been here as much as we would like to in order to speak to bills like this because the

government keeps pulling the plug on legislation. It keeps pulling the plug on the democratic process and this minor fix to the bigger situation was delayed because of that.

● (1630)

More important, the bigger fix to the bigger issue, which is to look at the issue of concentration of ownership, the lack of information from a government agency, has been delayed even further because we have not been sitting enough. The Prime Minister and his press gang are so busy having drive-by press conferences that they do not want to really get down to the issue of prices at the pumps for Canadians.

In closing, this is a bit of a smokescreen. The bill should definitely go to committee. However, at committee, I am hoping the members of that committee discuss the real issue, which is why consumers, hard-working Canadian men and women, who have to drive their kids to school, who have to take them to minor hockey, who have to get to work, are paying too much at the pumps and why people like Lyle Hogan, who has a one-man operation, may be out of business because we have not, at this time, in this place, addressed the real issue of who is being gouged and who is doing the gouging.

I urge the government to get on this issue for the good of all Canadians.

● (1635)

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, my colleague is quite right to note that this is very much a minor fix, that it is actually a smokescreen, with the overall industry challenges related to accountability, pricing, and availability to source.

However, one of the things that has been unique is that this country has given up a lot of its sovereignty, with regard to NAFTA. We have included energy as part of that agreement. I would like to hear his comments about the vulnerability and the limitations that we have because of NAFTA.

Mr. Brian Murphy: Mr. Speaker, I will take that as a challenge, if that member thinks the Windsor Spitfires can beat the Moncton Wildcats. I wanted to finally say that cannot happen and he knows I get the last word on this.

However, on the issue of NAFTA, obviously, we have been into NAFTA for a long time. The bigger issue that he and I could have common ground on is, what is the government currently doing about the stock of information, about what refineries, wholesalers and retailers are doing about gas prices in Canada?

When the Americans have more information regarding consumer protection than Canadians do, that does not sound like the Canada that I grew up in. It does not sound like the Canada that the Liberal Party stands for, which is having government involved, at least in the information, with respect to what affects consumers.

We need to do that work. We need to come together as parliamentarians and understand what the real price of gasoline is for consumers.

Government Orders

Mr. Daryl Kramp (Prince Edward—Hastings, CPC): Mr. Speaker, I can recall, and I would like to remind the hon. member, that a number of years ago we had 16 to 20 major refineries. The member's party decided that it would bring in the drafted NEP, as it was so called. We saw what happened with the socialization and what it eventually did to the fortunes of the Liberal Party.

However, in his rush to come up with a socialization and/or basically a one-party price, what I would like to ask the hon. member is, within his province, where there is control over the pricing mechanism rather than the pre-market reign of the other provinces, just how much more are consumers paying for gas than they are in the other provinces?

Mr. Brian Murphy: Mr. Speaker, there are mixed reviews, to answer the hon. member's questions, on whether the regulatory scheme in the provinces work. We followed P.E.I., in this regard. People are generally happy with it. The consumer watchdogs, however, not having the overall information about what consumer prices should be, are at a loss to describe whether these schemes work on a provincial level.

I think the debate here is not what each province is going to do, but what the federal government should do to give at least the information to consumers, consumer watchdogs, and allow some competition.

I should also remind the member, just as a little sally back, that it was former Prime Minister Mulroney, I recall, and I think I was in high school at the time, who allowed companies like Imperial Oil to run the board on mergers.

So, if he is saying NEP, I am saying Brian Mulroney. Maybe off camera we can decide that not exactly all of it was good for everybody.

What should be good though is that he, as a government member, should stand up for consumers and get the information into the hands of the people who can protect consumers, whom we all represent.

Mr. Anthony Rota (Nipissing—Timiskaming, Lib.): Mr. Speaker, the hon. member hit some key points and I liked the way he mentioned Lyle Hogan. The Conservatives often speak about competition and they go back to Adam Smith in the 1700s and talk about small competitors and how that would be a perfect market.

When I look at something like this, Lyle Hogan gets thrown out. He does not stand a chance because the big companies can afford to bring in their inspectors. I am not exactly sure where Lyle Hogan is but I think of my small producer in northern Ontario who is far away from major centres. He or she has to bring in a private inspector, not a government inspector, and major cost is involved. How does this disadvantage Mr. Hogan as opposed to the big monopolies or the oligopoly that is out there in the oil industry?

Maybe my colleague could explain how it really solidifies the hold of the larger companies while really getting rid of the small competitor that the Conservatives say they are helping but who they are hurting tremendously by basically putting them out of business.

• (1640)

Mr. Brian Murphy: Mr. Speaker, the member answered his own question and I agree with him 100%.

Lyle Hogan has operated a small place on St. George Street in Moncton for 40 years. He was with the big chains but is now an independent. He mentioned in our talk that this would be harder on him than it would be on the major service stations.

We have to figure out whether we as parliamentarians represent the little guy or whether we just represent the big companies, not only in gasoline distribution but in many sectors of life.

I think we could all agree that there is a growing concentration of ownership and a lessening of concern for individual workers and customers. If we cannot do something about that by at least agreeing, on a non-partisan basis, that information should be marshalled and publicized by the government, what are we doing here if we cannot at least do that?

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, I have been looking forward to asking my question of a government member but I have not been able to find one to speak to this bill over the last couple of days. However, I know the member is a rather good lawyer and I am sure he will be able to answer my question.

I referred a question a couple of days ago to legislative counsel about whether Bill C-14 would inadvertently increase the fines for odometer rollbacks, which members know has been a big issue in this country for many years. People are not discouraged from rolling back odometers because the fines have been too low over the years. Clause 27 of this bill deals with the altering of odometers. The government has brought in increased fines, which is just great, but it also covers the rollback of odometers. I am just wondering why the government is not taking credit for that.

Why is there no mention whatsoever of all this good news for consumers in any of the government's press releases? Does the government even know it has done it?

Mr. Brian Murphy: Mr. Speaker, as a good lawyer I would not respond to something I have no idea about.

On the issue of rolling back odometers and consumer safety, this is something we have addressed in this House. It is very important. It goes along the theme of measuring and being honest to consumers, which is what this bill is all about.

Frankly, if this bill had been proposed as a minor and positive change, that would be fine, but I fear that sometimes in this game that we play we leave people with the impression that we have fixed the issue of gouging at the pumps. For most people, the issue of gouging at the pumps is the high price they pay. It is not the 3% of the time that they pay \$1 extra. It is the higher taxes at the pump that the Conservative government said that it would address. The Conservatives ran on the platform that they would address excise tax. They had an opportunity to do that but they did not.

Government Orders

The other issue that they need to address concerns the ownership concentration of the few setting the price for the many. There has been no action on that from the government. It does not seem to care about talking to big business about how to help little business.

The government will make announcements at Tim Hortons, which is a fine establishment, but it is not the little guy either. The little guy is the mom and pop coffee shop. Maybe it is symbolic. As much as I like Tim Hortons, it stands for the mid to large to larger to Goliath industry representatives and not the little guy like Lyle Hogan.

• (1645)

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, I am pleased to speak to Bill C-14, An Act to amend the Electricity and Gas Inspection Act and the Weights and Measures Act.

It has been termed the fairness at the pumps act but it is actually a series of different measurements for a series of different products. This is an attempt at a smokescreen by the government to try to appear tough on the oil and gas industry, in particular to the retailers in this instance, who are not the culprits at the end of the day in terms of high pricing. That comes from other parts of the industry.

It is important to note that we will not be supporting this to go to second reading because this is really about de-regulation, less accountability and would cause greater problems for the Canadian public as opposed to fixing the current system under Measurement Canada, and penalties that could be done as well.

My colleague who spoke before me was speaking out about the upcoming Memorial Cup. I can say that the Spitfires will be returning as champions. We will continue that debate another time. However, I wanted to ensure that he did not have the last word, as he thought. He was wrong on that and he is wrong on his predictions as well.

This particular bill comes about in a very interesting way. It was actually a number of years ago that there was a challenge to the industry through Measurement Canada. That information was gathered a number of years ago and did not go public. A freedom of information request by the press broke the information and the story opened. It then led to some interesting discussions.

I would remind the House that on May 12, 2008, my leader, the member for Toronto—Danforth, asked the then minister of industry at that time, who has since been punted to another department, about this issue and whether or not the government would do anything on it.

In the response to my leader, the minister at the time said:

Second, I have instructed regulatory changes to be prepared. These will increase the onus on gas retailers. Fines will be increased from \$1,000 per occurrence to \$10,000 per occurrence.

Meanwhile, it took approximately two years for this to happen, and it was under another minister.

The government was very clear about trying to distance itself from this issue by not acting on it. It is rather perplexing because what it has offered are some modest changes in terms of accountability. I do want to run through some aspects of this bill, which is very important, and some of the background to it. I will also tackle some of the deficiencies of the bill and why it is just a smokescreen for an

attempt to appear accountable to Canadians about this industry when the government really is not.

As I mentioned, a media story appeared in the *Ottawa Citizen* after an investigation was done by Measurement Canada which found that 5% of the 200,000 fuel pumps that it investigated between 1999 and 2007 delivered less fuel than reported on the pump display. The government inspection data showed that about one-third of Canada's gas stations, about 14,000, had at least one faulty pump.

We had a chronic situation with regard to that and it was uniform. There was a big story in my paper in Windsor West because we had some of the worst pumps in my riding. What that means is that people are not only getting ripped off by what they are paying at that time to the company, but they are also paying tax on phantom gasoline.

Despite having put this bill forward and despite having that information over all that time, the government did not use any of the available tools to either do one of two things: to fine the companies for doing that, which it could have been doing; or attempting to restore, from its own coffers, the theft from Canadians when it actually took taxes on phantom gasoline.

That is important because it just shows the lack of respect in terms of fixing the problem. We do not have a study that goes for nearly a decade which finds a significant problem across the board and then wait for a couple of years to introduce legislation. Ironically, this legislation would lead to the industry self-policing itself. Basically, it would be a wink-wink, nod-nod approach to accountability that would allow the industry to actually grow itself.

• (1650)

I will get into it later, but the inspectors who would be part of this process would likely come from those very companies. They would be creatures of the companies. As the testing, the equipment, the measurement and all those things are very specialized, it would be very difficult for independent companies to get into the market.

Measurement Canada would end up going to the administration of fines and penalties as a sole responsibility. It will probably be a lot less busy because it will probably get a lot less evidence about the actual situation. I have no confidence whatsoever that consumers would benefit from the particular changes outlined in this bill.

I mentioned that the bill is about other issues and I want to read them off. This is about measuring devices for a series of things: retail petroleum, downstream or wholesale petroleum, dairy, retail food, fishing, logging, grain and field crops, and mining. We are going to have deregulation in all of those elements as well. We do not accept that as a process to move forward.

I would point out that this industry has already gotten off enough with lack of regulation by not having the significant strength of a competition bureau. It does have some tools to it. In fact, a fine was levied on a company just a little while ago today. It can happen but they are still not sufficient in terms of having an ombudsman office or the accountability monitoring that has been recommended since 2003.

Government Orders

I know the member for Pickering—Scarborough East, who has done terrific work on this file, will remember the days of coming here in the summer to have hearings and have the industry basically rule the roost and once again put this issue on the back burner. Unfortunately, we still have not seen accountability, although that member has done terrific work on this file.

I want to follow up now with the issues related to this that would change. It is important to notice in legislation that we can refer this to committee, and that is sometimes a reasonable approach to take. For ourselves, however, we will not do that because we do not want to see the use of private sector authorized service providers being activated by this legislation at the end of the day. The risk is far too great.

We have habitually seen abuse from this industry upon nations and upon customers, which is one of the reasons that we have to get off our dependency on oil and find other alternatives. We just have to look at the Gulf of Mexico right now where once again the industry was able to get its way. For those who say that it did not, that it is nonsense, because we all saw the political campaigns of the United States that said, “Drill, baby, drill”.

That has all evaporated right now but what has not evaporated is the hundreds of thousands of gallons of crude that is threatening the ecosystems that affect not only the United States but also Canada. We have asked questions about that and the Conservative members have heckled us saying that we are in Canada and not in the United States. However, those ecosystems are shared by a number of different species that have a connection to Canada. We also know that some of that oil can eventually reach into some of the international streams and eventually, if it is not plugged, reach into our own system here

This is a very serious issue and deregulation and letting industry self-police has led to that problem over there. When the “drill, baby, drill” campaigns were going on during the presidential election, the end result was that even the Obama administration loosened up standards to allow for more offshore drilling. The Americans have now put a moratorium on that, but there was enough of a penetration to open that up.

On the Canadian side, we have seen a whole debate over a number of years about the taxation policy of this issue. The taxation policy of this issue in this chamber has happened for many years and that is because there is basically a breakdown of our taxes into three taxes: the crude oil cost in terms of the price at the pump; the gross profit margins for retailers and refiners, which is around 16% to 18% for marketing; and taxation at 38%. Canada's taxation on this comes from royalty taxes, excise taxes and sales taxes.

I do not want this debate to be forgotten in terms of what members have previously said here when they talked about the cost and the price at the pump. I think the minister pointed to the cameras and warned the retailers that they were coming after them for the amount of money that they might have been scamming from not having the proper pumps fixed right, either knowingly or unknowingly.

• (1655)

There have often been government and opposition members talking about the cost of this to Canadians, that it is really important

for our lifestyle, important for our environment and important too for how we use our natural resources.

I want to read a quote from the House of Commons on May 12, 2004:

Mr. Speaker, the Prime Minister will know that across the country Canadians are struggling with record gas prices. Canadian businesses are being hurt. Canadian consumers are burdened with the difficulties this is causing, but the government itself is rolling in record gas tax revenue.

Will the Prime Minister finally do the right thing and agree to lower gas taxes for Canadians?

The member who said that was the current Prime Minister. It was the current Prime Minister who was advocating for the reduction of taxes on gasoline, something that the government really has not done.

When they tried to do that by removing the GST, there was no accountability in that for the system. What we have seen is the coffers of the nation suffer with the reduction of gasoline taxes at the pump from the GST without the savings being measured and paid back to consumers.

That is a real problem because the companies are getting record profits, record tax cuts and also extra revenue now from the taxation policies that were never followed up with proper accountability. That is because we do not have an ombudsman office. We do not have a system in place that ensures the policies are going to be fulfilled by the actual objectives and that was unacceptable.

I will read another quote:

...when all is said and done, the government seems content with high gas prices. The reason is the government does not want to reduce gas taxes, so it actually wants high gas prices....

Will the government admit that the real reason it does not want to do anything is that \$1.40 is its actual target price for gasoline?

That was the current Prime Minister who was once again advocating for a policy that he has never put in place, and that is the policy of reducing gas prices for Canadians.

We never saw any of that with regard to this announcement. We did not hear the Minister of Industry say the government was going to ensure that any of these savings are going to be passed on. In fact, the creation of this system and this regime that is being proposed could actually increase the cost of gasoline for the retailers and subsequently for Canadians. There is going to be an increase in inspections, which I argue is good in a sense, but at the same time those costs are going to be borne by the retailer, and the retailer will pass those on. The margin of profit for the retailers is very small, especially for an independent operation. They do not have the same luxuries as some of the larger ones.

When we go to our gas station, it is almost like a drug store these days. They sell chocolate bars, pop, chips, coffee, and they partner with different organizations to run small businesses out of their stations. They have a whole series of different products and services, because gasoline has such a small margin of profit that they end up having to rely on other measures.

When this issue is going to be passed on to the inspectors, when they have to pay the fees for it, it will be interesting. They will be able to set their own prices for this. They will be able to keep a system in place that will be very difficult to challenge. As I mentioned earlier, the industry will have a key advantage. Who has the training, who has the equipment, who has the knowledge, who has the skill set to be able to do the type of testing that is necessary and make a business out of it?

They will have behind them a wealth of backing in terms of loans as well as operating costs that will give them a strategic advantage over any independent business or organization that may want to bring about accountability by being independent and doing that measuring outside the realm of the industry itself.

I suspect it will be a subsidiary, or it could be a spin-off, or it could end up being relied upon to get training, equipment and a series of things that will create a dependency model. We will not see the type of innovation that we will need on this issue.

We will see a continuation of deregulation. We will see the industry police itself and it is an industry, once again, that has shown no support whatsoever to being more competitive. That is critical. When we look at supply and demand we know that right now we have a record high supply of a number of different gasoline and fuel products, yet pricing still remains above a certain level. That is unacceptable.

• (1700)

We also do not necessarily have to have collusion in this industry, because there is a lack of competition with the vertical integration that has taken place. I would look to the issue, for example, of the Burlington refinery station that was shut down by Petro-Canada. Instead of investing in that facility and ensuring more competition for refining, it mothballed it and shut it down and then bought Esso gasoline to put in Ontario Petro-Canada sites. So there is no competition with regard to the product and the actual use of it on the open market. It is important because it does affect daily lives for a number of people.

We have everything from low income people who are very significantly affected by gasoline prices to truckers, in particular, who are dependent upon this. We have been talking about this issue since 2002-03 when it went to committee. Many truckers have moved into more independent operations and are getting squeezed right now. There is also the rural element where they have to traverse over a greater distance and have no choice but to use private transportation to ensure getting to a destination to be able to work or whatever it may be. They also have stronger winter conditions, using more fuel for a series of things.

When we look at this act being supposedly more accountability for consumers at the gas pump, in Ontario they will wake up on July 1. I do not know why the Prime Minister and Mr. McGuinty cannot leave Canada Day alone when bringing in a new tax. This is Mr. McGuinty's second taxation date on Canada Day. First it was for health care and now it is for this. Maybe we need an act of Parliament to stop taxation from starting on Canada Day. But when the HST comes into effect in Ontario, there is going to be a windfall for the McGuinty provincial government.

Government Orders

I had parliamentary research do some work for me. For those out there, parliamentary research is available for all members of the House. It is a very important part of our democracy. It allows economists, lawyers and other types of researchers to do independent work for members who may want to share it later on, but it is independent from an MP's office, other members and the government, and it is critical.

I asked for a breakdown on the HST in a responsible way. Researchers looked at 13 major cities across Ontario and the average price of gasoline over a number of years, I believe five years. Under the regime right now, they expect the provincial government to bring in an additional \$1.2 billion in gasoline tax, and another \$500 million is going to come in, so \$1.7 billion in total, just for gasoline and diesel for the province of Ontario next year. That is if the price remains just under \$1 a litre.

This windfall the provincial government is stepping into is available only because the Conservative government has agreed with the harmonized sales tax, and we can quote the finance minister talking about policies on this and wanting to bring it to other provinces. Ironically, we are borrowing \$4 billion to bring this into Ontario. So we are borrowing money, we are going to pay interest on that money as we are in a deficit right now and we are then going to ask Ontarians to pay an additional \$1.7 billion more in taxation at the pump this summer.

In conclusion, we need to have real accountability. We do not need deregulation in this industry. We need to make sure it is going to be held accountable. Every time anything is brought up, the government claims foul, that there are no issues, but I can say there is an issue and it is that Canadians have been getting hosed at the pumps not only by the retailers having poor equipment but also by the government's not living up to what it said when it was in opposition and introducing policies that increase taxation on people.

• (1705)

Mr. Daryl Kramp (Prince Edward—Hastings, CPC): Mr. Speaker, I listened quite carefully to the hon. member's comments today and he was literally all over the map. One would assume he was talking about a complete national energy program rather than the bill that is before the House, to which he could and should be addressing his comments. Admittedly, this bill will not cure every problem associated with consumer pricing, but it is a bill that deals with one element of a problem and that is why I ask him to be specific.

After 30 years in the retail sector, I have a bit of knowledge of what I am saying. Whether one is talking about slippage, theft or fraud, the fact remains that it can and does and has gone on. It is an issue that has to be dealt with if we believe we have a duty to protect and save the public dollars. That is what this bill does.

Government Orders

As to the onerous costs, it takes about two minutes to do a pump test by weights and measures. It is simple. Someone puts 22.4 litres into a can, measures it and dumps it. Is it there or is it not? The pump is calibrated and adjusted. Either a seal goes on that it is accurate or it does not. It is not a cost that is going to be borne by the masses. It is a very simple cost.

As a retailer, I did not mind doing it because I wanted to ensure my customers were getting value for money. What is wrong with saving the customer money?

Mr. Brian Masse: Mr. Speaker, I would agree with my colleague that he has a bit of knowledge on this. My comments were inclusive and certainly in order about the overall industry. It is the prerogative of members to point out that, when a bill is introduced that is so scoped and does not have the proper strategy behind it, it leads to other consequences and they all match together. I do not apologize for that. It is critical to connect the dots on this.

In specific answer to his question, yes, the process might be really short but, once again, where is the competition for measurement of this process going to come from? People in that industry are going to demand a profit for service and delivery and they are going to have to do it over different geographies, and that cost will be borne by the consumer.

Hon. Dan McTeague (Pickering—Scarborough East, Lib.): Mr. Speaker, I was glad to hear the hon. member for Windsor West speak on this matter. We have worked on this issue over a number of years.

I certainly know the hon. member will recognize that what happened 30 years ago in the gas industry was very different from today. The comment made by the previous questioner demonstrates that even temperature compensation did not exist in those days and it takes a lot more than two minutes, using a proper prover and clinical requirement, to ensure that there is in fact an appropriate and accurate calibration.

The hon. member's riding is very close to the U.S. border. In the days of the NEB there was a made at home Canadian price. Now we are subject to international prices and it has become alarming not just with what happened last Friday, with a 1,000 point decline in the stock market, but the hon. member will probably know better what has happened with Goldman Sachs, its commodities and the fact that there has been a significant involvement of swap dealers, hedge traders, funds.

I am wondering if the hon. member would like to comment on the fact that it means that today, as we pay for another increase in the price of fuel, the price of fuel may in fact be overrated by some 30% to 40%. Because the Enron loophole has not been closed and we have subjected ourselves to international pricing, consumers in his riding and mine are now being badly affected, to the tune of not 1% of 1 in 25 pumps but, in fact, 30% to 40% of the actual cost of fuel regardless of where one is in the country.

Mr. Brian Masse: Mr. Speaker, my colleague is absolutely right. I left that part out of the debate and it is an important part.

At some of the hearings we heard that more paper barrels of oil change hands in some of the markets than are pulled out of the ground each day. With hedge funds, in particular, speculation affects

the price and it is completely counter to a productive society that requires this fuel source to be part of its market-based system.

One of the things that needs to be examined again is the effect of the sale and trading of these products on our overall economy. It makes little sense for us to continue to fight over these tiny scraps like the 5% of pumps. It is a serious issue that people should get what they pay for and accountability should exist, but when the overall industry is at about a 30% price inflation right now, they are still going to get hammered far more significantly.

Mr. John Rafferty (Thunder Bay—Rainy River, NDP): Mr. Speaker, the price of gasoline in northern Ontario remains a huge issue. This past weekend it was \$1.08 a litre. With HST coming shortly, it is going to increase even more.

There is one thing missing in this bill and I wonder if my colleague would like to comment on it. There is no refund or restitution on the taxes that have been collected on so-called phantom gasoline purchases. I wonder if he would like to comment on that.

• (1710)

Mr. Brian Masse: Mr. Speaker, it is an important point of fairness. From 1999 to 2007, citizens discovered this equation of gasoline not being provided to consumers. No attempt was made to measure that and either refund Canadians or, alternatively, create a petroleum monitoring agency or enhance the resources of the Competition Bureau.

The government could have done a series of things with the money it gained. It was an absolute theft. The government knows it has resources in its taxation policy to cover products not provided to the customer. There could have been a way to redirect some of those funds, either directly to the consumer or, if that was too costly, through competition issues to ensure there was more accountability.

[*Translation*]

Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.): Mr. Speaker, I would like to ask my NDP colleague a question. He referred to the comments by the member for Prince Edward—Hastings, that is, that verifying the accuracy of the measurements takes two minutes.

I think the Conservative member forgot to say that those checking the pumps will not be doing so on foot. They are definitely not going to walk with their little bucket and measuring tool from one gas station to the next. They have to travel fair distances, which results in transportation and equipment costs. In rural areas such as mine—a riding with an area of 10,000 km²—some gas stations can be 100 km apart.

I would like my NDP colleague to respond to the comments by the member for Prince Edward—Hastings, who said that it only takes two minutes to check the accuracy of measurements. Given the distances that must be travelled, it takes more than two minutes. What does he think?

Government Orders

[English]

Mr. Brian Masse: Mr. Speaker, we have not been provided any evidence on the duration of the process for testing. I cannot imagine it being two minutes. I take the member at his word with regard to the process.

My colleague is correct. All kinds of equipment will be required as well as storage facilities and transportation to get to those locations. We will be dealing with hazardous materials so there will have to be some regularly requirements and training elements, which are critical. A whole series of infrastructure will be required.

I do not believe there will be competition in this business. I do not believe there will be three or four operators in the city of Windsor West who will do the testing. It will probably be done by one operator out of the general region who will have close connections and ties to the industry.

A number will be assigned to the retailer and the retailer will have to pay for it. What are they going to do? Are they going to then try to bring somebody from the Toronto area to come down and test, or some other area if the operator is in the North or in Quebec. There will be vast jurisdictions where one person will cover off a whole series of things, literally driving hundreds of kilometres to get to those sites. People charge a per diem do those types of things.

Moving it out of Measurement Canada is a mistake, in my opinion, because it will pass on to the consumer those extra costs. Also, it will be too close to the industry to bring it the accountability that is necessary, which the minister purports this will do.

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, I am pleased to speak to this bill. I acknowledge the good work the member for Windsor West has done on this. I know many members in the House have probably followed his conversation on this over a number of years. However, I want to highlight the fact that back in 2008 the member for Windsor West raised this issue a number of times, including in question period.

A report was done on this and then a lot of media coverage followed. I will touch on some of the media coverage of a moment.

An article from May 12, 2008 *Ottawa Citizen*, entitled “Hosed at the pumps”, says, “Across Canada, about one gas pump in 20 shortchanges consumers”.

It goes on to talk about the fact that they were looking at a May long weekend and during that period of time:

—fuel prices scraping up against their all-time highs, and some will pay for more gas than they actually put in their tanks. An investigation shows that between Jan. 1, 1999, and Aug. 28, 2007, nearly 5% of gas pumps tested in Canada — about one pump in 20 — failed government inspections by dispensing less fuel than they should.

And while some faulty pumps give out more fuel than they charge for, more often than not, it is the consumers — not the retailers — who get hosed, government inspection records show.

The government clearly identified that there were some serious problems at the pumps. The article goes on to say:

The problem of faulty pumps appears to be an industry-wide phenomenon. About 30% of all gas vendors tested have had at least one pump flunk an inspection by shortchanging consumers, according to the inspection reports.

Based on those rates, motorists who fill their tanks at different pumps each week were, on average, likely to drive off with less gas than they paid for at least twice a

year. And those who gassed up at the same pump every time could have been hit far more often.

Most of the pump errors were small - between 30 and 60 cents' worth of gas on a fill-up at today's prices. But some pumps have shown far larger failures. Last year, a pump at a station near Chatham, Ont., was caught shortchanging consumers by 1.5 litres on a 50-litre tank, which is common to most average size cars. Drivers who visited one pump on Corner Brook, N.L., would have had to buy an extra two litres to top up their tanks. And at a certain outlet at Yarmouth, N.S., a fill-up would have cost about \$2.25 more than it should have.

This is a very lengthy report, but it goes on to say:

But the inspection reports reveal a puzzling trend: Canadian consumers are squeezed by faulty pumps far more often than vendors. When a gas pump fails a measurement test, 74% of the time it is the motorist who is disadvantaged by the error, and not the retailer, according to inspection data.

In its conclusion, it says:

On more than 1,100 occasions since 1999, inspectors have shut down pumps altogether because they were giving out as much as nine per cent less gas than the consumer paid for. Although the measurement mechanisms inside pumps are sealed to prevent tampering, Measurement Canada has found cases of suspected fraud more than 100 times. The agency can refer cases to the police if warranted.

In 2008 a government report identified some serious problems. The member for Windsor West raised it in the House of Commons and in other venues. Of course we had no response. We are now in 2010.

The bill outlines some cases of increased fines, introduction of administrative monetary policies, mandatory inspection frequencies, use of private sector authorized service providers and so on. I know the member for Windsor West has raised some concerns about this process, but I will talk a little about why this is so important to Canadians.

The government side says that we have been through an economic recession and that we are in a recovery. However, this kind of initiative is very important for consumers in Canada. Part of the reason for that is many families in Nanaimo—Cowichan and in other parts of the country still suffer the impacts of the recession.

I point to a report from Citizens for Public Justice, titled “Bearing the Brunt: How the 2008-2009 Recession Created Poverty for Canadian Families”. These are the very families who will often fill up at these pumps. Some may say that maybe a \$1 or \$2 is not that big of a deal. However, when people are cash-strapped and wonder whether they can feed their families, that \$1 or \$2 makes a difference.

● (1715)

I point out that many of these families are still bearing the effects of the recession. In this report, it states:

THE 2008-2009 RECESSION created poverty and economic insecurity for Canadian families. While we have to wait until 2011 for most published measures of poverty to show the recession's impact, there are a number of key economic indicators that already show the trends of increased poverty and economic insecurity throughout the recession....

Evidence from the last two recessions demonstrate that recessions can have a long-term detrimental impact on the poverty rate and well-being of low income Canadians....

Government Orders

Between 2007 and 2009, there was a significant increase in the poverty rate and the child poverty rate. This increase mirrored the considerable rise in unemployment, caused by the recession. The number of EI recipients increased, but so did the number of unemployed Canadians not receiving EI benefits. In fact, despite the steep plummet in employment, the rate of EI coverage only increased to 51%. This meant that social assistance had to fill in the gaps created by EI, leading to mounting welfare caseloads.

Those in low wage jobs who were most vulnerable before the recession began were the most likely to lose their job, but those lucky enough to keep their job or find a new job were not untouched by the recession as the proportion of precarious jobs increased.

In ridings like mine in Nanaimo—Cowichan, many workers, for example, forestry workers, fishing workers, are in and out of work. I hear consistently from forestry workers in my area that the way the employment insurance scheme is set up, they get less weeks than the unemployment rate in our area demonstrates they should get. Therefore, we have long-term workers in a particular sector who are struggling to pay their bills. When we have those kinds of things happening at the gas pumps, that has a direct impact on their ability to raise their family in a reasonable way.

This report goes on to talk about unemployment. It says:

Job losses during the recession disproportionately affected those most economically vulnerable, as 1 in 4 workers making \$10 an hour or less lost their job...It took almost 8 years after the last recession for unemployment to decline to its pre-recession rate. Without a concerted government effort, it could take years for unemployment and poverty to decline to their 2008 rate.

It goes on to highlight a number of other details around what happens post-recession.

The kinds of initiatives that have been proposed could go a long way toward closing that gap. However, as the member for Windsor West points out, part of these inspections and those kinds of things are outsourced to private companies and what we have is another system that does not give any degree of confidence to consumers that their rights will be protected. This follows on in kind of a legacy we see from the Conservatives.

On May 12, 2008, in the 39th Parliament, the member for Toronto—Danforth raised the issue around the *Ottawa Citizen* report. He said:

—the *Ottawa Citizen* has reported that one in twenty pumps is not correctly calibrated and that consumers are paying the price. In addition to shortchanging people at the pumps, the big oil companies are not even giving people the gas they paid for. At \$1.30 a litre, every cent counts.

When will this government create an ombudsman position to protect consumers from the big oil companies?

The response from the minister of industry of the day was that the government would not create the position for ombudsperson to look at what had happened to consumers and whether they were protected. This is an ongoing pattern.

I want to touch on other consumer protection issues, because this is all part and parcel. New Democrats have consistently been calling for consumer protection, whether it is gas pumps, whether it is product safety, whether it is credit cards or cellphones. It goes on and on. A number of matters have been raised in the House about protection for Canadian consumers and they have been completely ignored or paid lip service to by the members of government. It is pretty shocking.

I will touch on credit cards. The member for Sudbury has raised this issue a number of times. I will talk a bit about the time frame.

• (1720)

On November 24, 2008, New Democrats were the first to raise the alarm bells over Canadians being gouged by outrageous credit card rates. We see a bit of a pattern here. The member for Windsor West raised the issue around what is happening at the gas pumps, and the member for Sudbury raised what is happening with credit cards.

On March 27, 2009, a nationwide poll showed a whopping 82% of Canadians with credit cards support tighter rules for the credit card industry.

On April 27, 2009, listening to Canadians, New Democrats passed a motion in Parliament calling on the government to protect consumers from credit card gouging. The New Democrats' plan called for legislation to end abusive fees and interest rate hikes. We are protecting young people and those who pay their bills on time. A majority of MPs voted in support of the New Democrat motion.

On May 8, 2009, the Conservatives introduced their own credit card reform, which turned out to be little more than an information campaign to better show Canadians just how they are getting gouged.

On June 30, 2009, the Senate committee report recommended that consumers have their pockets picked even further. The report suggests that merchants be allowed to charge an extra fee to consumers who use premium credit cards.

On October 27, 2009, the deadline set out in the New Democrat credit card motion came and went with no action from the government. Consumers were again left out in the cold by a government that puts banks and credit card companies first.

On November 19, 2009, the government once again sided with its corporate friends by passing a toothless voluntary code of conduct for credit and debit card industries as a way of consumer protection.

We see a pattern here. The private sector will be doing the inspections for the industry that are outlined in Bill C-14. There is a credit card voluntary code of compliance, which we know has no teeth. I am continuing to hear mainly from small businesses in my riding that they have no guarantee when somebody pays with a credit card that they are not going to pay some outrageous sum as a credit card transaction fee. They cannot tell by looking at the cards. These businesses often operate close to their margin and simply cannot afford to pay that extra charge.

Financial literacy workshops are happening across this country. Working families and poorer families in my riding say that they do not know what the government is hoping to achieve with a financial literacy workshop. Their problem is that they only make \$10 an hour. They are financially literate with that \$10 an hour. They know how to stretch it so that they can pay their rent, feed their children and maybe if they are lucky, run their car. They do not need a financial literacy workshop to tell them how to manage their finances. What they need are decent paying jobs. That is where the Conservative government has fallen down.

*Private Members' Business***PRIVATE MEMBERS' BUSINESS**

[Translation]

COMPETITION ACT (INQUIRY INTO INDUSTRY SECTOR)

Mr. Robert Vincent (Shefford, BQ) moved that Bill C-452, An Act to amend the Competition Act (inquiry into industry sector), be read the second time and referred to a committee.

He said: Mr. Speaker, the purpose of Bill C-452, which we will be debating today, is to give the Competition Bureau more powers.

In my speech, I will talk about oil companies, but the same applies to banks, whose interest rates are practically identical.

In 2008, those poor oil companies made mind-boggling profits. That year, Exxon Mobil raked in record-breaking profits for an American company: \$45.2 billion.

The oil giant's net profits fell by over half in 2009 to \$19.3 billion. So far in 2010, Exxon is making up lost ground. The company was hit by plummeting crude prices last year, but now recovering prices have netted the company a first-quarter profit of \$6.3 billion.

They lost money because of the economic crisis triggered by commercial paper, but I think that they themselves played a part in the crisis. Allow me to explain.

The price of a barrel of oil rose steadily. In June 2007, it was \$51 a barrel; in January 2008, \$99; and in July 2008, \$150. The price at the pump skyrocketed for all consumers and businesses. Companies raised their prices to compensate for the cost of fuel, and that pushed prices on consumer goods through the roof.

Bank losses combined with rising prices on consumer goods triggered an economic crisis. That is why the parliamentary committee needs to study the possibility of giving the Competition Bureau more powers.

The parliamentary committee will have to look at the price of crude oil, the refining margin, taxes and the retail margin.

The retail margin is the difference between the price retailers pay for gas and the price they sell it for. In Quebec, the retailer margin is not really a problem because it is usually between 3.5 and 6 cents per litre.

Even if some find that the taxes are too high, they do not vary much and certainly cannot account for the fluctuations in the price of gasoline. Most of these taxes are set and do not vary. Taxes are not the cause of increased gas prices; oil companies are.

To lower refining costs, oil companies have shut down a number of refineries and increased production capacity. The gap between supply and demand has narrowed, and so the slightest weather-related or technical problem leads to a price increase to maintain the balance between those two factors.

Long weekends and vacations are not unforeseen events. However, oil companies never seem to be able to prepare for them. They have nothing in reserve, and they tell us that the price increase is due to scarcity.

New Democrats bring things forward. They talk about credit cards. They talk about the need for a financial plan for Canada. They talk about gas prices and the gouging that goes on at the pumps. What we get from the government is a financial literacy consultation process, or we get a voluntary compliance on credit cards. That will not put food on the table for people in my riding of Nanaimo—Cowichan.

What we need is some meaningful action. What we need is the kind of reform we have been talking about in terms of providing income security to people.

Who gets hurt by high gas prices? I have talked a little about the low income families. I have talked about working families, some of whom have seasonal employment, like many of the forestry workers in my riding and some who are in low wage jobs and are trying to make ends meet, but I have not talked about seniors. Many, many seniors in this country are on fixed incomes. Many seniors in this country had investments or perhaps they were lucky enough to have a pension plan. However, there are seniors who have been collecting their pensions from companies that they thought would be in business forever and they are watching those companies go bankrupt.

I was at a heartbreaking meeting a number of weeks ago. I will not mention the company, but a large company in my riding is teetering on the edge. I met with a roomful of men who were between 65 years and 70 years of age. They had worked their entire life for that company and they are wondering if they will have enough pension left. One man said to me, "I am 70 years old. How can I go out and find a job to support my wife?" That is an important question for that 70-year-old man who had worked in forestry all his life.

• (1725)

I urge the government to put in consumer protection programs, whether they be programs to provide credit card protection or pension protection for workers, so that we do not have to work with pensioners to find a plan that will enable them to support their families in their declining years.

I was pleased to speak to this bill. I am hopeful that members of the House will take to heart what the member for Windsor West said when they are considering this bill.

• (1730)

The Acting Speaker (Mr. Barry Devolin): The hon. member for Nanaimo—Cowichan will have four minutes remaining when the House returns to this matter.

It being 5:30 p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper.

Private Members' Business

Can we imagine a small businessperson failing to keep any inventory in the lead-up to Christmas, and then claiming scarcity to raise prices? Yet the oil companies do it. Because they sell an essential product and there is little competition, they profit from our dependency.

The Bloc Québécois moved a motion, asking that the Standing Committee on Industry, Science and Technology pass it quickly and in full so that it would be in force by the summer since prices tend to increase during summer holidays. But the Liberals and Conservatives were opposed to it at that time.

This was the motion:

That, in the opinion of the House, the government should move an amendment to the Competition Act so that the Commissioner of Competition have the power to initiate investigations of the price of gas and the role of refining margins in the determination of the said price.

We can conclude that the inability of the refining industry to deal with the slightest unforeseen event is responsible for recent increases. Is that situation intentional or not? We do not know, because the Competition Bureau does not have the tools that would enable it to carry out a serious, complete investigation; and that is the reason for Bill C-452 today.

One thing is certain, however: the structure of the oil industry encourages sudden price increases, and that is why it must be monitored.

However, I should note that some increases in the refining margin are hard to explain. For example, the refining margin increased slightly in January and February 2009. Since this happened in the middle of winter during a global recession, the traditional short-term or even long-term factors do not seem to apply. Winter is typically when the refining margin is at its lowest.

• (1735)

Furthermore, the data clearly indicate that Canadian demand for gas decreased in late 2008 and the first half of 2009. We can surmise that use of refinery capacity was probably not a factor in the increase in refining margins in January and February.

Gasoline price crises may be the result of the lack of competition in the oil industry. The three largest refiner-marketers have 76% of the market share. The five largest account for 90% of the market.

The Competition Act must have teeth. Measures have been proposed to discipline the industry, and that includes strengthening the Competition Act. At present, the Competition Act has shortcomings. The Competition Bureau cannot conduct an investigation on its own initiative. It can only respond to complaints or a request from Industry Canada. The Competition Bureau is sorely lacking in powers when it conducts a general review of the industry: it cannot summon witnesses and offer them protection to encourage them to speak out. It cannot require the disclosure of documents.

Without these tools, it is virtually impossible to prove collusion or other anti-competitive practices. Even when competitors reach an agreement, the burden of proving collusion is on the bureau.

Near the end of its mandate, the Liberal government introduced Bill C-66, which was for the most part inspired by a comprehensive plan tabled one month earlier, but never adopted.

When the competition commissioner, Konrad von Finckenstein, appeared before the Standing Committee on Industry, Science and Technology on May 5, 2003, he identified shortcomings in the Competition Act:

...while the bureau's mandate includes the very important role of being investigator and advocate for competition, the current legislation does not provide the bureau with the authority to conduct an industry study....

It seems to me that it would be preferable to have a study on the overall situation carried out by an independent body that would have authority, that would be able to summon witnesses and gather information. It should also have the power to protect confidential information that someone is not necessarily going to want to share, but which would be vital in order to reach a conclusion based on the real facts.

I stated at the beginning of my speech that it is important for a parliamentary committee to examine the Canadian oil industry. The reason is simple. A similar study was conducted in the United States and the resulting report by the U.S. Senate dealt with whether or not refiners attempted to raise the price at the pumps.

So it is important for consumers in Canada and Quebec that the Committee on Industry, Science and Technology conduct the same study here in Ottawa,

An article in the May 25, 2002 issue of *Les affaires* refers to the report I mentioned. On page 16, François Normand said that from 1999 to 2001, refiners tried to drive up gas prices at the pump in the U.S. by deliberately reducing supply.

At least that was the main finding of the Permanent Subcommittee on Investigations of the U.S. Senate in a report entitled *Gas Prices: How are They Really Set?* The report was released in late April 2002 by the subcommittee chair, Democratic Senator Carl Levin from Michigan.

To reduce supply, refiners kept inventory very low. This also had an indirect impact on Quebec. Low inventory in the northeastern United States, one of the areas the report focused on, drives up market prices in New York, which refineries in Montreal use to set their rack price.

The Senate subcommittee looked at the practices of refiners in three areas of the U.S.: the west coast, especially California; the Midwest, particularly Michigan, Ohio and Illinois; and the east coast, particularly Maine and Washington D.C.

The subcommittee used statistics, such as wholesale and retail gas prices, which it got from the Energy Information Administration and the Oil Price Information Service.

• (1740)

Some refiners and pipeline operators also had to provide stacks of documents—103 boxes containing about 265,000 pages—on their refining and marketing activities from 1998 to 2001.

The subcommittee made some troubling findings. For example, an internal BP memo mentions a series of actions that could help keep prices high in the Midwest, including shipping gas to Canada and limiting gas coming into the area.

Private Members' Business

Testifying before the subcommittee, BP marketing vice-president Ross Pillari stated that the recommendations in the memo were inappropriate and that the company had not acted on them.

Let us talk about the decrease in the number of refineries. The American oil industry, which has been on the defensive since the report was released, acknowledges that inventory is low, but claims that there is no collusion—which would be a crime—between refiners to keep inventory low. According to the industry, there are two reasons for the low inventory: the decline in the number of refineries and the growing demand for petroleum products in the 1990s.

The subcommittee noted that mergers in the oil industry and the closing of many refineries over the past 20 years have increased the concentration in the refining industry. It also noted that during this period, the margin between supply and demand became tight. The subcommittee stated that higher retail prices, for example, in California, were the result of having a highly concentrated market.

The subcommittee did not discover any evidence of collusion among the oil companies to reduce supply in order to drive up prices. However, Senator Levin pointed out that the industry was so concentrated that collusion was not necessary to artificially impact supply. That is why it is important that the House of Commons examine this issue.

However, we have other options available to us, such as creating a petroleum monitoring agency. In its November 2003 report on the price of gas, the Standing Committee on Industry, Science and Technology proposed the creation of a petroleum monitoring agency.

It is quite incredible that, while the oil industry supported this initiative, the Conservatives were against it. The Conservatives are even more inflexible than the oil companies when it comes to defending the interests of the oil companies. They really do not need lobbyists, when they have the Conservative government.

To make it look as if it was doing something, the government set up an Internet site that gave the price of gasoline in major cities. It was just an Internet site. It did not conduct any studies on the oil industry and was unable to recommend any course of action. In other words, it achieved nothing. It takes a real office to monitor this industry.

We have to redistribute resources in order to stop the oil industry from making our society poor. We have to impose a \$500 million surcharge on the oil companies' profits. We have to repeal the accelerated capital cost allowance for investments in the oil sands, when the price of crude exceeds a threshold of somewhere between \$40 and \$50. The government announced this measure in its last budget, but it will not come into effect for another three years. We have to make the oil companies pay for the environmental damage they cause by establishing emissions caps, together with a carbon tax and a permit trading system.

On December 9, 2009, I invited some officials from the Competition Bureau to my Ottawa office to explain to them that Bill C-452 would give them more investigative powers but, to my surprise, they told me that they did not want more powers.

This is why I think it essential that this bill be carefully examined in parliamentary committee, and I hope my colleagues will allow that to happen.

• (1745)

Hon. Dan McTeague (Pickering—Scarborough East, Lib.): Madam Speaker, I would like to commend and congratulate the member for having introduced this bill. I know he cares deeply about this. He has worked very hard on this matter.

There is one thing that will be raised in the debate if this bill is referred to committee—and I hope it is—namely, is the authority to conduct inquiries really a good idea for the Competition Bureau, which can usually conduct investigations? That is why I am asking him if it relates only to the inquiry itself or if it is also a question of ensuring that the laws and regulations in the Competition Act are strict enough.

If, after an inquiry, it is determined that the Competition Act has some shortcomings and does not meet the requirements for strong competition, as we have raised many times in this House, will this process end up not having the impact that is expected of this bill?

Mr. Robert Vincent: Madam Speaker, I thank the hon. member for his question.

Let me be clear. The Competition Bureau does not want additional powers. As a first step, the Standing Committee on Industry, Science and Technology should investigate. I believe the committee has the authority to actually conduct an investigation and not merely call witnesses. We have already done this kind of thing. We need to be able to go into refineries and look for documents. We could draw up a list of all the documents and know how it works.

Imagine for a moment that the executives from all the oil refineries, whether in Montreal, Ontario or New Brunswick, sit down in their offices at the beginning of every month and set the price of a litre of refined gas and imagine that, by coincidence, the executives all come up with the same price.

Some hon. members: Oh, oh!

Mr. Robert Vincent: I hear the Conservative member shouting across the floor. He can verify this if he does not believe me. He should go see what happens. He will see for himself.

[*English*]

The Acting Speaker (Ms. Denise Savoie): The hon. member for Elmwood—Transcona. There are two minutes left, so he has one minute.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Madam Speaker, I want to congratulate the member for bringing in a real consumer bill. Perhaps the Conservatives could learn by this member's example. I think it will certainly be groundbreaking, particularly in view of the fact that he has reported that Exxon earned a record \$45.2 billion in 2008.

The consumers are not unaware of this. They know what is happening with the gas companies and how they are being hosed at the pumps. They know that over the last number of years, 125 studies have shown over and over again that there is price fixing, but we cannot get to the bottom of it because we require changes to the Competition Act.

Private Members' Business

That is what this bill is all about. I want to congratulate the member. I encourage all members here to vote for this bill to get it to committee. We will see where we can go from there.

[*Translation*]

Mr. Robert Vincent: Madam Speaker, I want to thank my colleague.

That is precisely what we want to do. I think that the people of Quebec and Canada shake their heads when they go to the pump to fill their gas tank and see the price of gas. There are people who earn minimum wage and when they put \$60 of gas in their tank that is a third of their weekly pay. It is wrong. At some point someone needs to sit down and figure out why the oil companies are acting this way.

I mentioned this in my speech. The oil companies often keep gas in Canada and transfer it when there is a shortage in the U.S. in order to jack up the price. This then has an impact on the price in Montreal, but the prices are supposedly set here. That is how it works and we have to do something about it.

• (1750)

[*English*]

Mr. Mike Lake (Parliamentary Secretary to the Minister of Industry, CPC): Madam Speaker, I rise today to speak to Bill C-452.

The bill would give Canada's Commissioner of Competition the power to launch broad based studies of market conditions in entire industry sectors,

Competition in our economy is of enormous importance to both consumers and their employers. The Government of Canada has recognized that fact by taking significant steps over the past two years to modernize Canada's competition regime and to align it more closely with the competition laws of our country's major trading partners.

It is important to ensure that consumers and legitimate businesses do not fall prey to illegal activity and that if they do they have the confidence that the law will be enforced effectively and that penalties are tough enough to deter future illegal activity.

Important amendments to the Competition Act became law on March 13, 2009. The amendments will help to further increase the predictability, efficiency and effectiveness of the enforcement and administration of the act for businesses and for the Competition Bureau. In turn, this will better protect all Canadians from the harm caused by anti-competitive conduct.

These amendments came about through key recommendations made by the Competition Policy Review Panel which was formed in July 2007 with a mandate to review Canada's competition and foreign investment policies and to provide recommendations to the federal government on how to make Canada more globally competitive.

The panel spent a year reviewing Canada's competition and investment policies. Its report, "Compete to Win", concluded that in order to prosper, Canada must adopt a more globally competitive mindset. The report concluded that intensifying competition will build a stronger economy, better products at lower prices, more jobs and higher earnings, stronger firms and greater prosperity.

The recommendations made by the panel formed a key part of Canada's economic action plan and provided the basis for the amendments to the Competition Act that were introduced in budget 2009 and passed as part of Bill C-10.

The main elements of the amendments were as follows: creating a more effective mechanism for the criminal prosecution of the most egregious forms of cartel agreements between or among competitors and introducing a non-criminal review process for other forms of competitor collaborations; allowing the Competition Tribunal to award administrative monetary penalties against companies that have abused a dominant position in the marketplace; introducing a two-stage merger review process to allow for a more efficient and effective review of proposed merger transactions; increasing penalties for deceptive marketing practices; expressly empowering the courts to award restitution to victims of false or misleading representations; and finally, repealing criminal sanctions for certain pricing practices to ensure that creative pro-competitive initiatives are encouraged.

These amendments ensure that we have the tools to better protect consumers and businesses from the most flagrant types of anti-competitive conduct, while being ever mindful of the importance of not discouraging pro-competitive behaviour in the market.

I raise the government's actions in this regard because of their importance with regard to the issue we are considering today. As I have described, as part of the amendments resulting from the passage of Bill C-10, new criminal cartel and civil agreements provisions came into force on March 12, 2010. These provisions were delayed for one year to give companies an opportunity to verify that their existing or proposed agreements and arrangements did not violate the new civil and criminal provisions. During this time, companies were able to apply to the bureau at no cost for an advisory opinion as to how the bureau would view a pre-existing agreement under the new provisions.

Under the previous cartel provisions of the act, it was extremely difficult to secure a conviction. The Crown needed to prove that an anti-competitive agreement resulted in substantial harm to competition and to prove that element to the criminal standard of beyond a reason doubt.

These hurdles faced by the bureau were out of step with our major trading partners and harmed Canada's international credibility. The provision had not changed significantly in almost 120 years. The Competition Policy Review Panel recommended that this outdated law be changed and this government acted.

We introduced a two-track approach to address agreements among competitors so that the bureau can crack down on harmful conspiracies and pro-competitive agreements and joint ventures can proceed expeditiously.

Price-fixing is a criminal activity that deprives Canadians of the benefits of a competitive market, such as lower prices and choice. The new cartel provision will provide the commissioner with even stronger tools to challenge this type of anti-competitive practice.

Private Members' Business

•(1755)

At the same time, a new civil provision has been introduced that allows firms to combine capabilities and resources in order to lower their costs of production, enhance product quality and reduce the time required to bring new products to market, all without any fear of a criminal investigation, and this is as it should be, of course.

These collaborations may be reviewed civilly where they are likely to lead to a substantial lessening or prevention of competition. In such circumstances, the Competition Tribunal may prohibit collaboration, but that is all it can do.

Bill C-452 proposes to amend the Competition Act to authorize the Commissioner of Competition to inquire into an entire industry sector. The commissioner currently has considerable powers in her enforcement role to investigate the state of competition in the marketplace and these powers are appropriately tied to whether the Competition Act is being violated. Importantly, the commissioner investigates the behaviour of businesses and individuals where there is evidence that they may have broken Canada's competition laws.

It is clear that the issues the House must consider when debating this bill are far-reaching and very complex. I want to take this opportunity to thank the hon. member for his efforts to date and the introduction of this bill. I understand that he has noble intentions regarding this matter. However, I wish to remind him of the public and private costs associated with assigning new powers to the commissioner.

We must also recognize the very significant new powers that this government has recently provided the commissioner in order to investigate and deter the types of activities that lie at the heart of this bill. These tools are targeted directly at the types of practices that lie at the heart of the hon. member's concerns and, therefore, will be far more effective than those proposed in the current bill.

The Competition Policy Review Panel argues forcefully that it is vigorous competition that spurs a cycle of innovation, boosts efficiency and adaptability, and raises productivity. The recent changes to the Competition Act are evidence that this government will continue to take the right steps to strengthen Canada's economy and create sustainable employment. It is against this backdrop that the proposal outlined in Bill C-452 should be thoroughly reviewed.

Mr. Marc Garneau (Westmount—Ville-Marie, Lib.): Madam Speaker, I rise today to speak to Bill C-452, legislation designed to protect Canadian consumers. Competition in Canadian industry is essential to the health of the Canadian economy. It encourages firms to develop new products and provides consumers with improved products and a variety of choices.

The Liberal Party believes in both healthy competition in the Canadian marketplace and consumer protection. We, as members of Parliament, must support legislation that encourages healthy competition within Canadian industries while offering solid protection to consumers.

Currently, Canada's Competition Act regulates trade and commerce in respect of conspiracies, trade practices and mergers affecting competition. The purpose of the act is to maintain and encourage competition in Canada in order to promote the efficiency

and adaptability of the Canadian economy and in order to provide consumers with competitive prices and product choices.

[*Translation*]

The purpose of Bill C-452 introduced by my colleague from the Bloc is to ensure that the Competition Act applies to a specific case, in other words, to an entire industry sector.

My party is prepared to support this bill in the interest of competition and in order to clearly identify a case where the Competition Act must apply.

Some people may argue that existing legislation already covers this particular case. But let us be certain that this particular case proposed in Bill C-452 is covered and let us include it explicitly in the legislation with as few conditions and extra restrictions as possible. Let us get rid of any ambiguity.

•(1800)

[*English*]

I want to explain the specific situation being addressed in this bill. As the legislation currently dictates, the Commissioner of Competition is responsible for administering and enforcing the Competition Act. He or she has the authority to launch an inquiry into individual and specific cases where there may be a violation of the Competition Act. This should include the authority to independently initiate an inquiry into an entire industry.

Currently, the Competition Bureau must receive instructions from the minister or conduct an inquiry in response to a complaint filed by a company, consumer or legal entity. This means that Canadians are left unprotected if an official complaint is not made or the minister does not issue instructions. As a result, Canadian consumers could be subjected to unfair dealings, and this could conceivably be occurring at the level of an entire industrial sector.

Bill C-452 would provide the Commissioner of the Competition Bureau with the mandate to launch an inquiry into an entire industry if he or she deems it necessary to do so. Support for this bill would ensure that the Competition Bureau is provided with the necessary authority to take action against companies or individuals that attempt to take advantage of Canadian consumers.

The bill would strengthen the Competition Act, giving the government the right to initiate investigations when there are sufficient grounds to investigate possible collusion, price-fixing or anti-competitive behaviour in an entire industry sector.

We as legislators promised to protect the rights of consumers. I encourage my colleagues to join me in supporting Bill C-452 so we can accomplish just that.

I would like to take a moment to discuss the practical application of Bill C-452.

As I brought to the House's attention on Monday, gasoline pricing has been at the top of the minds of Canadians for many years. As we all know, and as my colleague from the Bloc pointed out, there have been allegations as well as proven cases of price-fixing at the pumps. This unjust manipulation takes advantage of consumers and threatens healthy competition.

Private Members' Business

Having spoken of one industry, this is not the only industry that this bill addresses. This bill is focused on any industry as a whole that provides a service or a product to the consumer. The current government promised to remedy this issue but we have not yet seen anything of substance presented by the government. It appears as though the Canadian government has largely forgotten about Canadians' concerns over gas pricing.

With the support of my colleagues, Bill C-452 would empower the Commissioner of Competition to initiate investigations that relate to this debacle and take action to ensure that these types of schemes do have consequences.

The amendment to the Competition Act may appear minor at first reading but the changes would ensure healthy competition in Canadian industry, including within the gasoline industry, a change which all hon. members can applaud.

[*Translation*]

I will close by reiterating that my party is prepared to support this bill in the interest of consumers. This bill should put us on the right track. We must debate it in committee to ensure that the Competition Act is clear on the issue of inquiries by the commissioner. We want to clearly identify the fact that an entire industry sector could be subject to an inquiry by the commissioner.

Finally, we must look at another important tool when we talk about the Competition Act. I am talking about the resources available to the commissioner to carry out his task unhindered. There is no use in conferring powers if the means to use them are not there. Let us take this opportunity with this bill to ensure that commissioner is given the necessary resources to do the job. We could then be sure that the Competition Act is an effective consumer protection tool.

• (1805)

[*English*]

Mr. Brian Masse (Windsor West, NDP): Madam Speaker, I am pleased to speak to Bill C-452. The New Democratic Party will be supporting this initiative. The member should be commended for bringing this issue forward. There are those who argue that the Competition Bureau does have sufficient powers right now and does not need additional resources, but I am of a different opinion. There are a number of different products and services out there with which I will deal.

I think competition is not entirely happening the way that it should. It should be noted that the debate that will continue at committee will be very important as part of a process to review a series of sectors and I hope we can get experts and witnesses to come forward.

The sponsor of the bill made reference to the oil and gas industry in the previous debate on a government bill and mentioned the lack of competition in the oil and gas sector. There is almost a collusive element. I noted in particular the Petro-Canada situation where instead of investing in Petro-Canada refineries in Burlington, it shut down the plant and now imports gasoline from Esso and sells it in Petro-Canada stations across Ontario. So there does not necessarily have to be price fixing, but there will not be very much in variables

involved with regard to trying to move into a more competitive situation.

It has always been the case, as we look at the oil and gas sector, where there is a lack of refinery capacity, vertical integration with the industry, a series of different elements that lead to basically a formula that is a recipe for disaster for Canadians and their pocketbooks. It was interesting when the government lowered the GST with regard to oil and gas, and the cost that the companies now actually get back, it was not passed on to the consumers. The prices and profits have risen significantly and not even one single organization or company took advantage of the opportunity of the 2¢ reduction to pass it on to consumers. They took it and put in their own pockets.

Because the government had no accountability whatsoever in terms of monitoring the process, or no interest whatsoever, we have lost hundreds of millions of dollars out of the coffers of this country every single year that could have gone to different things whether it be health care, or whether it be more money to the Competition Bureau to be able to examine anti-competitive practices. A whole series of things that could have been addressed are now gone, and the companies now have record profits and record tax cuts from the government which are windfalls they have enjoyed.

It is only fair that we actually examine the bill and look at the oil and gas sector as one of the variables in how it can be addressed because the bill is specifically geared to the industry sector which is a responsible way to approach it. It allows targeting to certain areas where there is a lot of interest.

We are seeing that now at committee where there are a couple of current issues that are very important. We have the entrance of new players into the Canadian market with regard to telecom and that means more communication devices, cellphones, BlackBerrys and wireless service provisions that are being expanded in Canada. There are those who feel there is no competition in that sector and relatively similar price elements make it very difficult for consumers to get a better benefit. They have also been receiving record profits and are quite lucrative. Almost all the groups and organizations of the big telecommunication companies have done well.

There are three new entrants coming into the market, so there is no question that this is timely to look at whether or not the Competition Bureau is going to be sufficient to have the independence to examine cases, have the resources to do so, and have the tools to be able to make decisions that are going to increase the competitive nature of businesses in Canada, those that are regulated and those that are non-regulated.

Another issue raised often with regard to this issue is credit cards. New Democrats have been calling for a number of credit card reforms. My good colleague from Sudbury has been pushing this issue and the Minister of Finance is basically moving for a voluntary agreement. It is clear that we have deficient credit card competition in Canada. There are some groups and organizations that are more progressive, but at the same time it is seen basically as a system that is stuck where the vast majority of credit cards have interest rates that are quite similar.

Private Members' Business

•(1810)

Once again, that is an area where we want to see more healthy competition, but we have not. The banks are also making record profits and we have seen the same things there. My office receives complaints with regard to how close bank fees are among different organizations.

There does not actually have to be a collusion, where there are brown envelopes changing hands and information being wired back and forth to predetermine the actual cost of items and passing them on to the consumer. There just has to be basically a general acknowledgement that they are going to stay in a certain field of play and compete in that field of play. That is not real competition.

For a few years, we used to carry out inquiries into the insurance industry as well and about the issues there. We just have to talk to people about auto insurance and a series of things, and they often find that there is not enough healthy competition or they cannot get certain services whatsoever. I know that some people are outright denied or have to pay really high fees. There are maybe only one or two companies that will provide that demographic, so the fees are through the roof with regard to costs and they really do not get into a competitive market because certain groups of people are written off altogether by these companies.

The Competition Bureau would be well-equipped to look into that because if people cannot even get quotes on insurance, they are stuck with very few recourses of action. We can just talk to young people about what they are paying for auto insurance. They in particular are scammed because I have not seen the evidence that warrants that type of behaviour.

The other issue I have been working on regarding competition is the issue with Toyota. Toyota is a company that is under criminal investigation in Japan, the United States and Europe. Yet here, the government has not even done anything, aside from having two meetings at the transport committee, which we forced the government to do.

The issue behind that is not just in regard to the safety of the vehicles. It is also an issue of competition. Did Toyota know about problems with its vehicles and choose not to fix them, to gain market share at the expense of other manufacturers? It does not matter if one makes a curling iron or a car, if one knows that the device has a problem and chooses to neglect and not fix that to gain market share, it becomes a competition issue because it runs other companies under.

I am very proud of negotiating a change in public policy here, with the Liberals at that time, a number of years ago. It used to be law in Canada that if a business was given an environmental fine or penalty, it could claim that as a business tax deduction. I viewed that as an environmental issue, health and public safety issue, but also a competition issue, and here is why.

We had a drug company, for example, which had a \$10 million fine. To explain this clearly, this company was charged with something. It went to court. It was fined \$14 million and at tax time, it actually got \$10 million back as a business-related expense. If a company polluted the lakes, oceans and streams, and it got caught and was fined, whether it be millions of dollars or hundreds of

thousands of dollars, it could claim it as a business tax deduction and get money back on that.

What was important about this change, and why I am proud of negotiating the end to it, was that the good companies were getting punished just as much as any others. They were following the law and doing the right things and they had to compete against those that were actually abusing people and the environment, and that is not right.

I welcome the member's bill here today and look forward to having the discussion at committee. I think it will be a helpful discussion at a very important time, when many products and services need to be looked at under a competitive regime.

[*Translation*]

Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ): Madam Speaker, it is a pleasure for me to rise today on Bill C-452. I want to congratulate my colleague, the hon. member for Shefford, for having introduced this bill to strengthen the Competition Bureau's ability to make inquiries. We also hope that some parts of this legislation will find their way into government bill C-14 on electricity and gas inspection and on the Weights and Measures Act.

I had an opportunity earlier this week to speak on Bill C-14, and it is good that we are now going to discuss Bill C-452, which is still necessary in our view. We need to continue our efforts to deal effectively with the problem posed by the Competition Act, which still does not allow the Competition Bureau to conduct inquiries on its own initiative. It is still necessary, unfortunately, to wait for a complaint from some individual before an inquiry can be initiated.

Even though the Bloc Québécois supports Bill C-14 in principle, it is not an end in itself. With the introduction of Bill C-452, the Bloc Québécois reiterates its intention of freeing Quebec from its dependence on oil through a bold program focused on green energy and the electric car.

To do this, Bill C-452 expands on the measures the government is introducing in Bill C-14 by proposing further steps that could be taken to protect consumers.

Our bill would give the Competition Bureau the power to conduct on its own initiative real inquiries into an industry if there are reasonable grounds for doing so. At present, this is not permitted. The Bureau has to wait for complaints or for instructions from the minister before it can act.

Even though the government says it took action to correct the situation in the Budget Implementation Act of January 2009, there are no provisions in this act allowing the Competition Bureau to make inquiries on its own initiative. A complaint is still needed before an inquiry can be launched.

It is obvious that a bill like this would leave the Competition Bureau much better equipped to fight companies that want to take advantage of their dominant position in the market to fleece consumers.

Private Members' Business

The Bloc Québécois is not inventing anything new here. We have simply repeated for several years now the recommendations in the report of the Standing Committee on Industry, Science and Technology, which was tabled in November 2003. The federal government has never done anything to help consumers in this regard. It has a fine opportunity here, though, to set up a monitoring system for the petroleum industry.

To understand the steps leading to the debate on Bill C-452, we need to go into the history of it.

In 2003, the Standing Committee on Industry, Science and Technology tabled a study on the price of gasoline that made two recommendations to the government: create a petroleum monitoring agency and tighten up the Competition Act. The committee even specified the changes to the Competition Act that it would like to see. At the time, the Bloc was already saying that the government should implement the committee's recommendations.

In October 2005, the Liberal government came around to the Bloc's arguments and, as part of its plan to help curb the increase in the price of gas, it tabled amendments to the Competition Act in Bill C-19.

• (1815)

Unfortunately, Bill C-19 was just an election gimmick to give the impression the government was doing something to discipline the oil industry and it died on the order paper.

The Conservatives are quite enamoured of the oil industry, of course, and it is hardly surprising that they did not re-introduce the bill.

As a result, in 2007 the Bloc Québécois tabled Bill C-454, which passed second reading on April 28, 2008. But it too died on the order paper when an election was called in 2008.

In 2009, the Conservative government partly revived Bill C-454 in the Budget Implementation Act of January 27, 2009, although the Competition Bureau still was not allowed to launch inquiries on its initiative.

So here we are seven years later debating Bill C-452 to give the Competition Bureau some real teeth.

There is no doubt, in the Bloc's view, that the Competition Bureau should have greater freedom of action and more discretionary power over its inquiries. To conduct an inquiry, the Competition Bureau needs access to all the documents so that it can do a good job of investigating and promoting competition.

The Bloc Québécois has long been pressing the government to take action in view of the rising price of petroleum products. Bill C-452 is just a first step toward countering the increase in the price of gas.

Apart from Bill C-452, the Bloc is more convinced than ever that the industry should do its fair share.

As I said at the beginning of my speech, Bill C-452 is part of a plan for sweeping change.

First, we must put a stop to the tax cuts for oil companies. In 2007 or just one year after taking power, the Conservative government

gave the oil companies another tax cut in the 2007 economic update. As a result, the companies will see their tax rate fall to 15% in 2012. In that year alone, this tax break will help them pocket nearly \$3.6 billion.

We also need to reduce our dependence on oil. Quebec does not produce any oil and every drop that Quebecers consume impoverishes Quebec, in addition to contributing to global warming. The Bloc Québécois therefore wants to reduce our dependence on oil.

In 2009 alone, Quebec imported \$9 billion worth of oil, less than usual because of the recession, but in 2008, oil imports totalled \$17 billion. Over a period of five years, from 2003 to 2008, oil imports increased by \$11 billion.

• (1820)

Furthermore, to reduce our dependence on oil, the Bloc has proposed substantial investments in alternative energies to create a green energy fund, launch a real initiative to reduce our consumption of oil for transportation, heating and industry, including an incentive to convert oil heating systems, and introduce a plan for electric cars.

We have to get ready, because by 2012, 11 auto manufacturers plan to introduce some 30 fully electric and hybrid models.

The objectives of Bill C-452 are clear. A bold program focused on green energies and electric cars that will allow Quebec to end its dependence on oil is urgently needed.

Until we can put an end to this dependence on oil, we must give more power to the Competition Bureau by allowing it to initiate inquiries, and by creating a petroleum monitoring agency.

• (1825)

[English]

Mr. Dean Allison (Niagara West—Glanbrook, CPC): Madam Speaker, I welcome this opportunity to take part in the second reading debate regarding Bill C-452, An Act to amend the Competition Act (inquiry into industry sector).

I would like to take a moment to frame my thoughts on this bill within the broader context of the government's plan for Canada's continuing economic recovery.

As we made clear in the Speech from the Throne, this government's goal, as we move forward into our recovery, is to ensure all Canadians benefit from our agenda of providing jobs and growth.

Over the last year, our government has taken decisive steps to protect incomes, create jobs, ease credit markets and help workers and communities get back on their feet.

Moving forward, our strategy for the economy is to create the conditions for continued success in the industries that are the foundation for Canada's prosperity. Our government is committed to identifying and removing unnecessary job-killing regulation and barriers to growth. This government stands for free and open markets. Open and competitive markets are the best way to promote new dynamic, innovative products and ideas.

Having set out this broader perspective on the government's priorities, allow me now to turn to the details of the bill.

On its face, the bill appears to be quite straightforward. It proposes a single amendment to the Competition Act. If adopted, it would provide the Commissioner of Competition with additional power to commence a formal inquiry under the act.

To be clear, the act already allows the commissioner to start a formal inquiry into the conduct of a company, or companies, whenever she has reasonable grounds to believe that the act has, in some way, been violated. The amendment being proposed now would add to that authority. It would allow the commissioner to start an inquiry into an entire industry sector at large.

There is an important distinction between what exists today and what is being proposed.

Under Bill C-452, there would be no requirement to show any evidence that the enforcement provisions of the act might, in some way, have been contravened.

It is important to understand the consequences of such a change. The commencement of a formal inquiry is a serious step in the investigative process. Once at the stage of inquiry, the commissioner is able to apply to the courts for permission to use the investigative powers of the Competition Act to subpoena oral and written evidence from any party who may have relevant information regarding the matter under investigation. This is reasonable power for the commissioner when she is examining business practices that she has a basis for believing violate the enforcement sections of the act.

The commissioner must have access to modern and sophisticated investment tools to allow her to determine, in an unbiased fashion, whether the law has been violated.

At the same time, this is an authority that imposes both considerable and complicated obligations for those under investigation and significant public and private costs to ensure the obligations are met. Failure to comply raises the risk of being found in contempt and the possibility of fines and imprisonment.

The position of the Commissioner of Competition demands the exercise of prudence and good judgment. I have every confidence that the Commissioner of Competition does, and will continue to, exercise her authorities with the utmost care and responsibility.

However, the Office of the Commissioner requires direction. The introduction of this type of power proposed by the bill would put at risk the reputation of the commissioner and the staff she directs. The authority to inquire into an entire industry sector without any evidence of wrongdoing would open the commissioner to criticism that she is engaging in a costly fishing expedition.

Government Orders

We must also remember that the commencement of a formal inquiry and the commissioner's use of her formal powers come at a cost to her office. Her primary responsibilities are the enforcement provisions of the Competition Act. Any inquiry into an entire industry sector would demand extensive use of limited bureau resources. Without additional funding, the commissioner would need to reallocate assets from her other priorities.

It is imperative that Parliament consider the burdens we would impose on the commissioner when we amend the legislation and establish her enforcement priorities, and the cost to Canadian businesses and consumers if we distract from that principled focus.

As I noted at the outset of my comments, this government is committed to improving job opportunities for Canadians and growing our economy. We are committed to finding and eliminating unnecessary job-killing regulation and barriers to growth. We are not here to introduce measures that would result in new barriers to growth and prosperity.

As we consider this bill, we must also remember the steps that this government and this Parliament have already taken to address the issues that lie at the heart of this bill.

• (1830)

With the passage of Bill C-10, the Budget Implementation Act, 2009, in March 2009, this government introduced the most substantial amendments to Canada's anti-cartel laws in more than 100 years. These changes introduced an outright prohibition on agreements between competitors regarding prices, output levels and market sharing.

The Acting Speaker (Ms. Denise Savoie): Order. The hon. member will have five minutes when this debate continues.

The time provided for the consideration of private members' business has now expired and the bill is dropped to the bottom of the order of precedence on the order paper.

[*Translation*]

Pursuant to order made on Friday, May 7, the House in committee of the whole will now proceed to the consideration of Motion No. 4 under Government Business.

I do now leave the Chair for the House to go into committee of the whole.

GOVERNMENT ORDERS

[*English*]

ATLANTIC SHELLFISH INDUSTRY

(House in committee of the whole on Government Business No. 4, Ms. Denise Savoie in the chair)

Hon. Bev Oda (for the Leader of the Government in the House of Commons, CPC) moved:

That this committee take note of the importance of the east coast shellfish industry.

Government Orders

The Deputy Chair: Before we begin this debate tonight, I would like to remind hon. members of how the proceedings will unfold. Each member speaking will be allotted 10 minutes for debate, followed by 10 minutes for questions and comments. The debate will end after four hours or when no member rises to speak. Pursuant to the order adopted earlier, the Chair will receive no dilatory motions, no quorum calls and no requests for unanimous consent.

[*Translation*]

We will now begin the take note debate.

The Minister of Fisheries and Oceans.

[*English*]

Hon. Gail Shea (Minister of Fisheries and Oceans, CPC): Madam Chair, I stand today to talk about the importance of the shellfish industries on our east coast and to discuss some of the challenges we face in these important fisheries. My hope is this evening's take note debate can be a valuable and constructive discussion of those serious issues.

I can tell hon. members that I have a very deep understanding of the importance of these fisheries to our communities, because my own hometown, like many others, relies heavily on shellfish. For better or for worse, I am never very far from talk about shellfish. I have also devoted a great deal of my time as fisheries minister to working on many levels to address some of the difficulties facing these vital industries.

To first put this in perspective, shellfish fisheries make up 85% of the total value of all landings in Atlantic Canada. In 2009 this represented \$1.4 billion flowing into communities across five provinces, providing thousands of employment opportunities in fishing and processing sectors.

The largest of the shellfish fisheries is of course lobster. There are 41 lobster fishing areas on the east coast and most of the harvest occurs close to shore, usually within 15 kilometres. There is also an offshore fishery that harvests in the deep basins and outer banks off southwestern Nova Scotia, about 90 kilometres from shore. The harvesting sector is made up of approximately 10,000 licensed harvesters, with each participant restricted to fishing in a specific lobster fishing area, which is generally next to the participant's home port.

The lobster fishery has one of the longest histories of fisheries regulations in Canada. Many of the management measures in place today date back over a century. The inshore lobster fishery is managed by effort control. This means limits are set on the number of licences, length of fishing seasons and number of fishing days and traps. Conservation measures involving minimum size limits and the production of egg-bearing females are used. Lobster fishing seasons are designated for each area and they are staggered to protect summer moults. Output control, such as total allowable catch, is used for the offshore fishery. This fishery is open year round and its total allowable catch has remained unchanged since it was established.

Lobster is Canada's most valuable seafood export and our primary export market is the United States. However, more than 59 countries from all corners of the globe enjoy lobster harvested in Canadian waters. Given the industry is highly reliant on foreign markets, it was

greatly affected by last year's global economic downturn. I am proud to say that our government was there to help our lobster fishermen during these difficult times. We invested \$10 million last year in marketing support for the industry, \$8.5 million in short-term support and an additional \$50 million in long-term support, designed to restructure the fishery for future sustainability.

The second most valuable shellfish is crab, specifically snow crab. Canada is the world's largest producer of snow crab, accounting for about two-thirds of the global supply. In 2009 almost 80% of all snow crab exports from Canada went to the United States. China and Japan are also major markets.

There are 32 crab fishing areas in Canada spanning four geographic regions: the northern Gulf of St. Lawrence, the southern Gulf of St. Lawrence, east and southwest Nova Scotia, and Newfoundland and Labrador. There are just over 4,000 licence holders across these regions. The annual crab harvest is managed on the basis of total allowable catches that are established through the development of an integrated fisheries management plan for each of the four geographic areas. Licence holders are allocated a specific tonnage of crab and a maximum number of traps.

● (1835)

Snow crab stocks are naturally variable and cyclical. Regardless of fishing activity, crab populations have periods of abundance followed by periods of decline.

As most here will know, our snow crab fishery in the southern gulf is currently at the bottom of its natural cycle and, for conservation purposes, reductions in the total allowable catch needed to be made this year. This is never an easy decision for a fisheries minister to make, but it was necessary to ensure the stock remains healthy into the future.

I have also instructed my department to provide as much flexibility as possible this year to help reduce costs to harvesters by allowing them to combine their operations for the season.

My department's science has advised that the outlook for this stock in 2012 is positive if we use caution in the meantime. Therefore, I remain hopeful this stock will continue to play an important role for the Atlantic Canadian economy in the future.

The species that has experienced the biggest growth in the past decade, particularly off the coast of Newfoundland and Labrador, is the shrimp fishery. East coast shrimp was also the first Canadian fishery to attain eco-certification by the Marine Stewardship Council as being sustainable. We are very proud of this development because eco-certification will be both an important challenge and an opportunity for our fisheries in the future.

Government Orders

Canada is the world's largest supplier of cold water shrimp. The cooked and peeled product, also known as shell-off, is a very valuable export for Canada. It is marketed primarily to Denmark, Japan, the Russian Federation and the United Kingdom, with major markets also in the United States and Europe. Offshore frozen at sea products are sold primarily to Russian and Asian markets. Combined, the export value for shrimp in 2009 was almost \$330 million.

The final fishery that contributes significantly to the overall value of landings in shellfish is scallop. Although scallops are found in adjacent waters in most provinces, the most important fishery takes place offshore, although still within Canada's 200 mile limit. The offshore scallop fishery is managed through the use of geographical zones ranging from St. Pierre Bank off Newfoundland to Georges Bank off southwest Nova Scotia. The primary markets for sea scallops are the United States and several members of the European Union, with an export value of close to \$100 million.

I am also pleased to announce that on March 25, 2010 the eastern Canada offshore sea scallop fishery received Marine Stewardship Council certification. This is the first scallop fishery in North America to receive this eco-certification and put this fishery on very solid ground to compete in the international market. Access to international markets is essential to Canada's fish and seafood industry, as 85% of its production is exported.

In 2010 the European Union introduced a new regulation which requires exporting countries to provide catch certificates attesting that marine fish and seafood products are legally harvested. That is why the government provided \$7.2 million over two years in budget 2010 to support the DFO Catch Certification Office. This office will certify that Canadian seafood exports are legally harvested, ensuring that the Canadian fish and seafood industry maintains access to our second largest export destination.

From this brief description of these fisheries, I am sure members can appreciate the important role they play in communities on our eastern shores.

As I have briefly outlined, these industries are highly valuable, yet face challenges brought about by international market fluctuations, changing market demands, and natural changes in biomass cycles.

I look forward to tonight's debate and to a healthy and frank discussion on these important industries.

• (1840)

Hon. Lawrence MacAulay (Cardigan, Lib.): Madam Chair, I certainly sympathize with the minister but it is unfortunate that again the government has put us in a situation that is devastating to a fishery on the east coast of Canada. People spend hundreds of thousands of dollars to get into this industry and to have the likes of this happen is disgraceful.

There has been a 63% drop in the total allowable catch. There has been a total mismanagement of the fishery. A boat can catch 27,000 pounds, down from 58,000 pounds. The snow crab draw is important for the inshore fishery in Atlantic Canada. The lobster fishery that is having such great difficulty is down to 28 allotments. How unfortunate it is. This is another slap in the face for the inshore fishery in eastern Canada.

What is the minister going to do for the people involved in the fishery? What is the government going to do for the people working in the plants, the people who depend on the snow crab fishery for employment? How are these people going to make a living? What programs is the government going to put in place so that these people can have a decent life?

I also would like the minister to explain how the people involved in the snow crab fishery, who have spent such large sums of money, can survive today with the likes of this total mismanagement and such a devastating slap in the face to their economy.

Hon. Gail Shea: Madam Chair, I will tell the House what would be a slap in the face to the industry. It would be mismanagement enough to allow overfishing and actually fishing out the resource.

What we are doing is protecting the future for the fishermen's children and grandchildren.

As I said, this was not a decision that was taken lightly, but I can say that these decisions are based on science. If we look back to what happened to the cod fishery in Newfoundland, we should have been making more decisions based on science. We cannot just look after today.

I know that this is causing a lot of havoc for a lot of people and they are trying to cope.

I can tell the hon. member that last October the federal government transferred labour market agreement and labour market development agreement funds to the province and it has the flexibility to assist the people who are currently out of work.

There is not a big crab processing sector on Prince Edward Island, but some people no doubt will be affected. We have talked to many of the financial institutions. In a lot of cases, provinces are financing enterprises and they have been flexible in their repayment terms because they realize that people are seeing some hard times in this fishery sector.

[*Translation*]

Mr. Raynald Blais (Gaspésie—Îles-de-la-Madeleine, BQ): Madam Chair, I can see that the minister cares and that she is sincere. But this is a case of once bitten, twice shy. There was a program to support the lobster fishery, but the money spent added up to barely 60% of the expected amount. Either the criteria or the planning fell short, or both.

The crab fishery is in crisis, and that is affecting fishers, their helpers, factory workers and communities. Let us not forget that the quota was cut by 63%. That percentage applies to Quebec's economy and all affected maritime provinces. I had an opportunity to ask several questions about that. The answers that I have received to date suggest that there is no government assistance plan. This is happening now. It started several days ago—several weeks even. It is almost over. Plant workers are in danger of losing their jobs over the next few days, perhaps this weekend.

Government Orders

How does the government plan to help the helpers and plant workers who are feeling the effects of this crisis? I have not heard the federal government say anything about a plan to help these people.

• (1845)

[*English*]

Hon. Gail Shea: Madam Chair, any fish stocks can fluctuate due to any number of reasons. The government cannot be expected to compensate people because of a fluctuation in fish stocks. It would be never ending. There is never any guarantee of availability of fish. That is why they call it fish. That is why science is so important: to protect the future of this industry.

What we have done for those fishers is we have tried to assist them to decrease their input costs. We have allowed for flexibility, options around being flexible where they could buddy up. They could fish together. Two or three of them could fish together. It would decrease their input costs and maximize the returns to them.

I will say again that these decisions are based on science. Our science is always subject to a public peer review and a consultation process with fishers. The fishers were consulted on this science and this is the result of it.

As far as the plant workers go, I have said that every province in Canada has been the recipient of millions of dollars through the labour market agreement and the labour market development agreement. They have flexibility within those agreements to address situations such as these.

[*Translation*]

Mr. Yvon Godin (Acadie—Bathurst, NDP): Madam Chair, I have a question for the Minister of Fisheries and Oceans.

The federal government is responsible for managing the fishery. Last year, the minister agreed to a proposal from fishers to maintain crab quotas. Today, those quotas are down 63%, which is a disaster for a community. The minister seems to be saying that that is not her responsibility. The government seems to be washing its hands of the problems.

I asked the minister a question. I asked her what the government planned to do about the plant workers, fishers and communities. She said her job was to protect the fishery and the fish and to manage the sea. She said she was not responsible for the workers.

With the cuts to the employment insurance program, New Brunswick alone is losing \$270 million a year. We have received \$143 million. The minister said she was not responsible for the workers; the Minister of Human Resources and Skills Development was.

I have the same question as my Bloc Québécois colleague. What does the Conservative government plan to do to help fish plant workers? After Friday, 2,500 people will be out of a job. What does the minister plan to do, because the Minister of Human Resources—

• (1850)

The Deputy Chair: Order, please. The hon. Minister of Fisheries and Oceans.

[*English*]

Hon. Gail Shea: Madam Chair, as I have said, this is not an easy decision because a lot of people and workers are affected by it.

I should not have to tell the hon. member this, but fish processing is a provincial responsibility. As a government, we have said that we would work with the province to deal with those who are affected to ensure we get some type of program there to help them.

Under the labour market agreement and the labour market development agreement, \$245 million has gone to the Government of New Brunswick to assist people who are in this type of situation. Other programs are available under HRSDC.

Yes, I did say that fish processing does not come under DFO. It is a responsibility of the province. It does not mean I do not take responsibility for this decision. I do because I am concerned about the future of this fishery.

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Madam Chair, there is no doubt that this industry in eastern Canada is in crisis. The history or the evolution of this crisis comes on the back of the 1990s' groundfish cuts and declines.

Where groundfish fishermen once found themselves in peril, there was some light at the end of the tunnel for some involved in the shellfish industries. Lobster, crab and shrimp soon supplanted in landed value and export value some of the losses that occurred in the groundfish industry.

Today, however, we have a very bleak situation. Groundfish never did recover, and the light at the end of the tunnel offered by the shellfish sector is now a dim and fading light. We have resource cuts and we have significant economic pressures on price. This is contributing to factors which are creating unparalleled poverty in many communities and regions throughout Atlantic Canada and Quebec.

The minister spoke relatively eloquently on certain aspects of her duty. What she did not actually describe, however, was that she has failed not only in her duty to protect fish, but also in her duty to protect fishermen. She says that there is always a cause or a concern that fish populations fluctuate. There is no cause and no predictability to it. According to her, it just sometimes happens.

Unfortunately, fishermen know the difference. What they want is leadership. They want a minister who is capable of providing that leadership, not only for the good and easy decisions of increasing quotas but also for the decisions of when they need to be cut.

Specifically, there is a situation in the southern gulf of St. Lawrence where, amazingly, 63% of the quota was cut in just one season. Fishermen are scratching their heads. Plant workers are just amazed. Provincial governments are aghast at the fact that a 63% cut had to occur in one season.

Government Orders

They are not against cuts. They are not afraid of the tough decision. However, what they know, because they apply a factor called common sense, is that a cut of 63% in one year was not manufactured in one year. It was created over a series of years with which leadership and management should have dealt. That got blatantly exposed.

While the minister may say to herself and to others, whoever might try to listen, that this was just a circumstance beyond her control, Department of Fisheries and Oceans shellfish scientist, Marc Lanteigne, who works in Moncton, told the real story on CBC New Brunswick. He said:

The decline has been quite dramatic over the last few years and this is why the management aspect of that fishery has had to make some difficult decisions.

The Department of Fisheries and Oceans own scientists have been saying that they have been providing information to the minister that populations have been in decline over the last few years and this is why the management aspect of that fishery has had to make some very difficult decisions this year. These are the minister's own officials.

What that is saying to each and every one of us is this stock of southern gulf crab has been in decline and scientists have been advising the minister that it has been in decline for several years and the minister has not exercise her fiduciary responsibility to do something about it.

It is all well and good to raise quotas when it is easy to do so. However, the minister's responsibility was to provide ease to the industry by doing what was right when it was required.

Had quotas been cut on an incremental basis, as suggested by science, we would not see a 63% cut in just one year. We would not see an industry in turmoil today. What we would see is an industry that was capable of adjusting over the course of time to the realities of its industry. That is not the case we are seeing right now.

Then we have the turmoil the minister caused in area 23 and area 24 on the east coast of Nova Scotia and Cape Breton. A management plan was put in place in 2005 with the consensus and co-operation with the entire industry, not necessarily the agreement of the entire industry, whereby the quota would be shared on a fifty-fifty split. What did the minister do in 2009? She tore up that management plan.

The management plan said that as soon as the resource went over 9,700 tonnes, an agreement was struck that there would be a split of the quota on a fifty-fifty basis between the traditional fleet and the core company fleet. That quota went over 9,700 tonnes. The threshold was reached.

• (1855)

What did the Department of Fisheries and Oceans say on February 18, 2009, one month before the minister announced her plan? It said:

It is expected that due to the strong recruitment, a TAC exceeding 9700t may be approved in 2009, thus triggering the permanent 50%:50% sharing agreement recommended by the Advisory Panel on Access and Allocation...

This letter went to every crab industry stakeholder in area 23 and area 24, issued by none other than the acting director of DFO for eastern Nova Scotia, Ms. Joan Reid. Every member of the crab

industry was told by the officials on the ground that the management plan would be enacted on a fifty-fifty basis. One month later, the minister came in and tore up the plans. It is absolutely disgusting. That is not stability for this industry.

Then we have the issue in Newfoundland and Labrador where a very serious problem is occurring because of price and an industry looking to rationalize and restructure itself. There is nothing coming from the minister who has the fiduciary responsibility to set this industry on a proper course. She is the industry minister and the conservation minister for the fishery, but we have nothing.

It strikes me odd that when we have a lobster industry in crisis, there is much fanfare about a \$15 million program that is to provide aid for a \$1 billion, normally, annual industry to be spread over 10,000 lobster licence holders who are spread over five eastern Canadian provinces: Quebec, Nova Scotia, New Brunswick, P.E.I., Newfoundland and Labrador. That \$15 million some may consider a significant amount of money. To put it in perspective, that is for 10,000 fishermen.

Hon. members opposite are saying that is \$15 million more than what we provided. What they are saying right now is that when prices of lobster were at \$6.50 a pound in 2005, we should have been subsidizing the lobster industry. However, the industry was in crisis in 2009 when prices were at \$3 a pound. They were at \$6.50 a pound in 2005. Now when they hit \$3 a pound in 2009, a \$15 million program is provided, and the reaction from the industry is that this will not be enough.

When the eligibility criteria was unveiled for the program, the reaction from the industry was that this would never be spent. The eligibility criteria was so discriminatory, exclusive to the real needs of the industry, the industry knew that the money would never be spent because nobody would be eligible. Guess what? Only 50% of the \$15 million was spent, \$8.5 million was disbursed to the fishermen and the government got an additional \$1 million back from them anyway because it was all taxable. Therefore, of the \$15 million program that was supposed to support them, only half was spent.

I would like to know if the hon. minister would actually see fit to take the \$7.5 million that went back to the government treasury and introduce a program, at least this year, and augment that which needs to be done for the people of New Brunswick, P.E.I., Nova Scotia, Newfoundland and Labrador and Quebec. I do not think we will ever see that happen.

Then we have the shrimp fishery. In shrimp fishing area 6 on the northeast coast of Newfoundland and southern Labrador, we are seeing a rather similar circumstance occurring in the southern gulf of St. Lawrence. There is a recommendation now for a 30% cut in one season. That tells me one of two things. Either scientists were not doing their job over a succession of several years, or scientists were providing advice to the minister and she just failed to accept it and failed to act on it. To have a 30% cut in one year means either the stock was not being monitored properly on a year to year basis over the last number of years and suddenly a 30% cut was required.

Government Orders

•(1900)

What we have is an industry in crisis because the leader of the crisis is the leader of the fishery.

Hon. Gail Shea (Minister of Fisheries and Oceans, CPC): Madam Chair, the hon. member went on about how I have ignored the fishery for years. Well, I have not been here for years, so I could not have ignored it for years.

As everyone knows, crab is cyclical. I have a couple of questions for the member. Price is so volatile in crab in particular and in shrimp. When things were good and the price was good, lots of new entrants made their way into the crab fishery.

Under the member's government's watch, could he tell me how many new entrants were allowed into the crab fishery? If he were minister today and science advice told him that in order to protect the future of that fishery so that it can recover, the quota needs to be cut by 63%, would the member cut it, yes or no, or would he do what has been done in the past and ignore science advice for political reasons?

Hon. Gerry Byrne: Madam Chair, I opened my remarks with the fact that sharing was done to be able to provide the benefits of the resource for the benefit of as many as possible with consultation from the industry.

In fact, in the southern Gulf of St. Lawrence, for example, approximately 400 new entrants were added to the fishery.

The minister has actually just said that not only does she agree with that decision but that she will provide stability to the industry for the next five years, not remove anybody from the fishery and will not change any quota sharing structure. She agrees with the decision and she cannot deny that.

The minister is also saying that tough decisions have to be taken. If I were minister and science suddenly came to me with a recommendation for a cut of 63%, the first thing I would do is go to my department and my deputy minister to find out where these scientists were when this was happening.

The quota cannot be reduced. The fishable biomass cannot be reduced by 63% in one year unless a nuclear submarine blew up in the southern Gulf of St. Lawrence spreading radioactive waste.

What happened here was that the minister was asleep at the switch. She did not ask her scientists to ensure they were providing proper advice or, the scientists, over a series of years, were providing that advice and she failed to act on it.

She asked whether I would allow new entrants. We were the ones who allowed new entrants. It is not the number of fishermen who catch the fish, it is the amount of fish that is taken out of the water. The minister does not understand that basic conservation principle. The number of fishermen in a fishery do not affect the stock. It is the amount of fish that is taken out of the water that affects the stock. We better get that straight or we better get a brand new minister.

[*Translation*]

Mr. Raynald Blais: Madam Chair, my question is the following: does the hon. member agree that we are more concerned with the

major impact this is having on the communities than with the resources or the precise quotas for today or anything like that?

We went through a similar experience in the agriculture sector, the automobile industry and the banking and financial sectors recently. The banks were to blame for the financial crisis we went through and yet the banks, the automobile industry and people in agriculture all received help. In my opinion, there is no reason not to have an aid package to offset the impact on communities.

I quite liked the part when he mentioned that just before the 63% cut there was a drop in prices. This also had a major impact on the communities. These things add up. It is worse than one can imagine. That is why the impact felt today is even greater, because the prices were already quite low.

•(1905)

[*English*]

Hon. Gerry Byrne: Madam Chair, the hon. member has it right in so many ways. Canada has a \$1 billion annual lobster industry. Every year, year after year, on a normal basis, the lobster industry would generate for us all \$1 billion when the price was at its normal level. Now we see the price reduced, especially last year.

The answer to that crisis, caused by the global economic crisis, was to provide \$15 million to assist a normal \$1 billion industry. The minister's response was to provide 1.5% of one year's gross of that industry. That does not seem very fair. It does not seem fair when we consider the impact on communities and regions. We could have done better. Of that \$15 million, only half the money was ever spent, and \$7.5 million were returned to the federal government, not in the hands of those who need it but in the hands of the government for debt reduction or whatever. That is where it is.

We need an economic strategy that meets the needs of an industry that is vital to this region.

[*Translation*]

Mr. Yvon Godin (Acadie—Bathurst, NDP): Madam Speaker, although I only became a member of Parliament in 1997, I was involved when problems occurred in the fishing industry in 1988, when quotas were lowered not to 7,700 but to 7,000 metric tonnes. That was under Brian Mulroney's government.

At that time, the government did not say that it was up to the province to take care of everyone. The government said it had to be done to protect the resource for the future and introduced a program for everyone, for the fishermen and plant workers, in order to try to manage the crisis. The same thing happened with the closure of the cod fishery in 1993. Programs were established.

Does my Liberal colleague think that the government is washing its hands of this crisis? Last year the fishermen made a recommendation to the government. The government listened, but this year it is cutting their subsidies by 63%, saying that they need to sort out their own problems. This year it will do what it has to, but after that, they have to deal with their problems themselves.

There seems to be a lack of leadership from the federal government and that is what bothers me. That is what is bothering our fishermen, that is what is bothering our plant workers and that is what is bothering plant owners and our communities. It is as though the federal government is saying that it is too bad—

The Deputy Chair: The hon. member for Humber—St. Barbe—Baie Verte.

[*English*]

Hon. Gerry Byrne: Madam Chair, it is even worse than that. It is not even that the government is abandoning its responsibility. It is putting the responsibility on those who did not cause this.

What will the province of New Brunswick do? Where is it in all of this? It is responsible for plants. I think that speaks to exactly how bankrupt the government is in its federal-provincial relationships, as well as in understanding its jurisdiction and its responsibilities.

If there are no fish to catch and there is mismanagement of the fish that are to be caught, then fishermen cannot fish anything and, if fishermen do not have anything to fish, the consequential flow is that plant workers do not have anything to process and they, too, lose their jobs. What does the government do? It simply says that the province has to deal with it. The government caused it through mismanagement and now the stock needs to be cut this way. It has sole responsibility for this.

The Province of New Brunswick does not have one ounce of jurisdiction over what the quotas will be, who catches the quotas, where they land or what they do with it. The only level of government that decides those questions is the federal Government of Canada. What is the answer to the people, the government, the plant workers and the fishermen of New Brunswick? It is to talk to the fisheries minister of New Brunswick because the federal government has nothing to do with them. The same sweeps right across the entire region, whether it be Quebec, New Brunswick, P.E. I., Nova Scotia or Newfoundland and Labrador.

The federal government now is saying that if fishermen want a rationalization program, a publicly-funded licensed retirement program, they should talk to the province. The government issued the licence and it can take it away—

• (1910)

The Deputy Chair: Resuming debate, the hon. member for Gaspésie—Îles-de-la-Madeleine.

[*Translation*]

Mr. Raynald Blais (Gaspésie—Îles-de-la-Madeleine, BQ): Madam Chair, I will try to use a bit of a metaphor. The Department of Fisheries and Oceans is a huge boat, or perhaps a nice ship, a nice, big ocean liner. The rudder is broken, however, and unfortunately different situations have made this clear. There was the lobster problem last year, and the plan announced in June 2009 for the problems that started in 2008. Eventually we found out that \$8.5 million was spent out of \$15 million, but we only learned this in February 2010. These dates show that there is a problem somewhere.

The minister and the department acknowledge that there is a problem with the cod and grey seal issues. But nothing has happened for three years. The only one who wins is the grey seal. The seals are

Government Orders

fattening themselves up on cod, at the expense of the fishing fleet and at the expense of the communities.

There is also the shrimp issue. Oddly enough, a quota was given to fishers on Prince Edward Island, even though there is no shrimp industry in Prince Edward Island. Oddly enough, the minister is from Prince Edward Island. This is another case of a broken rudder.

I should add that this is unfortunately the case in the crab industry, as well, which is what we are concerned about today. When we hear that this year's crab decision was for conservation reasons, I would simply like the minister to consider the numbers I am about to give. An article published in the Quebec City newspaper *Le Soleil* talks about the catch rates authorized by the Department of Fisheries and Oceans: in 2006, 41.1%; in 2007, 37%; in 2008, 41.2% and in 2009, last year, 46.7%. So as we can see, ultimately, over the years, the conservation issue has not necessarily been the kick-starter for the department. It seems to have been based on rather flexible rules, perhaps even on geography.

So this year, we ended up with a 63% cut. I think it is worth illustrating what this means for the people of Quebec. The landed value for Quebec was about \$50 million in 2008. If I look at earlier figures, it was once much more than that. If we cut 63%, that means \$30 million less in landed value. And as we know, those amounts are considerably increased if you add the work done in plants and so on. As we can see, this has a huge impact.

When we hear about resource conservation—that is why I am repeating the figures we have already heard—it is not because of a situation that occurred by accident or very suddenly. We have known in one way or another for as long as I have been in politics. My father was a fisherman, and I already knew a bit about this. We all know very well that the resource fluctuates, that fish move around and that shellfish, especially snow crab, go through cycles. Some numbers are way up, while others are way down. People have been thinking about these questions for many years. We know that, with those numbers, we had a catch rate of about 50% of the biomass. Things were already pretty tough, and we knew we were in the low part of the resource's cycle.

Thus, with respect to conservation, these figures were ignored, the requests by a number of scientists were completely forgotten and we concentrated on one thing. If the catch is abundant, many people will be put to work. It is unfortunate that in 2010 we have ended up with a 63% reduction. However, this could have been avoided; it was preventable, and that is the unfortunate thing about all this. However, we cannot change the past, even though I would like to. We find ourselves in a situation where the minister and the department no longer had a choice. We ended up with this 63% cut.

The person or the group who made the decision to impose this cut and made this announcement has a certain degree of responsibility. I am certain that people in the department knew that this 63% cut would have consequences.

Government Orders

•(1915)

Almost everyone expected a 40% or 50% cut. That is what was being bandied about. I asked the minister about it weeks before the decision was made. I suggested figures of 40% or 50%. That was what we were hearing. It was difficult to believe that the cuts would be as high as 63%. We are now living with that decision and the 63% cut has had major repercussions everywhere. I remind members that prices had already been affected significantly. Add to that cuts in the catch and the impact has been even more severe.

Worst of all is what we are hearing from the minister and the department. She seems to be saying that dealing with the impact of the cut is not part of her responsibilities. It is up to the provinces. It is up to Quebec to deal with it. It is up to others to deal with it. I do not believe that. It is a matter of dignity, rigour and responsibility.

I am not attacking the Minister of Fisheries and Oceans personally. I am certain that she is very responsible and concerned but there is a major problem and people everywhere are asking some serious questions. Not only are they asking serious questions, but they also have the answers. They believe that the government does not care in the least about the impact this has on the communities, the fishers and their helpers, and the fish plants.

They say that they gave licence-holders the option to partner so that fishers and companies would not be hit as hard. That is one measure, but it too has an impact. Partnering means fewer employees and fewer helpers on those boats. It does have an impact.

It is unfortunate that this decision about accountability was forced on us. Everyone agrees that people had no choice. I think that the government could have taken action sooner, but what is done is done. The people making decisions like that should be held responsible. They should decide to help people, helpers, fishers, plant workers, municipalities, the provinces and Quebec. If not, fisheries will be treated as though they are in a vacuum.

But that is not how things work. Things do not happen in a vacuum. There is a saying about how when a fish is pulled out of the water, its head is provincial and its tail federal. That sounds odd, but it reflects how responsibilities are shared. There is a constant back and forth between the two. Each is responsible for something, like it or not. When the Department of Fisheries and Oceans makes a decision, it has wide-ranging effects. Unfortunately, this department's rudder is broken. That is becoming increasingly clear.

Take, for example, a press release from May of last year about work in Port-Daniel. That is an area I know very well because that is where I am from. There was an announcement about work that was planned for last year. Now, a year later, that work is still not done.

The government also announced that work was planned for Carleton in 2010. We recently learned that there is some disagreement between Transport Canada and Fisheries and Oceans Canada. They have been unable to reach an agreement. They have reached an impasse in the handover negotiations.

Nobody has a hand on the rudder because the rudder is broken. This is very serious. We have to take responsible action. I believe that a lot of people are watching us tonight, except for those who are watching the hockey game and are worried about it. But people are

in this situation, this crisis. That is why I think we need to take responsible action. That is why I am urging the minister and the government to acknowledge their responsibilities and deal with this situation.

•(1920)

[*English*]

The Deputy Chair: Questions and comments. The hon. Minister of Fisheries and Oceans.

Hon. Gail Shea (Minister of Fisheries and Oceans, CPC): Madam Chair, I have a question for the hon. member. While he is up complaining about all the small craft harbours that are not getting fixed in his riding, he should be up also telling the House about all the small craft harbours that are getting fixed in his riding. We spent more on small craft harbours than any government in history. He also could tell his constituents that he voted against the budget, which contained the money for small craft harbours.

The hon. member stands here and says that Fisheries and Oceans takes a decision because it does not give a hoot about what happens in the communities. Yes, we do give a hoot about what happens in the communities and that is why we take these hard decisions. The easier decision would be to just roll over the quota and hope to God the fishery is not fished out because somebody else will be here when it is fished out anyway. But no, because we care about the future, because we care about the future of the fishery and the future of those communities, these hard decisions have to be made today.

Someone talked about Brian Mulroney stepping in 10 years ago and doing something. Ten years ago, the federal funding had not devolved to the provinces in the labour market agreements or the labour market development agreements. We have a very different situation today.

Has the hon. member met with the province to find out more about the LMA or the LMDA, and how it could assist his constituents?

[*Translation*]

Mr. Raynald Blais: Madam Chair, I have questions as well about what the governments of Quebec and the other provinces are doing, but as a member of the House of Commons, my main concern is the federal level. I do not have the choice, therefore, of focusing on that.

There is something I find very interesting. The minister just said—we all heard her—that she cares about the problems these people face. I understand and accept that she assumes responsibility, but at the same time, I want to see action.

The people watching us who hear the minister tell them she cares about their situation are waiting for the second part of her sentence. They expect her to say she cares enough about their plight that she will do certain things and speak to certain individuals. These people are fishers, fisher helpers, and plant workers, municipalities, the provinces and Quebec. That is what I would like to hear.

[*English*]

Hon. Lawrence MacAulay (Cardigan, Lib.): Madam Chair, I was listening to my hon. colleague from Gaspésie—Îles-de-la-Madeleine. He is on the fisheries committee and has a good understanding of the fishery.

Government Orders

In looking at this situation as we have it today, we have to agree that there was a major mismanagement in the snow crab fishery, which brought about a devastating cut to the quota. I know the minister indicated that she has some concern, but most people would agree that concern does not pay bills. Concern does not help if one is going broke. Concern does not help if one does not have a job.

The minister indicated that it was a provincial responsibility as well. I think my hon. colleague from Gaspésie—Îles-de-la-Madeleine would agree that it was not the provincial authorities that mismanaged the fishery. It was not the provincial authorities that took 63% of the quota away.

I would like to ask my hon. colleague, does he not feel that it is the responsibility of the Government of Canada to do something for the fishery, the snow crab fishery, for the people who are depending on the jobs to make a living. I feel this is a responsibility for the federal government and I would just ask my hon. colleague if that is the way he feels.

• (1925)

[*Translation*]

Mr. Raynald Blais: Madam Chair, I appreciate my colleague's question. I would tell him it is a question of discipline, dignity and responsibility.

I want to toss a few good words the minister's way. I think she was very dignified and acted in a disciplined, responsible way on the seal issue when she went to China. I also think the minister acted in a disciplined, responsible way when she succeeded in convincing her cabinet colleagues to inject another \$200 million into small craft harbours. I can acknowledge that. I can say it again and again, anywhere and any time. Now, why not make it three for three?

Why is it that when it comes to snow crab, she does not have this same dignity, this same responsibility, this same discipline? That is why I call on her to take some action on this fishery, which would show that she really does care about the problems experienced by these communities, by the fishing boats and the fish plants. All it takes is a little good will and a bit of money. But money is needed everywhere.

They did not hesitate to spend millions and even billions of dollars to help the banking system and they gave billions to the automobile industry. They do not hesitate to help agriculture either. I fail to see, therefore, why they cannot do the same for the fisheries, which are also an industry of the future.

Mr. Yvon Godin: Madam Chair, the Minister of Fisheries and Oceans said that Brian Mulroney was in power 10 years ago. I would like to point out that it was closer to 20 or 22 years ago

In 1996, the government transferred money to the provinces so that they would be responsible for the workforce, but it also cut the employment insurance program. We cannot forget the cuts the Liberals made while the employment insurance fund was in a surplus situation.

There are workforce issues along with cuts to employment insurance. The money given to the provinces is meant for regular job creation each year and training, but something special has come up. The fishery is in trouble.

The government should show leadership in this file and help the provinces instead of washing its hands of the situation. It should admit that it is partly responsible because of the 63% cut. It should also admit that it needs to protect the fishery as well as support the provinces and communities.

There is a difference between regular programs and special circumstances. I would like to hear my colleague's comments on that.

Mr. Raynald Blais: Madam Chair, I thank the member for Acadie—Bathurst very much for his question, which raises a very important point. The effort has to come from the whole government, not just the Department of Fisheries and Oceans.

A government effort means improving employment insurance eligibility and operating rules where needed. We have been calling for this for a long time. There are inequities and huge needs in different sectors. We could talk about forestry, but we are talking about fisheries now.

The employment insurance plan could be changed to reflect the needs of the fisheries sector. The other departments should also do something to help the fishery, because our future depends on it.

• (1930)

[*English*]

Mr. Randy Kamp (Parliamentary Secretary to the Minister of Fisheries and Oceans, CPC): Madam Chair, I know my colleague has some crab fishermen in his riding and just so we understand the whole context, we are talking about the 63% cut this year. Does he know what advice they provided to the decision-makers last year, the year before, or even this year? What was their view of what the cuts should be? Is it not true, in fact, that they were resistant to any cuts in quota all along?

[*Translation*]

Mr. Raynald Blais: Madam Chair, I am aware of all that, and I am also aware of the official and unofficial lobbies the minister, cabinet and the government have to contend with. It is a question of responsibility.

I also get requests, but we have to act responsibly and carefully. It is not responsible or careful to come with the catch rates we have had in recent years. If it were, we would not have been hit with a 63% drop this year.

Mr. Yvon Godin: Mr. Chair, congratulations on your new appointment.

I would like to thank Parliament and all of the political parties for agreeing to have this discussion this evening. It seems that these discussions can sometimes cause friction. We are all here to serve our constituents and our communities, and to think about what we can do for the people of our communities.

I began to take an interest in the fisheries in 1988, when the government reduced crab quotas to 7,000 metric tonnes. At that time, the government said it had no choice, because otherwise we risked losing the industry altogether.

Government Orders

Before I forget, I would like to tell the minister that there is a bit of a contradiction between the Department of Fisheries and Oceans and fishers. Last year, fishers said that quotas must not be reduced because there was enough crab in the ocean. So an agreement was reached between the Minister of Fisheries and Oceans and fishers. The minister agreed not to reduce quotas. That is what I heard. However, she said that if the biomass decreased, she would have no choice but to reduce quotas by twice as much, and fishers would pay the price.

I do not want to give any disinformation, but I hope everyone understands what I am saying.

I hope the Minister of Fisheries and Oceans will listen to the suggestion I am about to make, and this is not the first time I have suggested it. Fishers are the ones who spend time on the water. DFO officials are saying that the biomass has decreased.

We should turn to those with experience. I am not saying the others have no experience, even though it sounds that way. People with experience should be taking samples from the ocean together with the scientists. The scientists should get out of their offices. Some will say that they do not stay in their offices, but the fishers tell us the samples are not being taken properly. The minister knows that because I have already talked to her about this at various meetings. Fishers from the cod fishery and from the crab fishery all agree. They think the scientists are not taking the right approach but the scientists are saying they are doing things properly.

Why not put these people on the same boat to see what is going on in the ocean? That is one of my proposals. I did not come up with that idea; the fishers did.

The minister must know that this was proposed during a meeting last year. The same thing was proposed to the former Minister of Fisheries and Oceans. He was from Newfoundland and he agreed with this idea, but it seems we have been unable to convince the current minister.

There are currently 130 crab fishers in the Atlantic. There are 85 in my riding alone. In my riding, most people finish on Friday. Those who do not finish on Friday have decided to prolong their fishing time.

I may be wrong, but fishers have told me that they have made a catch but not kept it. One fisher with a quota of 18,000 pounds caught 15,000 pounds his first day out, but left 3,000 pounds at sea in order to get his lines and traps. He made those catches during the same weekend. That will end on Friday.

In 1988, when the government made cuts to crab fishing quotas, there were federal programs.

• (1935)

Yes, the minister was correct when she said that this was transferred to the provinces in 1996, but it was done all across Canada.

Why, when Ontario's auto industry was struggling, did I never hear the government say that the province was responsible for the workers, and that it would not get involved? I never heard the federal government, the Conservative government, say that Ontario would

have to take care of its own auto industry. I never heard that. So why, now, when this is going on in the Atlantic provinces, are the provinces responsible for employees?

Regardless of our political affiliation, we members of Parliament are the ones who answer the phone and hear people crying. They ask us what they will do come Monday. We are the ones who answer those calls. We are the ones who answer when they tell us that they do not have the required number of hours of employment and are not entitled to employment insurance. What kind of program does the government have?

When I went to see the minister, I asked her what she was going to do for the workers? She told me that she did not look after that and that it was the responsibility of the Minister of Human Resources and Skills Development. I asked the Minister of Human Resources that question. She did not answer. The Minister of Fisheries and Oceans responded.

The New Brunswick labour minister has wanted to meet with the Minister of Human Resources and Skills Development of Canada, a Conservative minister, for one year. She has refused. Finally, it seems that there will be a meeting.

I would please ask the Conservative federal members and the New Brunswick Liberals to stop their political fighting and to look after the people who are destitute and the families who call us to ask what will happen to them.

If, last year, the government told them that they were giving them a break and that they could fish as much as they wanted, and then this year it told them they were going to make cuts of 63%, it must assume its responsibilities. I am not accusing the minister. If the minister wants to make cuts of 63% and says that we have to save the fishery, I agree. But we must look after the people, the fishers, the fish plants, the plant workers and the communities. We cannot just wash our hands of this.

This was not the situation in the Mulroney era alone. When they closed the cod fishery, programs were put in place. After that, we had problems with the lobster fishery, for example. To quickly return to the crab fishery, it is not just the quotas that have been cut. People used to be paid \$4 per pound and that has dropped to \$1.75 or \$2 per pound. Therefore, quotas have been cut, prices have dropped and these people are suffering. It is expensive to operate these industries.

The same thing applies to the lobster industry. Fishers were paid \$6 to \$7 per pound. Those working on the lobster boats said they could survive at \$4. Now \$60 million has been allocated to the lobster fishery and \$15 million has gone to the fishers. There is a problem with the formula when only half the money has been distributed.

Fishers from Miscou are calling me and telling me they have not made enough money to pay their expenses. When they ask the people at Fisheries and Oceans Canada for a review, they refuse. They have made their decision and that is that. What am I supposed to say to Mr. Ward from Miscou when he tells me he applied under the program created by the department, but he does not qualify? He fished from May until late June, but he does not qualify. He did not make any money because of the costs. About \$45 million has gone to the industry, but not to the fishers.

Government Orders

The same is true of shrimp fishers. They are not getting any money. What am I supposed to tell these people?

I do not want to lay blame, but what is the federal government prepared to do? If it wants to protect the resource, that is its responsibility, but it has to make sure it has the right data from scientists and fishers. This has to be cleared up once and for all. Then everyone will be happy. We have to know what the data are. Then we have to figure out what to do about the problem.

●(1940)

What do we do about this problem? We have to work together. The federal and provincial governments have to work together. How can we help all the communities that depend on the fishery? In Ontario, they did not lay blame and say it was the province's problem. They dealt with it. I say we are going to deal with it because there are other crises in the region.

[*English*]

Mr. Rodney Weston (Saint John, CPC): Mr. Chair, I listened with great interest to my colleague from New Brunswick. He speaks with great passion any time he stands to speak in this House, and tonight was no different.

I want to ask a question of my colleague. He stood here this evening and talked a lot about who is at fault in this situation, what we should be doing in this situation as a government, and what the minister should be doing in this situation to resolve the issues the industry faces.

My colleague from Acadie—Bathurst talked about the lobster fishery. When he had the opportunity to support a program in this House, he chose not to. He voted against the budget that actually brought forward a program to help the lobster fishery.

This evening we have heard hypothetical situations and we have heard people talk about what they would do had they been the minister of fisheries. We heard the member for Humber—St. Barbe—Baie Verte say that he would sit and talk to his deputy minister. Great. I am glad to hear he would sit and talk to his deputy minister. However, that is not going to resolve the issue.

I want to ask the member for Acadie—Bathurst this. If he were the minister of fisheries, would he ignore the science? Would he not take into consideration the conservation of the biomass? What would he do with respect to the science, were he the minister of fisheries?

Mr. Yvon Godin: Madam Chair, to answer my colleague from Saint John, if he was listening, I said I am not blaming anybody. I said that is where we are. If that is where we are, what are we going to do?

If I were the minister, one thing I would do, because that is the question, is that I would take the scientists and put them with the fishermen, get them to the water and find out the real truth; get them to get along and find out what is happening; and get them to agree to the reality of what is happening in the sea. That is what I would do.

The member from Saint John was in the Government of New Brunswick under Bernard Lord, when the Bernard Lord government was asking this member to help them get the same program I am asking for today.

I hope the member is supporting me because he was in the cabinet of the provincial government, and he was asking me to help them. He said that we should not throw all the fault on the province, that they needed the help of their big brother, the federal government. They needed the help of their big brother, because that was who could be able to help.

By the way, the federal government has cut New Brunswick by \$270 million per year, a cut of employment insurance. Now they are out bragging they are giving hundreds of millions of dollars, and that should resolve all the problems of New Brunswick.

I am saying to my dear friend, my colleague from Saint John, we need to work together and make sure that the people of—

●(1945)

The Deputy Chair: Order. Order, please. I would ask all hon. members to address their comments through the chair. The hon. member for Humber—St. Barbe—Baie Verte.

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Madam Chair, the fallback position of the government seems to be to question the opposition, as if they were currently the minister of fisheries and oceans.

We are not the minister of fisheries and oceans. The Minister of Fisheries and Oceans office is with the government side. The fallback position betrays something. It betrays the fact that the Minister of Fisheries and Oceans did not act on science. The science was clear. The evidence of the existence of the science was clear.

For the record, I read again what Marc Lanteigne, a DFO crab scientist based in Moncton, said to each and every one of us, “The decline has been quite dramatic over the last few years”.

That shows that DFO science was providing advice to this minister for several years, telling the department and the minister, whether it be the former minister prior to October 2008 or the current minister of today, that the crab stocks in the southern Gulf of Saint Lawrence were in trouble.

If that indeed was the case, it was either that science failed in its responsibility to provide that advice or that the minister failed over the last several years to do what was necessary. There is no fallback position here. The buck stops with the minister. Under the act, the minister has the ultimate final authority.

I would like to know from this member for Acadie—Bathurst whether or not that minister has served the people of Acadie—Bathurst, of the southern Gulf of Saint Lawrence, well.

Mr. Yvon Godin: Madam Chair, I have a mixed opinion about it because the fishermen do not agree with the tests being taken by the scientists and the scientists do not agree with the fishermen. That is why I said that we should put the two together and send them fishing. We should send somebody agreed to by the industry and not appointed by the government. That is what will be requested.

My colleague from Saint John asked if the member was saying that we should not listen to the scientists. I have to say that is not what happened last year. It was his government that did not agree with the scientists.

Government Orders

Maybe the minister will say that people have asked the government to do the fishery because they believe there are okay. That is the government's defence. However, at the end of the day, if we look at the act, the minister is responsible. That is why I say I have a mixed view about the whole thing.

[*Translation*]

Fishers in New Brunswick tell me that they think there was a mistake and that the 63% was too high. They finish on Friday, and they made their quota in less than three weeks. If things are so bad, how did they manage to make their quota so fast? They did not scrape the bottom, but they made their quota quickly.

Instead of squabbling amongst ourselves, once everything is done, why not really take the time to provide programs for people, communities, plants and everyone, then conduct a thorough study that will satisfy everyone? If those are the facts, then we will have to live with them. We will accept the facts and adapt. That is all I ask, and I think it is reasonable.

[*English*]

Mr. Randy Kamp (Parliamentary Secretary to the Minister of Fisheries and Oceans, CPC): Madam Chair, I confess to being a little confused. The member is talking about the federal government being big brother and that it has to do all this. In fact, we did transfer, through a variety of HRSDC programs, \$245 million just to the Province of New Brunswick.

On the one hand, big brother has to do its thing but, on the other hand, he is implying that he does not think the science was right and that we should not have made these cuts at all and yet he wants the federal government to sort of bear responsibilities for them. I am confused about this.

Does he or does he not think that there was a very significant decline in the biomass that required this 63% reduction in the TAC?

• (1950)

Mr. Yvon Godin: Madam Chair, it is simple. I am not a scientist but the scientists said this, the fishermen said that and I said that we should put them together.

When the member talks about the program of \$245 million, I do not know where he gets that amount because the Minister of Human Resources and Skills Development told me last week that it was \$143 million. Every year \$100 million goes to New Brunswick to look after the labour market. It is for the whole of New Brunswick for all issues.

Because of the economic crisis, not the fishery, \$43 million were added to it. In April, it was announced that there would be a 63% cut on the crab quota. It is a surplus from that, and that is why we are saying that we now need to look at special cases, like it did with other industries, such as forestry. The forestry sector said that it did not get enough. The government did it in Ontario in the car industry. I did not see members from the Conservative Party getting up to say that the money should not go to Ontario when plants were being closed.

In my riding in New Brunswick, 2,500 people will not have a job starting Monday. What do we do with them? The Conservatives did not say that they gave the car industry in Ontario so much money, the

training programs and everything for EI, and now they will not getting anything.

There was a crisis in the car industry. I tip my hat to the Conservatives for doing what needed to be done to help that industry but it cannot stop there. We are in a federation and we need to help each other. We do not help just one province. We help every province that is having trouble.

This is a surplus from what normally what would have happened. Nobody thought that crab quotas would be cut by 63% but it happened and the government has the responsibility to help the community. That is all I am saying.

Mr. Randy Kamp (Parliamentary Secretary to the Minister of Fisheries and Oceans, CPC): Madam Chair, I am pleased to speak tonight to a sector that is vital to the Canadian economy. I will follow up on some of the points and comments made by the minister.

This sector employs a lot of people and our Conservative government has shown our support time and time again for it. Those people who may watching may not realize the contribution that our seafood industry makes to our economy and our coastal communities. In fact, Canada is the world's sixth largest seafood exporter, with fish and seafood being Canada's largest single food export commodity. The seafood sector contributes \$3.9 billion to the Canadian economy through the activities of harvesting, aquaculture and processing industries. Together, these industries employ approximately 80,000 people across the country, including fish harvesters, crew members and plant workers.

The shellfish industry is at the heart of Canada's seafood sector, especially in the coastal communities and regional economies of eastern Canada, the subject of our debate tonight.

Canada's commercial fisheries have evolved since the early 1990s, shifting away from groundfish to the more lucrative shellfish fisheries. Key species, such as lobsters, snow crab and shrimp, have become cornerstones of the commercial fishery driving industry growth for nearly two decades.

To date, shellfish represents over three-quarters of the total value of commercial marine and freshwater catches in Canada. At the same time, shellfish aquaculture production has also grown considerably, increasing four times its value since 1990.

The Atlantic provinces and Quebec define the Canadian shellfish industry. Total shellfish landings from Nova Scotia, Newfoundland and Labrador, New Brunswick, Prince Edward Island and Quebec account for over 90% of the overall landed value of shellfish in the country. In 2008, more than 429,000 tonnes of shellfish worth \$1.4 billion were landed in those provinces. Lobster, snow crab and shrimp are the industry's most valuable species, but we cannot overlook other important products, such as scallops, clams, oysters and farmed mussels.

Government Orders

The east coast shellfish industry contributes significantly to the rich variety of harvested and processed seafood products exported worldwide. Atlantic lobster is Canada's most lucrative fishery and provides a high quality, healthy food with high consumer appeal. In 2007, landings were valued at \$560 million. In 2008, they climbed to \$600 million and exports earned \$920 million, or 24% of all Canadian seafood exports.

There are almost 10,000 licensed lobster harvesters employing almost 30,000 Canadians and Canada produces over half of the world's lobster exports, mostly sold to U.S. markets. Hard shell lobster has higher value, often sold as live product, but also has higher storage costs. About one-third of lobster landings are soft shell, the lower value, processed into frozen products and inventories sold throughout the fall and winter months.

The lobster industry competes directly with the Maine lobster industry in the U.S. which can often plug the U.S. market with live lobster. The luxury status accorded to Atlantic lobster as a food item, significantly affected it during the economic downturn during which demand dropped due to consumers cutting back on discretionary spending. Our government recognized that lobster-dependent harvesters were being severely impacted by the economic downturn, which is why we implemented the \$15 million short-term transitional measures program to assist them.

It is important to recognize, not only how vital lobster and other shellfish are to Canada's economic prosperity, but also how flexible, resilient and innovative the industry is. For instance, a new dock-to-dock transport system recently made its debut in Halifax which will allow the shipment by a container ship of fresh seafood to European destinations. This could help reduce costs to Canadian lobster exporters.

Snow crab is another important fishery in Canada and it is caught in the Atlantic provinces and in Quebec. It is a high volume, low value-added fishery and has a relatively short season with the majority of catches being landed within the first few weeks. Harvesters take their catch quickly in order to take advantage of early season high catch rates and also to avoid soft shell problems. Most snow crab exports are destined to mid-priced restaurants like buffets and casinos in the U.S. Despite supplying over one-third of the world's crab exports, Canada is considered a price-taker in this market. While it is not the only crab species harvested in Canada, the snow crab is by far the largest, making it the cornerstone of our Atlantic crab industry. In 2008, Canada exported \$509 million worth of snow crab to 18 countries, with 67% to the United States, 21% to China and 9% to Japan.

● (1955)

The northern shrimp fishery is found mainly in Newfoundland and Labrador, as well as Quebec and Nova Scotia. The main method for catching shrimp is trawling, which is fuel-intensive and vulnerable to upswings in fuel prices. The European Union is the main market for northern shrimp, particularly the UK and Denmark.

Cold water shrimp prices have declined over the past 10 years because global markets have been saturated with larger warm water aquaculture shrimp and prawns. The financial crisis and economic recession have had predictable effects within the industry. The economic climate has also magnified the long-term structural

challenges for businesses that carry high debt loads and have trouble accessing conventional financing.

Total shellfish exports were \$2.1 billion in 2009, dropping 8% from their value in 2008. At the same time, 2009 saw large decreases in the market prices for lobster, crab and shrimp, which generally represent half of Canada's fish and seafood exports.

As general consumer spending decreased, the demand in import and export markets also plummeted, especially for high end seafood products. The drop in demand in Canada's major export markets, the United States, Japan and the EU, has been especially problematic for shellfish exports. A strong Canadian dollar has further diminished revenues and the relatively small margins for profit that did exist in some fisheries have been eroded or lost entirely.

Steep increases in the price of oil have placed considerable pressures on the overall costs incurred by fishing fleets and processing plant operations. Fuel costs generally account for 10% of fleet operating costs but could be as high as 19% or 20% for relatively fuel-intensive fleets, such as shrimp harvesters.

Recent domestic economic projections for Canada have been positive. Improved consumer confidence in both the Canadian and American markets is expected to boost the demand for fish and seafood products, however, anxiety over market prices remains. Expectations of a strong Canadian dollar in 2010 continue to put additional pressure on the industry. Forecasts of high crude oil prices throughout 2010 pose a significant potential burden on overall costs of operations. As well, resource stock declines will have direct short-term implications for affected fleets.

The next two to five years will be an important period of transition for Canada's shellfish industry, as the need to increase productivity, become more innovative and strengthen its domestic and export markets reaches a critical level.

DFO is committed to facilitating industry transformation into a self-reliant, high value-added shellfish industry. We recognize that more emphasis in analyzing all the elements of the value chain is required, from harvesting to processing to marketing and distribution of shellfish products. We also must remain vigilant and proactive in terms of our programs and policies with respect to emerging drivers, such as new requirements related to catch certification, food safety and security and market access issues.

Government Orders

For example, new European Union regulations that went into effect in January of this year require imports of seafood from other countries to have catch certificates to verify that the catch is legal and reported. The EU is the second largest market for Canada, importing almost \$500 million in fish and seafood products in 2008.

Our Conservative government recognized the importance of the EU market to the Canadian seafood industry, so we have acted decisively. Budget 2010 provided \$7.2 million over two years to support a new catch certification office. Through this office, Fisheries and Oceans is issuing certificates to exporters, ensuring that the Canadian fish and seafood industry remains competitive and maintains employment in both the harvesting and fish processing sectors. We expect that consumers and global markets will increasingly demand this kind of evidence, and our government's foresight on this issue puts Canada's seafood industry in a competitive position.

I know that change will not happen overnight. That is why our government remains committed to working with the industry and key stakeholders to improve industry resilience and prosperity so that it can withstand and rebound easily to short-term shocks, including economic, market or resource pressures.

Atlantic Canadians know that it is our Conservative government that will support the long-term development of the seafood and shellfish sectors.

• (2000)

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Wind-sor, Lib.): Madam Chair, my colleague and I have tangled on these issues many times in the past six years and I am sure we will continue to do so.

Earlier the minister brought up a situation. We talk about people making a living from this industry and how they are able to sustain a standard of living within their communities because of all the negative aspects that she mentioned. She mentioned the labour market agreements. Here is the problem: The labour market agreements do not provide EI benefits. They do not provide that extra amount of work, so they do not provide the extra weeks. In seasonal work, that is a problem. That puts that aside.

Earlier in the season, earlier this year and even into last year, a memorandum of understanding was worked out between three particular groups. They included the union, specifically FFAW in Newfoundland and Labrador, producers as well as harvesters and, of course, the provincial government. They all came to the conclusion that there was a glaring absence of a federal presence. I know the government is talking about the provincial jurisdiction over this when it comes to the processing.

However, I would like to remind the parliamentary secretary before he answers that in the mid-1990s, the Liberal government brought forward a program which allowed people to ease out of the industry in the processing sector. Before he uses that as an excuse, I do not think it is much of one.

What is the government's involvement in allowing people to either ease out of the industry or to continue in a period of growth?

Mr. Randy Kamp: Madam Chair, I think my colleague knows that the shellfish sector in many regions has been quite profitable

over many years. In fact, it is a cyclical industry and a cyclical resource. Shrimp is not, but crab is, for example, and it tends to go up and down. That is why I think the province is closer to the action. It is certainly in a much better place to help those kinds of problems.

Our government has invested in additional training programs. That is part of the labour market dollars that have come to the provinces. Our preference is for people to work, not to just get a cheque at the end of the year for not working. I am sure the fishers would like that as well, but because it is the kind of industry where there are ups and downs, these programs need to be in place to allow people to retrain into other industries.

We have those. We partner with the provinces in those. I think that for the most part they have been fairly successful.

• (2005)

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Madam Chair, I want to be clear about something. The ultimate responsibility for the management of the fisheries lies with the Minister of Fisheries and Oceans. It has been said here that the advice we got and which we acted upon last year in the southern gulf said that we should not cut. We acted on that advice.

My son is seven years old. He was riding his bike the other day and he rode it down a hill with his friends. He ran it over a cliff and he bruised his knee. I asked him what he did that for. He said that his friends told him to do it. I told him not to just follow his friends, but to do what is right.

It seems to me there is a disconnect here. The minister is saying that they told her to do it, so she had no choice, that she just did what she was told. The truth is that the minister was told by DFO science for several years previous to this year to make cuts. She did not listen. She skinned her knee and the problem is that she skinned the knee of every crab fisherman in the southern gulf. If there was one responsible action that could have been taken, it would have been to take the necessary cuts when they were prescribed by DFO science, not to wait for it to build up.

There is an illusion here that they will not do what happened to northern cod. They did exactly that, because this is exactly what happened with northern cod. Scientific advice came in to Bernard Valcourt, Tom Siddon, John Crosbie and Ross Reid in 1988, 1989, 1990, 1991 and finally in 1992. They did not take the advice. Finally, John Crosbie had to shut the whole works down.

That is exactly what happened in the southern gulf. Scientific advice was coming in. The ministers just did not do anything about it and that seems to be a shame.

Mr. Randy Kamp: Madam Chair, I did not hear a question, but the member has some of his facts wrong.

Government Orders

For one thing, he knows there is no correlation between what happened in the Atlantic cod fishery and a cyclical fishery like snow crab. If he wants to look at the data, he will find there was a time when it was 30,000 tonnes and that was reduced to 20,000 tonnes over the years in response to scientific data.

He knows when the TAC was set last year, it was done in consultation with the industry. Industry was told very clearly that if we set it at a certain level, there was a chance it would face a significant decrease next year. The industry was asked if it was willing to take that risk and it said yes. That is what has happened. This is no surprise to the industry. If anyone wonders where that 63% came from, those are really not the facts.

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Madam Chair, I would not say it is not a surprise to the people who earn their living from the sea. The dismay on the wharf right now in eastern Canada is palpable. If one were to go to the end of the wharf to talk to the fishermen or talk to people in the plants, one would find they are scared to death as to what is going to happen this year.

Let me ask a specific question. I know the minister is well briefed on this topic and I know she was gracious enough to meet with the fishermen when they came to Ottawa to present their case. She knows it well. It is about the area 19 fishermen and the co-management plan they have worked under for the last number of years.

They have taken decreases over the last number of years on their own. They have followed the recommendations of science and have undertaken some very aggressive measures as far as conservation of the resource goes. They are feeling the hurt from undertaking those particular steps. They are not seeing any benefit now because they are sort of lumped into the same pie. They are in a stand-alone area, but they are lumped in.

The government is looking at conducting a spring survey, one that it has undertaken since 2004 and gives very accurate reads on the status of the resource in that particular area. Has the minister made a decision on that? I will ask the parliamentary secretary to respond. I would encourage the minister to give this great consideration. I would ask when we can expect a decision on that spring survey.

• (2010)

Mr. Randy Kamp: Madam Chair, my colleague may want to talk directly with the minister on this, but let me start by saying that I do not think it is quite accurate to say they are lumped in with all of the rest, the 63% that crab area 12, for example, is facing.

I would also like to say that those involved in the fishery in area 19 really should be commended for their willingness to be involved in solutions. They have done a lot of good work and I know the minister is grateful for that.

With respect to the spring survey question, that management plan has not been completed. No decision has been made on that yet.

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Madam Chair, I would like to begin by thanking my colleague, our fisheries critic, the member for Humber—St. Barbe—Baie Verte. This is an important issue, and I know that he has pressed hard to make this debate possible this evening to allow this issue to be brought to the fore.

There was a great deal of excitement in the House today. I know that people back home and most Canadians are sort of glued to the television right now as Montreal has come up on a 4-0 lead right now.

There are a lot of Habs fans back in my riding of Cape Breton—Canso. There are a number of Pittsburgh fans there as well, Sidney Crosby being a Nova Scotia boy, Marc-André Fleury being a former Cape Breton Screaming Eagle, a great major junior hockey team. Unfortunately he has not had a great night. He has had a tough night at the office tonight.

As much interest as there is in the hockey game, I know that people from Tor Bay to Glace Bay and from Margaree Harbour up to Cheticamp will be checking in and watching this debate unfold this evening. There is a great deal of concern and a great deal of anxiety in these communities because the livelihood of so many families is inextricably linked to the fishery.

With what has gone on in the past number of years, they have been very concerned for a number of years. I guess this is the year that the chickens come to roost as far as the situation in the southern gulf is concerned, and certainly not just with crab but also with lobster. There is a great deal of concern.

We have to put a real face on this. We have to look at the lives that this impacts.

I got a call today from someone in Cheticamp. The plant workers in Cheticamp were notified today that things are not looking good up there. They are looking at 80 job layoffs in the next number of days just because the resource is not there. That is starting to hit home now.

If they are not able to get work this year, they are going to look at going somewhere else to try to find employment. That is what they have to do to feed their families. What happens as a result is that should the plant fire up again and get a little more resource to process, the plant will be handcuffed because it will not have the workers. The workers will vacate. The workers will leave the community, and that group of workers will be lost. That is devastating.

It is close to home for me. I am married to a Hopkins. The Hopkins name is known in Cape Breton and in Newfoundland. It is a family-owned fish processing business in Cow Head, Newfoundland. My father-in-law runs the second-generation family business. They have been in the fishery since the 1940s. They have grown up in the fishery.

He said he is more nervous this year. He is frightened this year about the way the prices will impact the season. Certainly last year in the lobster fishery back home, lobster started out at about \$4.25 a pound. Down in Southwest Nova right now lobster is running at about \$3.25 a pound. That is money right off the top. That is money out of a household that is trying to feed a family and pay the bills.

Government Orders

There are three things I want to talk about in this debate. The government has said this is all about science. There has been good science all along. The signs have been there, but they have been ignored. They have been neglected. That is what is of concern. This is not just about this year. This is about going forward. This is about the long-term survival of the fishing industry. That is what is concerning us.

● (2015)

The lobster and the crab are so inextricably linked. If things are not so good in the crab industry, the fishermen have the lobster and they are able to generate some additional revenue. If the lobster is down a little, some crab share allows them the opportunity to keep the enterprise moving and to pay the bills.

In the lobster industry all the LFAs in the gulf have talked about a 10 point plan. It was an aggressive conservation plan where each of the LFAs were able to look at a number of conservation measures. They were able to take whatever measures would suit them best. It was not a one-size-fits-all. They were able to pick from the number of measures and put them together. Each measure was assigned an amount. If their plans totalled 10 points, they were granted the ability to fish that season.

All indications from the lobster groups was that they wanted to make this mandatory. The direction the officials of DFO was that they wanted to make this mandatory. They wanted the LFAs to all enter in. They had to sign on for a 10 point plan in order to proceed in the upcoming season.

Last year the minister had an opportunity to embark on those conservation measures and she stepped back from that. She made it voluntary and left it up to the individual LFAs.

Some had been ahead of the curve. Some had entered into these measures, thinking that this was coming and it was going to be mandatory. They thought they would get a jump on it. Now they are left holding the bag. They are being penalized now because they have moved already on their own for the right reasons, thinking it would become mandatory. However, it has not and it will not be mandatory this coming year. That was a mistake. It was a total ignorance of the science.

I talked about area 19 and the fishermen. I have talked about the measures they have embarked on in the last number of years. The minister should have been taking lessons from those snow crab fishermen. They have done a spring survey, which has the most accurate results. They have been doing this since 2004. They went far beyond on their softshell protocol, very robust. They have put in additional measures as far as observer coverage in the zone. They have undertaken these measures on their own.

The minister could have been taking a lead from this fisheries group. Every time I talk to DFO officials, they make reference to the group of fishermen in area 19 and that co-management plan. They hold that up as the template. They say that this is how a fishery should be run because the guys are committed. They believe in the sharing of the resource. They have allowed other entrants into their area. They have been very proactive in those measures and they have been proactive with conservation measures as well.

The minister should have been watching this. This is how one goes about one's business. The science has been there over the last number of years and she has ignored it. There could have been gradual reductions over the last number of years, but instead the hammer came down this year. The impact on the markets could have been managed over the last number of years.

The other issue I want to speak about is the management agreement in area 23. It was an agreement that was signed off in 2005. It was very clearcut. My colleague, our fisheries critic, has mentioned it already. This agreement was in place. It was accepted by the fishers in this area and that was cast aside.

A new licence was issued. Tim Rhyno won the lottery, as far as picking up a licence in that area. Meanwhile 650 new entrants into that fishery who expected to become equal partners in that fishery have now been ignored. The fifty-fifty sharing agreement once the tonnage has reached 9,700 tonnes has been ignored. That agreement has been torn up and cast aside

● (2020)

If this debate does nothing else tonight, I hope it puts the government on notice that things are not good in the east coast fishery. There are troubled times ahead.

Mrs. Tilly O'Neill-Gordon (Miramichi, CPC): Madam Chair, I want to note that our minister has only been in office for two years. With the crisis in the price of lobster last year, I can understand her reasoning for not wanting to hit the boom on small crab as well. Even though she was told about the biomass, she listened to the fishers that time.

Access and allocation decisions are always very controversial, even more so when new entrants are added to a fishery. In 1995 there were 62 licences, regular and temporary, in zones 23 and 24. When the Liberal Party left office in 2006, there were 111 licences in total in these zones. That is an increase of 49, which would have been quite a heavy burden on that zone.

Could the member opposite comment on the merits of the Liberal policy that saw an increase of nearly 80% in these zones over that period of time?

Mr. Rodger Cuzner: Madam Chair, my 17-year-old son, who does not pay attention to a whole lot, could figure this one out. If I order a large combination pizza, I can get it cut up into eight pieces, or four pieces, or 16 pieces, or I can eat the thing whole.

With respect to the fishery, we are talking about how much of the resource is extracted from the ocean. When we were government, we believed in sharing the resource.

With respect to the crab license, we believe that if we could give each of the core licence holders a bit of that action, if we could give them a bit of that resource, a share in that resource, that would take some pressure off the crab. It would take some pressure off groundfish. It would diversify their fishing portfolio.

This is not about how many fishers are in. It is about the amount of fish that is being taken. That is the problem here. All the indicators in the last number of years showed that the exploitation rates were too high and they were ignored by the government. That is the problem, not the number of fishers.

Government Orders

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Mr. Chair, we have heard a lot of good stuff from the member for Cape Breton—Canso. We also heard a lot of good stuff from the member for Miramichi.

Did members hear what the member for Miramichi just said? She said that the minister did take scientific advice last year; she just did not follow it. That is quite astounding.

What the member for Cape Breton—Canso just said is really valuable as well. Not one extra pound of quota was assigned to anyone above the existing quota.

There may be some attempt here by members of the government to poke holes in the very decisions they support. When it comes to the southern gulf, what did the Minister of Fisheries and Oceans do? When she announced the 63% cut, she also said that all new entrants would be guaranteed access to this fishery not only this year, not only in 2011, or in 2012, or in 2013, they would be guaranteed quota until 2014, because some of them do indeed come from P.E.I. Therefore, she supports the stabilization and sharing of the fishery.

I ask the member for Cape Breton—Canso this. Why does the minister feel those principles are so inappropriate when it comes to the people and the fishermen of eastern Nova Scotia and Cape Breton in area 23 crab?

● (2025)

Mr. Rodger Cuzner: Mr. Chair, it seems somewhat inconsistent, and I brought this question to the floor before. Really there is no answer. The decision has been made. It is the wrong decision. It was a decision that has been appealed, the granting of the Tim Rhyno licence. He had gone through an appeal process a number of times with the previous government and he was refused. All the correspondence from DFO had recommended against it at all levels of the appeal. However, when it reached the minister's predecessor, that changed. The current minister is wearing the decision of the former minister and that is not fair.

If nothing else happens tonight, the alarm bells have to go off. If we thought it was a tough year last year in the fishery on the east coast, that was only a shower. This is going to be a tsunami and I am not trying to scare anybody. I am just trying to tell the truth as best I know it. The price is down. The harvest is down. People are being sent home from the plants already.

The government has to be prepared. Last year it announced a \$15 million bailout package to much fanfare. We thought it was a little light at the time. We were hoping for a \$50 million bailout package. It could have announced a \$50 million package because it made the criteria so limited, so low that no one would get it anyway. It only spent half the money. It could have announced it \$100 million. No one was getting it anyway.

People are going to hurt. Families are going to hurt. The government better be prepared.

Mr. Rodney Weston (Saint John, CPC): Mr. Chair, I really enjoyed the analogy the member used about the pizza. I have heard the situation referred to several times tonight that by adding new fishers, new entrants into the program, does not make the difference with respect to the size of the biomass.

The member for Acadie—Bathurst mentioned that I was the minister responsible for fisheries in New Brunswick a few years back. At that time, there was a decision taken by a former Liberal government that would be contrary to what the member stated here tonight.

I was the minister of fisheries back when there were riots incited in Shippagan, New Brunswick. Fishing vessels and fishing plants were burnt at that time. That whole issue evolved around the very question of adding new people into the fishery. Since that time, the traditional fishery has asked for an investigation into the decision by the former minister of fisheries.

Does the member believe that decision warrants an investigation?

● (2030)

Mr. Rodger Cuzner: Mr. Chair, there is a great deal behind the measures. We knew what was going on, and as the fisheries minister back then he would know this as well. A small number of people were making substantive amounts of money. The benefit of the fishery really rests in the hands of very few. Therefore, our party has continued to believe in the sharing of the resource. We believe an independent fisherman is an entrepreneur. If people have access to additional opportunities of revenue, if they have different resources they are able to harvest, if one is down on one particular year then they can rely on some revenue source from the other one. It is a diversity within that small enterprise and that is what builds equity within those businesses.

However, as a result of those fires, riots and uproar, there was the sharing of the resource beyond that. I continue to believe that is the way we should approach this fishery. That is the way we should approach any fishery so the greater number are able to share in the resource.

Mr. Mike Allen (Tobique—Mactaquac, CPC): Mr. Chair, thank you for the opportunity to speak on this debate. Being from New Brunswick, I certainly understand some of the arguments that my colleague from Acadie—Bathurst was making. Even though I do not have any crab in my riding, I do have a number of potato producers and a forestry sector. I tend to equate some of the issues that we have in terms of barrels and board feet. It is a bit of a different argument, but I am pleased to speak today on the impact of the snow crab fishery on the communities in New Brunswick and the Atlantic provinces.

While I understand the difficulties that these regions are facing and how this debate can get very emotional, because it is impacting a number of communities and families, it is important to look at the facts and ensure we base our decisions with the future of the industry in mind.

Since 1966 the snow crab fishery in this area has grown rapidly, peaking at more than 33,000 tonnes in 1982. Landings have fluctuated since this peak to as low as 8,900 tonnes in 1990 and as high as more than 36,000 tonnes in 2005. Landings last year were just under 24,000 tonnes.

Government Orders

It is clear that the snow crab stocks, when we look at this data, are cyclical in nature. The size of the stocks for the given year have been provided by scientists from the Department of Fisheries and Oceans who created the detailed annual assessment based on trawl surveys of the available snow crab biomass. These trawl surveys show that the 2005 fishery was the peak of the most recent cycle and the stock has been in a declining phase since that point in time.

Management decisions and quota levels are guided by the annual science assessment and advice as well as input from industry stakeholders. The annual quota has been gradually reduced to reflect the snow crab's natural cycle. The most recent data prepared in 2009 was used to provide advice on this year's quotas in February.

Since 2008 Fisheries and Oceans Canada has been developing a precautionary approach framework for the southern gulf snow crab fishery. This will reinforce the fishery's long-term sustainability and is one of the department's objectives to achieve sustainable fisheries based on strong conservation outcomes.

A fishery managed under such a framework fits well with eco-certification guidelines and can provide a fishery with a competitive market advantage. We are seeing more and more of that around the world today as we are looking at eco-certification for a number of our fisheries. Hopefully, at some point in time, the committee on fisheries and oceans will get a chance to start looking at eco-certification.

In recent years Fisheries and Oceans Canada has also been working with industry to develop a long-term harvesting strategy. Using precautionary approach principles, departmental scientists identified appropriate reference levels for this fishery. With industry input, decision-making rules-based on the precautionary approach are being developed for establishing the annual quota. These rules will support stock conservation while providing predictability and stability so the industry can plan for the future.

Members opposite will know to put things in perspective when they consider the current situation in the southern Gulf of St. Lawrence snow crab fishery. Trends in world snow crab stocks are well studied and are known to be cyclical in nature. The southern gulf is no exception and it is the cyclical nature of snow crab that has led to the decline in recent years. This decline was expected and we expect to return to abundance in the coming years.

I just wanted to refer to a study that was done for the province of New Brunswick back in 2007 by GTA Fisheries Consultants. It has a nice chart on page 12 that shows that trend. It is very evident on these cycles that we can expect that and what was happening this year could eventually be expected as well.

[*Translation*]

That is one of the reasons the minister announced that she will stabilize access to the crab fishery for the next five years. The fleets will be able to plan their fishing so that it is viable throughout the natural cycle. While there might always be uncertainty in the fishery, access should not have to be part of that uncertainty.

● (2035)

[*English*]

That being said, the biomass has declined to a level where it is important to establish stringent management measures to protect the spawning portion of the stock. In this way, we can avoid extending the current period of low biomass.

After two weeks of fishing, harvesters are claiming a high abundance of crab. As for the rest of the fishery, we should not base our decisions for future actions on impressions and assumptions. Preliminary reports from independent dockside observers indicate that catch levels thus far are much lower than last year.

In fact, for the first week of 2010, the catch rate is the lowest observed in the past six years, 18% lower than last year, and 50% lower than in 2006. Additionally, molting crabs, which have soft shells and are extremely vulnerable to injury, are in much greater abundance this year. This has actually necessitated the closure of some portions of the crab fishing area.

All these facts show that the minister took the best decision under the circumstances. It was a difficult decision, as she indicated earlier, but a sound one. Moreover, even after cutting the quota in area 12 to 7,700 tonnes, there remains a risk of further stock declines in 2011. This quota does, however, provide the best balance. It allows some harvest to stakeholders while ensuring that the stock is able to rebuild.

[*Translation*]

By establishing Gulf of St. Lawrence snow crab quotas for 2010, the minister is putting the priority on preserving the resource. This decision was not made lightly. Our government recognizes that this is a significant reduction compared to last year and that crab fishers, plant workers and the community will all face hard times.

[*English*]

As a consequence, the minister has instructed officials from the Department of Fisheries and Oceans to offer the maximum flexibility for fish harvesters. This will help them to achieve efficiencies and reduce their operating costs.

Restrictions around quota transfers between crab fishing enterprises are being lifted for 2010, enabling harvesters to consolidate operations. It will allow for individual harvesters to make business decisions, for example, reducing or increasing their investments in the fishery over the next few years, based on their needs.

This quota transfer flexibility goes hand-in-hand with the partnering options provided this year to harvesters. Under these arrangements, two harvesters can fish their quota from the same boat, significantly decreasing costs.

The department is taking care to respect existing licensing policy. Fish harvesters subject to the owner-operator policy will require to be on board the fishing vessel.

The industry has already taken advantage of these measures. To date, around 40% of licence holders have used the quota transfer option and some new partnerships have been formed in 2010.

Government Orders

These flexibility measures will remain in place until stocks return to the higher end of the cycle. If we decide to continue this increased flexibility in future years, it is likely that their use by the industry will increase. In any case, the lessons learned from these changes to licensing policy and fisheries operations will be very useful as the department moves forward with its ongoing reform of existing policy.

I would also like to mention the department's continued investment in science. In order to appropriately manage the resource and support longer term sustainability of the fishery, DFO has kept its science base up to date to enhance its precautionary approach to the management of the stock. This approach will improve the long-term predictability of fishery management decisions so that the industry can plan for the future.

[*Translation*]

To finish, I would like to assure people that our government understands that these are difficult times for the crab fishery and the entire industry.

[*English*]

It is our responsibility to ensure the sustainability of this precious resource as communities in New Brunswick and my home province as well as other provinces depend on it. Conservation has to remain our top priority so we can benefit and continue to enjoy the opportunities of this resource for many years to come.

● (2040)

**Mr. Scott Simms (Bonavista—Gander—Grand Falls—Wind-
sor, Lib.):** Mr. Chair, I want to thank my colleague for his thoughts.

When we think about the industry itself and in the grand scheme of things, in his particular area and in general for the Maritimes as well as Newfoundland and Labrador, it seems like we were entering a new age when it comes to vessel size. They are becoming much larger and much more expensive. For new entrants, that is going to be a troublesome thing for the next generation of fishers, certainly for the east coast, west coast, and all over.

Given the downturn in the industry and given how much money was invested in other sectors, and I think of the auto sector as being one, how is it possible for a new entrant to actually finance a multi-million dollar boat based on current prices and in light of the conservation cuts that he talked about earlier, the 63% cuts? There are so many failures at play here, it is hard for somebody to get into the business.

However, I want him to focus on what it is the government can say to someone who wants the finance options to get involved in this industry as a single fisher-person. Could he explain how difficult that is and what will the government do to help that person?

Mr. Mike Allen: Mr. Chair, that is a great question. That is the same thing we are experiencing in agriculture, the same challenges when we look at prices going down and what producers are getting for their resource.

I want to re-emphasize to the hon. member over there that we also have a very cyclical industry. He did talk about the auto industry and I think everybody in the House should recognize the very integrated nature of that industry between Canada and the U.S., and the

importance of us working with the U.S. on that. One industry was going to get something. If ours did not, we would not have been competitive. It was as simple and dry as that, and we are getting the money back, according to GM last week.

However, I do understand what he is saying. At the same time, as we do recognize that this industry is cyclical in nature, we will, and I think we can expect with the proper science decisions that the minister has taken, begin to see an upturn. Then we can start to see better prices and we can start to see new entrants have the ability to finance.

Mrs. Tilly O'Neill-Gordon (Miramichi, CPC): Mr. Chair, my riding of Miramichi depends a great deal on both the lobster and crab fisheries, and fishermen in my riding have been affected by both the global economic recession and the recent downturn in the crab stock.

I have spoken with the fisheries minister on many occasions about these issues and I am encouraged by some of the investments our government has made in the fishery. We have invested over \$200 million under the economic action plan last year to bring our wharves up to a safe standard. We provided over \$70 million in support for lobster harvesters during last year's global economic downturn. And we transferred over \$245 million to the province of New Brunswick, under various HRSDC programs, to allow the province to provide support for those in the processing sector.

We know that decisions concerning the crab fishery are based on science advice. I wonder if my hon. colleague could explain in more detail on what basis decisions are made regarding quotas.

Mr. Mike Allen: Mr. Chair, there are three main areas that we take into consideration in connection to quotas: the catch per unit effort, which is the number of crab in the pot; the post-season surveys, which include the DFO trawl survey; and the collaboration with the industry on the trap survey that it has as well.

I am glad my colleague brought up the money that is going to New Brunswick. I think that is important because that represents a collaboration with the provinces. One of the things about signing these labour market development agreements is the fact that each of these provinces gets a chance to invest in the things that are different in their province because not every province is the same.

The province of New Brunswick has \$245 million, which allows it to invest in things like getting people to move to different areas, to actually invest. Also, under the EI program, there are retraining programs. Those are important factors that we need to consider. That is why the negotiations we have had with her province on these deals is good for her community and is also good for the workers in the community.

I also want to stress that it is a very interesting read when we look at the 2007 report on the crab industry in New Brunswick, especially, because it does highlight a lot of these things that have been cyclical. The same problems are still in the industry today that have been there for many years. It involves, always, a challenge between DFO science and the fishers. There is always, I guess, a negotiation every spring, as the minister talked about before, with respect to what that final quota will be.

Government Orders

• (2045)

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Mr. Chair, that is fabulous. The province of New Brunswick must be getting \$1.5 billion through the labour market development agreement. Every time those in the fishery industry meet with members from the Conservative Party, the Conservative government, they are told that they have \$240 million in the labour market development agreement to meet their needs. Then when people from the forestry industry meet with those same individuals, they are told they have \$240 million to meet their needs. Then when they get to meet with the tourism industry to help solve those problems, they are told they have \$240 million in assistance to meet the needs of that particular industry. Total all the different industry sectors and it is about \$1.5 billion.

That is not really the case. It is \$240 million for the entire province for all industry sectors.

However, my question for the member is, does he feel that it was a good, responsible move to ensure stability to the fleet, to the new entrants to the southern gulf crab fishery, by informing them that they would stay in the fishery until 2014, with no changes to overall sharing patterns in terms of overall percentages?

If he agrees that was a good decision, then does he also say that it was a good decision to let the new entrants into the fishery to begin with? Because if we provide stability, unprecedented stability, for five more years to those new entrants, guaranteeing them that they will have fair access to their overall quota as it exists, then that tells me that the position of the government, the Conservative government, is that the Liberal government that put in the new entrants did the right thing.

Does he agree with that or does he not? Because if he does not agree with that, he is saying the current Conservative Minister of Fisheries and Oceans did the wrong thing by actually announcing that there will be no changes to quota sharing structures until at least 2014.

Mr. Mike Allen: Mr. Chair, that is an interesting point. I guess he did get something right, that the stabilization did start in 2005 under the member for Halifax West at that time.

I can say that the minister has made a very informed decision this year. As was pointed out earlier, this has always been a challenge. The report says very clearly that every spring it is always a challenge when the fishers negotiate and none of them ever wants the quota changes. The minister informed them very clearly last year, based on her decision, that there could be ramifications this year and those ramifications have hit.

It is going to be very interesting as the fisheries committee looks at the next round of this. I look forward to delving into this in more detail here on the ground and to finding out just exactly the challenges that are being faced. I think we all know what they are, but those of us who do not have crab in our ridings are certainly going to hear about it and we will have a good opportunity to see what some of those challenges are on the ground.

Mr. Fin Donnelly (New Westminster—Coquitlam, NDP): Mr. Chair, I rise today to bring light to a situation that is unfolding in the Gulf of Saint Lawrence.

As all hon. members are aware, the Canadian snow crab fishery represents an important part of the livelihood of many families in the Atlantic region and Quebec. Today we find ourselves here to address a crisis for people who depend on this industry. We are also here to address an injustice that has been precipitated against those very fishers, workers and first nations.

It has become clear that the minister has had the opportunity to avoid the situation, but she did not act. Now so many people will suffer due to this inaction. I will speak more to that in a moment.

First I would like to talk a little bit about the snow crab fishery as a whole, the immediate crisis and some of the amazing people who participate in it.

Earlier this year, the Minister of Fisheries and Oceans announced a 63% cut to the total allowable catch of snow crab in the Saint Lawrence region. The impact of this decision will have an effect on the economy of the entire region. In straightforward terms, we are talking about an overall reduction in quota from 20,400 tons, the level it was in 2009, to 7,700 tons for the 2010 season. That is a very deep cut to a large sector of the economy.

This will have an enormous impact on the fishers, some of whom have fished snow crab all their lives. Some families' yearly incomes rely heavily on the fishery. What are we to tell them about this situation, that we are sorry? When they cannot afford to pay their bills, what are they to do? All this because someone in Ottawa made a mistake. I do not think this is good enough.

It is not only the fishers who will be affected by this massive slash to the quota. This year less crab will be processed and the fish plant workers who rely on snow crab will be negatively affected. For example, in New Brunswick roughly 1,500 fish plant workers were employed in snow crab processing last year, according to the 2009 registry on fish plant workers. Another 250 to 300 did occasional work.

Last year, fish plant workers had about nine weeks of work processing crab in the spring and a few more weeks in the summer. This year they will only get about three weeks of work in the spring. That means last year most of them banked more than 200 hours and this year they will be lucky to bank 85.

For the riding of my hon. colleague, the member for Acadie—Bathurst, this will deal a significant blow to the local economies and leave many families with little or nothing to fall back on.

Then there are the first nations who only gained access to the fishery in 1999 and hold communal licences. A communal licence represents the entire community, and for first nations fishers it is not a private enterprise. They take profits generated and use them to support programs, which are underfunded by the Department of Indian and Northern Affairs.

They use this money to enhance their education student allowances and to support cultural and language programs. It is used to create employment in the community for people who otherwise would not have an income over the winter. This reduction punishes them as well.

Government Orders

What we are talking about here is entire communities built around the fishery all across the Atlantic region and Quebec, which will be significantly impacted by the reduction.

The Department of Fisheries and Oceans says it had to take desperate measures. How did it get to this, where such drastic reductions had to come all at once? Where was the minister last year or the year before or before that?

What do we say to those communities that are now faced with this desperate situation? These communities will suffer greatly because of drastic measures that could and should have been avoided. Could this possibly come at a worse time, just when we are climbing out of the most significant economic downturn in nearly 100 years?

I would like to take a few moments to tell this House about an alternative management structure that the DFO had previously implemented in a neighbouring area, area 19.

Recently I had the opportunity to talk with Basil MacLean, president of Area 19 Crab Fishermen's Association. Mr. MacLean got in touch with me because he was concerned about the situation that area 12 fishers find themselves in, and he wanted to discuss why the situation was different and why he did not believe that the TAC reduction should be imposed on him or fishers in his area, area 19.

• (2050)

Mr. MacLean and the area 19 fishers believe that their crab stock is in good shape. He says that they do not face the same problem of depletion in their area, as is the case in area 12. The reason they say this is that they have been directly involved in the management of the fishery in conjunction with the Department of Fisheries and Oceans. Unlike area 12, area 19 has an integrated fisheries management plan and has had one since 2001. Fishers from this region have been much more involved in determining the management of the fishery.

The DFO website explains that integrated fisheries management seeks to introduce “a more structured, systematic and inclusive approach to fisheries management” where:

...resource users and DFO work together to develop clear, measurable, long-term fisheries management objectives for a fishery. On a more technical level [it] provides a framework to quantify fisheries management objectives as well as risk analysis processes that result in the development of specific management strategies designed to achieve specific objectives. DFO sectors including (science, resource management and enforcement) play key roles and interact with the fishing industry as part of the...process.

It is clear that the fishers of area 19 are much more involved in the everyday conduct and management of that fishery. By direct involvement in the creation of long-term, measurable objectives for their fisheries, the fishers come into direct contact with the science, resource management and enforcement arms of DFO, allowing them to have a much better sense of the state of their fishery.

This means that decisions being made in Ottawa are being made in consultation with people on the ground. When they were told by DFO scientists that their biomass had dropped last year, the fishers came together and decided what to do. In line with that precautionary approach, they chose to take less than the recommendation, to voluntarily bring down their TAC, in order to cushion them against the shock they knew was coming this year.

What is more, in 2004, when a crisis arose in the fishery and for conservation reasons the department prematurely closed the fishery, it was supported by the Area 19 Snow Crab Fishermen's Association, even though the fishery was closed before several fishers could begin fishing. Recognizing that this was not fair, it was mutually agreed that actions should be taken to change how sharing took place in order to ensure that this circumstance would not occur again in future seasons.

They created a new co-management agreement. At a special meeting on April 24, 2005, the Area 19 Snow Crab Fishermen's Association passed a motion to request that DFO provide regular access to all temporary access fishers under a revised co-management arrangement. This process was supported by the majority of 73 temporary and 111 permanent fishers.

DFO received representation from the Area 19 Snow Crab Fishermen's Association, identifying the need for revisions to the existing co-management agreement to reflect permanent access for the 73 temporary allocation holders. DFO then carried out a process of negotiations with the Area 19 Snow Crab Fishermen's Association. This process resulted in points of agreement that received ministerial approval in 2005 and provide the guiding principles for amendments to the multi-year integrated fisheries management plan.

One can see that when a problem arose in the fishery, one that might have divided the traditional fishers and the new-licence fishers, because the fishers themselves were accustomed to dealing with the fishery and because they were completely involved, they solved it themselves. The co-management strategy gave these fishers recourse to manage not only their crab stock, but also their individual fishing rights.

As my time is running short, I would just like to conclude by thanking Ms. Nellie Barker Stevens, coordinator of the Eastern Shore Fishermen's Protective Association, for all her support and counsel through this process. I would also like to thank Basil MacLean, the president of the Area 19 Snow Crab Fishermen's Association, for taking the time to share his insights with me and provide his feedback.

• (2055)

Mr. Randy Kamp (Parliamentary Secretary to the Minister of Fisheries and Oceans, CPC): Mr. Chair, I have a quick question for my colleague from British Columbia.

His NDP colleague, who was speaking earlier, raised the issue of whether the science was accurate or not. In fact, he said that some of his constituents were telling him that there are lots of crab out there and that this 63% cut was not needed.

I just want to know if he has any information on that and whether he agrees that this cut was necessary based on the information that he has.

Government Orders

• (2100)

Mr. Fin Donnelly: Mr. Chair, I think the situation is a lack of funding. In terms of science, we can get good science if the resources are there in order to get that science. Unfortunately, that has been an issue, not only on the east coast, but on the west coast where I am from that has certainly been an issue. We are hearing as a common concern that in order to get good science we need the resources and the funds to get the results that we need.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Chair, I am pleased to ask a question in the debate tonight.

I listened earlier to my good friend from Baie Verte who spoke about the 63% drop in the allowable catch and about the major mismanagement of the government. I think he nailed it down pretty well. He explained about the enormous costs involved to get into the business in the first place. He wanted to know what the government will do to help the people in the plants and the fishers to get through this situation.

Could the member tell me what sort of programs he thinks the government should put in place as a temporary measure until the fishery gets back to where it should be in a couple of years from now?

Mr. Fin Donnelly: Mr. Chair, unfortunately, the situation is at the point now where such a drastic measure has been taken that it will impact many families and fishers who rely on the snow crab. That might mean that we need intervention immediately to assist those who will suffer this year due to not having the resources they would normally get for their livelihood through catching their quota of snow crab.

We may need to look at other programs, whether it is employment assistance or other programs, but this is something that needs to be addressed now.

However, I would add that we need to look at other areas where there are co-management strategies. We need to look at the long term as well as the short term in order to solve this problem. We need to take those steps, which is difficult. We do need to withstand the pressure of always satisfying the needs of increasing numbers of catch and that is not always possible.

I think the fishers are reasonable. They will look at the allocation and at the science and they will come to a conclusion that will be beneficial for them in the long run. However, they do want involvement and input, which means there needs to be negotiation.

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Mr. Chair, I thank the member for New Westminster—Coquitlam for having a perspective from British Columbia and talking eloquently about an east coast issue says that we share a common bond. We want to help fishermen.

One of the things that struck me about the member's speech was that he demonstrated a connection with some of the leaders in the east coast industry. He spoke directly with them and they explained to him some of the ways that we can do this better. It appears to me that, based on his conversations and on what they told him as to what the government was doing, there seems to be a disconnect.

We can do this better and we can do this more easily but we are not doing it, which I think is the lesson that comes out of area 19 that the member for Cape Breton—Canso referred to. That is a model of excellence. It is a model of how the fishery can be conducted but we are just not doing it.

I heard some heckling from the other side when the member for New Westminster—Coquitlam said that these were made in Ottawa decisions. The other side said, "No, they are not".

I have an example. In area 23 crab, the regional director for DFO actually put out a memo to every crab fisherman saying that the 50:50 crab sharing split will occur in 2009. The regional director said that a month before the plan was torn up.

Therefore, if that decision was not made in Ottawa, where was it made? I think the member knows that made in Ottawa decisions that contradict the very groundwork done by DFO personnel in the region itself is not very helpful.

I ask the member what he thinks about that.

• (2105)

Mr. Fin Donnelly: Mr. Chair, that is the concern I am hearing on both coasts, certainly from the leaders in area 19. They have expressed a willingness to be involved and a willingness to make the tough decisions, for instance, to take less at times when they recognize that it is for the greater good. However, they want to see that these decisions are carried out in neighbouring areas and that they are being respected here in Ottawa. They are frustrated that this is not happening. We can improve that by looking at different models and management strategies.

The bottom line is that they just simply want to be heard and they want to know that their comments and their involvement is being acted on and that the decisions reflect that. This inequity hurts them, it hurts their families and it obviously hurts their communities.

Mr. Gerald Keddy (Parliamentary Secretary to the Minister of International Trade, CPC): Mr. Chair, I am proud to rise in this debate tonight. My question is quite simple.

There is a fair amount of confusion and misinformation being spread about the actual status of the stocks and the responsible solution that the minister has found for a very difficult subject. It is never fun to tell a fisherman that there are less fish to catch. If the previous government had done that more often, we would not be in a lot of the trouble that we are in now.

During his speech, the member for Cape Breton—Canso chose to make a drive-by smear about one individual licence granted in Nova Scotia. The member for Humber—St. Barbe—Baie Verte asked a number of questions in the House about the same licence. Would the hon. member from the NDP agree to have the individual come to the fisheries committee to explain his side of the story?

People in this House may not know Tim Rhyno but I do. He is a 13th generation fisherman who had his licence stolen from him by the federal Liberal government. His grandfather sailed on the *Blue Nose*. Now that does not entitle him to a crab licence but it does tell us that he is a fisherman born and bred. I am appalled at the absolutely unethical, slanderous, morally incompetent and wrong allegations that have been made against this fisherman.

Government Orders

The member from the NDP can listen to the Liberals or he can listen to my question. Will the member allow this guy to come to committee to tell his own story or will he listen to the Liberals?

Mr. Fin Donnelly: Mr. Chair, in terms of calling witnesses to appear at committee, I think the committee will look at that and look at everyone we involve. We will look at all suggestions. I do not have a problem looking at all perspectives.

On the west coast, which we are dealing with right now, we had a similar situation. There was no interest in talking about the aquaculture situation because it was a situation of conflict. We have looked at both perspectives and now we are digging deeper into that situation because we want to get to the bottom of it.

We are about to dive into the snow crab issue by taking a visit to a number of places on the east coast. We will hear from a number of people and I am sure that after the visit others will come to Ottawa and give us their perspective, and I welcome that.

• (2110)

Mr. Rodney Weston (Saint John, CPC): Mr. Chair, it is a pleasure to take part in this take note debate this evening on a topic that we spent some time on in the Standing Committee on Fisheries and Oceans. I have enjoyed the debate here this evening. We have heard many different opinions and different points of view come across. The minister has received lots of advice and lots of criticisms this evening but the fact remains that the decision the minister took in this situation was a decision taken with one goal in mind, and that was to help sustain the industry for the future. We must keep that in mind.

I have to question the motivation behind the advice the minister has received tonight from the member for Acadie—Bathurst and the member for Humber—St. Barbe—Baie Verte. I asked members what they would do if they were the minister. The answer given by the member for Acadie—Bathurst was that he would get the fishermen together with the scientists and put them on the same boat.

The minister consulted with the fishermen and took advice from the DFO scientists and made a decision taking into consideration that advice. The minister has listened to the fishery in the past. Last year she met with those people in fishery and talked about the need for a reduction in the TAC but they did not believe the science last year. They had difficulty with the science. The minister told them very clearly that she was prepared to make an exception but that if the science did not come back with a different position the following year, that she would have no choice but to implement that decision based on the science, and she did that. The industry was fully aware of the direction that the minister was planning to take.

Tonight I want to talk about the province of New Brunswick. It is a terrific place and I did have the pleasure at one time of being the minister responsible for agriculture, fisheries and aquaculture. The member for Acadie—Bathurst raised that point here this evening. When I was a minister at that time there was consultation with the federal level of government. I know there has been consultation this time with the federal and provincial ministers. Some of the indignation we have heard from the provincial government around the minister's decision has given me cause for concern.

The provincial minister even came to Ottawa with a delegation that included the premier to meet with the federal minister after the decision was taken. He sat in the meeting and participated in a discussion. Then he left that meeting and made comments to the media that were contrary to the discussion in which he had just participated. He spoke of the need for a compensation program but never raised the issue of compensation with the federal Minister of Fisheries and Oceans.

I would have to question the motivation here and the timing. It could be the fact that there is a provincial election coming this year and that this might be an issue that could be politically sensitive. It has been a politically sensitive issue in the past. The provincial minister came to a meeting and when he left the meeting he had a different message. What a shock. There has been a lot of discussion here tonight around what the federal government should do.

• (2115)

We all clearly understand why the decision was taken. It was to sustain the industry, to protect the biomass, to protect the resource. Nobody in the House is going to argue against those motives. Nobody will argue that.

The minister had to make a decision, and the minister made a decision. Now we have to live with the result. We have heard a lot of discussion tonight that the federal government needs to live up to its responsibilities. I talked a little earlier about my time in the provincial government. I know there are agreements in place between the federal and provincial governments that are designed specifically for situations like this. This is not a new challenge for the province of New Brunswick. This is not a new situation that we find ourselves in today.

We have heard people talk about this resource being very cyclical. We know that. We have found ourselves in this situation before. The provincial government found itself at the mercy, to be very frank, of the federal government. That is why these labour market development agreements were signed. That is why they were negotiated.

Hon. Dominic LeBlanc: By McKenna.

Mr. Rodney Weston: They were negotiated by McKenna, no question. The member is right. They were a good idea and I have no difficulty in saying that.

When I was in the provincial government, we maintained those agreements because it was the right thing to do. Every province in this country has a different situation. There are different challenges that each province has to meet. This is one of the challenges the province of New Brunswick has to meet and this is exactly what these agreements are in place for.

There is funding available. We heard the member for Humber—St. Barbe—Baie Verte mention tonight that there must be \$1.5 billion in the fund for New Brunswick. Quite clearly, there is \$245 million over two years included in the labour market development agreement.

Here is a revelation. Last year the province of New Brunswick was not able to use all of that funding. It is unbelievable. Yet, this year, it needs more.

Government Orders

I heard the member for Humber—St. Barbe—Baie Verte talk about how the federal government calls on the province to dip into those labour market development agreements to satisfy the concerns and issues facing the forestry sector. No, we have put in place programs specifically for the forestry sector. We have addressed issues with the forestry sector quite clearly.

This is a specific situation that these funds were put in place for. The \$245 million over two years is specifically designed to address situations like this, but it goes beyond that. It goes much further than that.

There is funding in place for older workers. Funding has been put in place by our government to address the situation with older workers. There are many people in the industry who would qualify for that funding.

There is funding in place for specific agreements, such as EI benefits, to address this specific situation with the fishery and the province of New Brunswick is able to take advantage of that. There has been flexibility built into the EI programs to enable the province and the industry to take advantage of based on the situation and challenges as they arise.

My main point tonight is that we are in a position to work with the province of New Brunswick. I want people in need to receive that help, if only the province would step up, take advantage of it and use the funds for the intention they were designed for.

• (2120)

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): That is pretty rich, Mr. Chair, and I want to thank you for acknowledging me in this debate.

I also want to talk to my hon. colleague across the way, certainly about the LMDAs. Let us just go through a common thread that seems to be appearing.

I noticed in the speech that at several moments he pointed out that they had actually given money back. The reason is not that there was no need, it was because of the restrictiveness of the very program in and of itself. Let us talk about the lobster program and \$15 million and what was sent back because it was so restrictive in the first place—

An hon. member: Half of it, wasn't it?

Mr. Scott Simms: Half of it. Let us take a look at the LMDAs that he is talking about. Let us talk about flexibility in the EI that he is talking about, or lectured us about, and this is the best part—

An hon. member: Is there any?

Mr. Scott Simms: I am not quite sure, but let us see if he has got his own punch-line for this one. The LMDAs that were negotiated, one that was recently done in Newfoundland as I mentioned earlier which the minister brought up, they are job creation projects, and in that they got topped up EI. They do not get extended EI, which is what they want in this particular situation, like if we have labour trouble in Newfoundland and Labrador. It does not provide the very necessity of it.

Let us talk about EI in and of itself. There are currently three pilot projects that exist that will expire in the month of October. On behalf

of the government, can the member stand in the House and assure us with respect to each and every one of those three programs, particularly the one about the best 14 weeks and getting rid of the divisor rule, that those programs will continue beyond October to provide harvesters, plant workers, crew members, these people the right to keep their standard of living?

Mr. Rodney Weston: Mr. Chair, I will say that I did enjoy the question from the member opposite. To see the passion in the way he asked the question, I really enjoyed it, I really did.

I was pointing out very sincerely that there is flexibility built into the programs that our government and former governments, as my colleague across the way actually pointed out for me as well, have maintained, because we understand. Governments have understood in the past and continue to understand that this is a unique situation. This is an industry that does require flexibility. This is an industry that is not the same as the traditional forestry industry. It is not the same as the traditional manufacturing industry. There are certain circumstances that need to be taken into consideration.

I merely pointed that out. I pointed out the fact that the province of New Brunswick, the province that I live in and that I am most familiar with, has been taking advantage of this situation and trying to use it for political gain in what seems to be an election year.

Mr. Randy Kamp (Parliamentary Secretary to the Minister of Fisheries and Oceans, CPC): Mr. Chair, that was a great speech. I think all of us on this side appreciated it, so I want to thank my colleague from Saint John for that.

He told us a little bit about how the labour market agreements will be of assistance to fishers. Nobody is denying the fact that many will find themselves in some difficult situations this year. I just wonder if he could also tell us about some other efforts that our department is making in order to reduce the operating costs, provide flexibility and so on so that we could help them on that side as well.

Mr. Rodney Weston: Mr. Chair, I thank my colleague for the opportunity to talk a little more about some of the flexibility that our government has built into, whether it be the regulations around the industry or around the program funding that has been provided by the government. There are many different aspects to that flexibility.

I am remiss for not mentioning our economic action plan. This past year we saw record funding and investment throughout Canada. There has been a fund that I know all the members in the House have been very pleased to take advantage of. It is called the community adjustment fund. It is another fund that is in place to stimulate the economy and for communities that are hard hit and hard done by to go forward and prosper. This is a great opportunity to bring that to the attention of the House.

• (2125)

Mr. Gerald Keddy (Parliamentary Secretary to the Minister of International Trade, CPC): Mr. Chair, I cannot believe that the opposition is here for the debate this late at night and cannot get up on a question or comment for the hon. member. He has such great answers that I guess they are bereft of anything more to say.

Government Orders

My question is quite simple. I know that he is concerned about the situation with crab and for New Brunswick fishermen. It is a dire situation and we all understand that, but there are no easy answers. The Liberals would seem to think that if they give money to their friends anytime they get in trouble, maybe they will vote for them again, but the reality is we have a difficult situation with the crab. The minister is on the right track.

Would the member like to add anything to that?

Mr. Rodney Weston: Mr. Chair, I can understand why my hon. colleague's view is jaded in that sense, because it has been the practice in the past to use these things for political gain. It is understandable that people would question that in the past, but today we have a minister who has made a decision with a sound basis to sustain the industry.

It is a very noble and understanding decision that she has made with that basis in mind. She wants to ensure that this industry continues into the future, that the resource is there for many years to come. I commend the minister for that.

Mr. Jack Harris (St. John's East, NDP): Mr. Chair, I listened with great interest to the debate and I noticed the extreme differences in quotas over the last number of years. We have experienced that in Newfoundland and Labrador of course. We know what happens when fishing quotas get out of whack. We have seen extreme measures taken with the cod, for example, in Newfoundland going back to 1992.

The federal minister for Newfoundland in those days, Mr. Crosbie, was very successful in achieving programs to alleviate some of the problems that existed there. I am wondering why we have not seen that kind of program here.

What is happening to the science budget in the Department of Fisheries and Oceans that we cannot have more accurate information on an ongoing basis? There has been severe criticism of the reductions in the science program, and I wonder if the member could comment on that.

Mr. Rodney Weston: Mr. Chair, I want to caution members of this House from making the comparison between the collapse of the cod fishery in Newfoundland and what is happening today in the snow crab fishery. It is not the same situation whatsoever.

The point has been made several times this evening that the crab fishery is a cyclical fishery. It will rebound, but measures have to be taken to preserve the stocks, to preserve the biomass, to ensure that the future of the industry is sustainable. The cod was certainly a different situation altogether.

I want to go back to the decision the minister made and the fact that the minister did consult with industry and with the provinces. This was not a surprise to anyone. For members opposite to even suggest this evening that this was a decision that was taken in haste, that this was a decision that was made without any thought or consideration for the fallout, it is not appropriate. It is not acceptable whatsoever.

This decision was made on a sound basis with the same methodology, the same science that has been used for many years. The decision was made based on that. The minister took the decision with the best interests of the industry at heart.

[*Translation*]

Hon. Dominic LeBlanc (Beauséjour, Lib.): Mr. Chair, I would like to begin by thanking my colleague from Humber—St. Barbe—Baie Verte. For several weeks now, he has been urging the government and the House leaders to give us this opportunity to talk about the Atlantic fishery, especially recent changes to the snow crab fishery. These changes resulted in significant cuts to the TAC: 63% in one year. My colleague from Humber—St. Barbe—Baie Verte has an important responsibility as our party's fisheries critic. For some time now, he has been asking the government important questions about why it waited so long to take action before this crisis started. His dedication to the fisheries has given us this opportunity tonight to talk to our colleagues about some very important issues.

• (2130)

[*English*]

It is important that the minister is so attentive to the issue this evening. I have enormous respect for the office of the Minister of Fisheries and Oceans, not only because my father was the first person to occupy it when the department was created in 1979, but because I think all of us who care about the fishery and about coastal communities on all of Canada's coasts understand the important responsibility the man or woman who occupies the office holds in the livelihoods of thousands of families and coastal communities that depend on her decisions and the decisions of the government.

With a lot of sincerity, the minister's interest in this issue is important to all of us. The tone of tonight's debate tells us that there is in fact a lot of common ground on all sides of the House. Members who have the privilege of representing regions that have a large concentration of fishers, who benefit from the economic activity in the fishing industry, understand that we need to work together to try to arrive at solutions that are reasonable and progressive.

I hope that in tonight's brief discussion I can offer my views on some possible solutions to what is a very serious crisis in the east coast shellfish industry.

[*Translation*]

I mentioned the significant cuts to the TAC. There is no doubt that a single huge cut like that poses a major challenge not only for fishers, but also for those who work in processing plants. Plant workers are often the unintended victims of these cuts.

In the past, my colleagues have often talked about trying to accommodate the seasonal nature of this work, which is completely dependent on the crab fishery, an unstable industry. One strategy involved employment insurance.

Government Orders

However, we believe that the government can do more to support plant workers by recognizing that employment insurance is critical to the economic survival of workers' families and their communities. However, the government also needs to recognize that economic diversification in coastal regions is critical. There are literally thousands of families that depend on jobs related to processing. The major reduction announced by the minister will have a devastating effect on these families because they will not be able to accumulate enough weeks of work to qualify for employment insurance. Even people who do qualify do not usually get enough weeks to make it to the next season.

[English]

One of the great challenges in managing an industry as difficult as the snow crab industry is the whole question around the sharing of the quota. The government made a decision to reduce, in a dramatic way, the quota this year. My colleague from Humber—St. Barbe—Baie Verte has been very articulate that it should have done so in a more measured way. It should have begun the reduction earlier and not waited so long for one sudden drop as we saw this year.

However, if we are to be fair with the government, we need to recognize a decision the minister made, which is certainly important for my constituency. Her decision was to maintain the permanency of the access given to the non-traditional fishers. These are inshore fishermen in my riding and others along the coast, including in the minister's own riding. The minister and I are separated by the Northumberland Strait. From my house in Grande-Digue, New Brunswick, I can see the lights of Summerside on a clear evening. Therefore, the minister knows, as well as I do, the importance of the lobster industry in communities like she and I represent. That is why it is important to thank the government and recognize that its continuation of a previous government's decision to maintain a permanent sharing arrangement is very important for the stability of this industry.

The lobster industry in my constituency has been very affected over recent years. Fishermen, for example, around the Confederation Bridge, those who fish out of Cape Tormentine, Murray Corner, even Petit Cap, tell me that one of the real challenges for them has been the Confederation Bridge. Various surveys around siltation, tidal patterns and water flow have indicated that the lobster grounds in and around the bridge have been severely affected. These fishermen are forced to go much further north to set their traps at a time when fuel prices can be prohibitive. Landings have come down dramatically. As members know, even from some communities, for example, in Kingston, Ontario, the lobster landings have gone down to a price that is also very low. This has led to serious economic hardship. That is why the government missed an occasion to do something important around the lobster licence retirement program.

The minister understands there is considerable pressure from fishers on both sides of the Northumberland Strait to look at measures that will reduce the fishing effort. That will help fishers who are basically eking out a very modest living and who often are unable, for example, to employ a helper on a boat for an extended period of time. My colleague from Saint John referred to some of the changes made with respect to groundfish in Newfoundland and Labrador.

In area 25 the lobster fishery is in that kind of crisis. This important effort to reduce the fishing effort through a licence retirement program is serious. Rather than asking the fishermen's union to borrow money from a provincial government and use crab revenue, which is dramatically diminished, as a way to finance an inadequate plan, the government could have put up public money. It could have successfully given the younger fishers a chance for a more prosperous future and allowed older fishermen to retire from the industry with some dignity.

That has been missing in the government's plans. The crab crisis makes it worse. At the end of the day, all of us on this side want to stand with those fishing communities that are going through a very difficult time. We want to support the plant workers through active measures and employment insurance that meets their needs. However, we also recognize that an immediate licence retirement program offers the best hope to answer the critical need in the lobster fishery that I represent. I hope the minister will see fit to implement such a plan.

• (2135)

Hon. Gail Shea (Minister of Fisheries and Oceans, CPC): Mr. Chair, I have one question for the hon. member.

First, I point out that he has talked a lot about the lobster fishery. The problem with overcapacity in the lobster industry is not something new. It is has been around for some time. I have heard about it as long as I have been a politician, which is probably about 10 or 12 years now. There was plenty of opportunity to do something about it in the past number of years.

A \$50 million pot of money has been set aside for sustainable building plans for all these lobster fishing areas. If rationalization is important to that LFA, then it can use some of those funds to go toward that program. These programs are totally made in the lobster fishing area itself and by the lobster fishermen.

I know he has been close to the crab fishery in New Brunswick for quite a while. New Brunswick is where the highest concentration of area 12 crab fishers reside. Could he give the House a little history of the economic health of the crab fishery? How has it performed since it started?

• (2140)

Hon. Dominic LeBlanc: Mr. Chair, the minister outlined the \$50 million fund that she announced in either Esquimaux or Neguac in my province of New Brunswick. There is a problem with that fund. At the time, I thought that if the government was allocating money for sustainability in the lobster fishery, on the face of it, that made sense. We had asked the government for a program like that. Groups like the Maritime Fishermen's Union, which represents the inshore fishermen in my area, had been calling on the government to do that.

Government Orders

I have spoken to a number of fishermen in my constituency, fishermen the minister probably knows, from Murray Corner and Cape Tormentine. They are people like Gary O'Hanley and Bernie Briggs, president of the Botsford Professional Fishermen's Association, who the minister will probably know from her time in the provincial Government of Prince Edward Island. They are people like Steward Murray, who sadly passed away this year. These fishermen had recognized the need for a rationalization program, as the minister noted.

The problem was the program was designed so nobody could qualify. The \$50 million announcement on a wharf in the constituency of Miramichi on a summer afternoon was a great announcement. Unfortunately the fishermen who had applied under this program came to see me this winter and spring. They had these nice letters explaining why they did not qualify. They did not have a certain percentage of their income that was dependent on lobster, or they were 3% less than the cutoff or their landings had not gone down by the requisite percentage.

At the end of the day, these fishermen are in very difficult economic circumstances. The government designed a program that was no doubt well intentioned, but unfortunately missed the target. It announced a \$50 million fund. Out of a total of \$50 million, \$15 million is allocated and only \$8.5 million gets out the door. It is all taxable money. The government recuperates a considerable amount of that money.

At the end of the day, though it may have had all the best intentions in the world, the government, with respect, missed the target. The fishermen who I represent were very frustrated by their inability to access that fund. I wish there will be more flexibility and more money to actually achieve the objective next year.

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Mr. Chair, the member for Beauséjour rightfully reflects the views of so many in this industry. There are many who want to remain, who want a viable, strong industry to support them, their communities and the families around them, and there are some who do want a reasonable opportunity to exit and pursue other opportunities.

The minister echoes those same comments by suggesting that there is an opportunity through a \$50 million fund to build up a plan, to be able to think through some future financing, to potentially put in a restructuring plan down the road. The problem is that there are two ways to restructure the fishery. One is through a compassionate, responsible, well-ordered rationalization plan through public funds. The other is through the stark, deep, dark, very painful experience of a sheriff's order for foreclosure. That is the other way this is going to occur. The problem is that with the economics of this fishery right now, far too many are facing the latter rather than the former.

With the economics of the fishery, prices being as low as they are, with market demand still slumped due to the global economy and the slump in market prices, this industry is not healthy. The economics of the industry are reflected in the economics of the individual enterprise. They will not be able to sustain themselves to participate in an organized, reasonable restructuring plan as proposed by the minister down the road. What they are going to see is the sheriff's office coming with a foreclosure statement.

Will the member for Beauséjour reflect for us all what the experience has been with the lobster income support program? There was \$15 million allocated and \$8.5 million ultimately spent. We initially reacted when the announcement was made, saying \$15 million would not be enough. We reacted when the eligibility criteria were announced, saying \$15 million would never be spent. The latter is exactly the truth. In a time of deep, dark crisis, only half the money was spent.

Will there be a lobster industry? Will there be an opportunity for people to participate in an organized, responsible way to rationalize themselves in this industry, or will foreclosure statements be posted on their doors?

• (2145)

Hon. Dominic LeBlanc: Mr. Chair, again the member for Humber—St. Barbe—Baie Verte has zeroed in on exactly the problem. If one is cynical, one could think that the government actually thought the rationalization plan should be trustees in bankruptcy, sheriffs arriving with forfeiture orders, taking people's leased trucks on the backs of tow trucks and seizing assets of a fishing enterprise.

I cannot pretend to know every region of the southern Gulf of St. Lawrence, but in my own riding, and the fishing industry is obviously very important to me and the communities, I can say that there are a number of older fishermen, people who probably do not have debts on their boats and have paid off the debt they originally had when they bought their fishing enterprise, who are basically participating marginally in a viable fishing enterprise.

Some of them cannot afford helpers and many of them are in fact fishing alone. The captain or the skipper goes out on his own on a boat, which represents some safety challenges. These are often older fishermen.

The reason they are in this industry is that the government has not allowed them to find a way to exit the industry. It does not have to be an exaggerated, indefensible, federally funded buyout program, but there has to be a reasonable way to remove these people from the industry, give them some dignity in retirement and allow the younger fishermen who want to stay in the industry or become professional fishermen to have the prospect of earning a reasonable living, to be able to borrow money, improve their boats or buy new ones, to perhaps get into other fishing activities in order to diversify their enterprises. None of that is possible because of the economic circumstances in which these people currently find themselves.

The minister knows and cares about the fishing industry. I have no doubt that the minister, who has very considerable knowledge about the Atlantic fishing industry and has served in the government of her province of Prince Edward Island, as I say, has exactly the same fishing circumstances as I do on the other side of the Northumberland Strait. She understands and cares about this industry. I have no doubt about that.

Government Orders

What I think is unfortunate is that central agencies in her government, perhaps the Minister of Finance or the President of the Treasury Board perhaps do not know what a wharf looks like, and at the end of the day she was not able to get an effective plan that I am sure she wanted for her constituency, for mine and for the important fishers of this industry. I hope to work with her to continue the progress that can be made to support these communities.

Mr. Blaine Calkins (Wetaskiwin, CPC): Mr. Chair, we live in a fantastic country where a member of Parliament from Alberta can get up and engage in a debate on the snow crab fishery and the shellfish industry in Atlantic Canada.

I really enjoy the time I spend with my colleagues here tonight, most of whom are on the fisheries committee.

In spite of some of the rhetoric we hear and some of the drama we see from members in the House, I think fishermen, whether they live on the east or the west coast or whether they are involved in the freshwater fishery across our country, can all take some comfort in the fact that, while parliamentarians appear to disagree for political reasons, we generally all agree that the state of the fishery is so important to all the affected communities that we often come together and form a good consensus on the policies that affect so many Canadians' lives.

My background is that I am privileged to have had an opportunity to go to university and get a zoology degree in fisheries and aquatic sciences. I have worked as a professional fishing guide. I have worked as a fisheries technician for the Alberta fish and wildlife department. I have worked as a conservation officer and as a national park warden enforcing the Fisheries Act.

I will keep to my notes on the facts pertaining to the scientific end of things because that is where I am most comfortable in having my discussions.

I would like to provide some important context about the science that lies behind the snow crab quotas allotted by Fisheries and Oceans Canada to the licence holders.

Canada relies on scientific data to make informed decisions about the management of all stocks, whether they are freshwater stocks, finfish stocks or shellfish stocks, and that definitely includes snow crab.

It is impossible to determine the precise number of snow crab in the Gulf of St. Lawrence at any given moment, just as it is impossible to determine how many walleye there are in Pigeon Lake in Alberta. We do not know exactly how many there are. They do not have passports. They do not register. We do not even know how many Canadians are living in Canada. We even guess at that.

Simply put, no perfect method exists to estimate the exact size of any wild stock. Science uses wildlife management. Species management relies on a variety of techniques to make our best estimate. Our best hope is to apply those scientifically proven methods in a consistent and meticulous manner to provide the best estimate of abundance with the technology presently available and to continually strive to improve sampling and analytical methodologies. That is precisely the approach followed by Fisheries and Oceans Canada in the snow crab fishery.

Prior to the 1980s, fishers were the primary source of data about the health of snow crab stocks. At that time fisheries officials would review log books and reported landings to estimate the size of the snow crab stock.

These methods documented sizeable swings in the annual snow crab harvest in the southern portion of the gulf. From its humble beginnings in the mid-1960s, the harvest grew to exceed 33,000 tonnes in 1982, then dropped to 13,600 tonnes in 1987, and fell below 9,000 tonnes three years later. Since then landings have continued to fluctuate significantly.

In 1988 scientists introduced a new assessment method, which was based on conducting a census of snow crab abundance using an annual trawl survey. While the method has been significantly refined over the years, it still adheres to the same rigorous scientific protocols. Here is how it works.

Following the close of the fishery each year, a crew of scientists travels to a series of 300 sites in the Gulf of St. Lawrence. The sites are chosen carefully, and samples are gathered from all four areas where commercial fishers harvest snow crab. Each snow crab is accurately measured and counted and returned to the sea.

The scientists aim to measure the relative abundance of various categories of crab. For example, it is important to know the number of mature females, which are not retained in the commercial fishery, as well as the commercial-sized and undersized males. This information enables researchers to estimate the current number of commercial-sized males, those with a carapace size of at least 95 millimetres, and it also enables researchers to predict the number of crabs expected to mature and recruit to the fishery in the next few years.

All of this data is then subjected to sophisticated analysis using geo-statistical methods. This analysis enables scientists to estimate, in a relatively accurate manner, not only the overall size of crab stocks, but also how the stock is likely to change in the short term.

Tracking of annual fluctuations in snow crab stocks is crucial for two reasons: one, because the estimates from this year influence decisions about catch quotas for future years and, two, because snow crab populations tend to fluctuate according to a relatively predictable cycle.

● (2150)

The reasons for this regular fluctuation are not completely understood, although each cycle tends to last approximately 10 years.

The 2005 fishery marked the peak of the most recent cycle, and the stock has been in a declining phase since that time. Given this reality, many stakeholders were understandably concerned about the results of the latest sampling.

Government Orders

This year, as is always the case, data from the trawl survey along with the analysis were subject to a science peer review. In February stakeholders of a number of groups participated in this peer review, and DFO scientists and fisheries management officials were joined by their counterparts from the provinces, the fishing industry and first nations communities.

Scientific experts in the field of crustacean stock assessment from within and outside DFO were also invited. During the last peer review, an expert from the United States National Marine Fisheries Service participated.

The review confirmed what many already suspected, that the stock is still in its declining phase. The commercial biomass of snow crab in the southern Gulf of St. Lawrence was estimated at 26,100 tonnes for the 2010 fishing season. This represents a 46% decline from the figure for the 2009 fishery. The review also indicated that the stock is not expected to start its increase before 2012.

Although these facts may be unwelcome, they must not be ignored. Five years ago, during the peak of the cycle, the estimated biomass exceeded 84,000 tonnes and the 2005 quota for the southern Gulf of St. Lawrence was set at 36,100 tonnes. Each year since then, both the biomass levels and the annual quota have fallen gradually. Last year the estimated biomass was 48,000 tonnes and the quota was set at 20,900 tonnes. Anyone familiar with the snow crab fishery had every reason to expect a further reduction this year.

The sampling, analysis and review processes are all reliable and sound. The methodology is well established, credible and dependable. The analytical models are compliant to scientific standards for correlating resources and geography.

For more than 20 years, Fisheries and Oceans Canada has relied on these estimates to set appropriate quotas. Fisheries management groups around the world follow similar processes.

The same information is used for much more than setting catch limits. Stakeholders rely on the data to develop and implement their own fishing strategies. Many commercial fishing groups, for instance, use the data to determine how much time and effort they should invest in crab harvesting in a given season and which areas they should target.

Sharing data is the essence of modern science. Science is increasingly at the centre of fisheries management not only in Canada but also around the world. The reason for this is simple. Basing management decisions on scientific data offers the best way to conserve the ocean's renewable resources in an era of rising demand for those same resources. In our quest for sustainable fisheries, science remains our best ally.

The guiding principle of sustainable fisheries management is caution. The precautionary approach, as it is called, acknowledges that while our understanding of fisheries and ocean habitats is limited, the consequences of long-term overfishing are all too familiar: the collapse of fish stocks and crises in coastal communities have resulted.

The truth is that science offers the best hope for understanding the world we live in and for achieving a sustainable snow crab fishery now and well into the future.

● (2155)

Hon. Larry Bagnell (Yukon, Lib.): Mr. Chair, I appreciate that the member talked about scientific research because that is what I wanted to ask about.

I am hoping that Fisheries and Oceans will put more research money into the north Pacific to deal with the dramatic decline in the north Pacific salmon.

However in relation to the east coast, I appreciated the statistics the member gave on the snow crab.

I wonder if the member could let us know how much research money has been put in over the last two years and in this year's budget for the Department of Fisheries and Oceans, for the east coast. Second, could he give a similar story on lobster to the one he gave on the crab?

Mr. Blaine Calkins: Mr. Chair, I do not need to look up the numbers in the budget estimates for the hon. member. He can do that.

We just had department officials before the committee answering questions pertaining to the estimates, so those numbers are all publicly available. I do not have them off the top of my head. I do remember, however, in the committee that there were not very many questions from the opposition members directed at the officials regarding scientific spending. I can only assume, therefore, that the members of the opposition are satisfied with the money that is spent on the fishery.

I do not quite understand what he is asking so far as the lobster fishery is concerned because it is a different fishery altogether. We have seen a change in the science when it comes to the escape mechanism in traps and so on. These things were actually rejected when science was put forward saying to the fishing community that they needed to increase the minimum size.

It is no different than when I was a fisheries technician. We looked at slot sizes for walleye. I worked for several years on a walleye minimum size experiment. We collected the information. We tagged walleye. Doing a market capture experiment is the way we would estimate the biomass. With that experiment we would run into a lot of frustration with anglers and we would run into frustration with commercial fishermen.

Years after this decisive action was taken as a result of the information we gathered, we have much more productive fisheries now in Alberta. We have much larger fish. We protected the reproductive stock.

That is what we have done with the lobster as well. We have increased the carapace sizes in the various lobster fishing areas to make sure that the right size lobster is being harvested, that there is enough biomass there to reproduce. The same thing needs to happen with the crab fishery as well. We need to have enough females there to ensure that the stocks can continue on in the future.

Government Orders

We have seen a decline. It seems completely normal to me. The year 2005 was the peak year and on a 10-year cycle that would mean that we are about halfway through the very bottom of the trough. It is not expected that we are going to come up, as I said in my speech, until 2012, which means that a competent minister, such as the Minister of Fisheries and Oceans of this government, has to take the measures that are appropriate for conserving the fish stocks for the future.

● (2200)

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Mr. Chair, the member for Cape Breton—Canso as well as the member for Beauséjour and myself have been complimentary of the minister's decision to ensure that those who are new entrants to the southern gulf crab fishery are not penalized by their date of entry into the fishery.

The minister took a very deliberate decision. She basically upheld a decision by the former Liberal government, recognizing the legitimate place of new entrants into the fishery. She said that the new entrants would be guaranteed a stable position within the snow crab fishery in the southern gulf not only for this year but for five years straight right up until 2014.

From our side that seems like a very responsible position to take. We applaud her for it.

I would like to ask the member, should that principle also apply with other fisheries as well? There has been some suggestion in the northern shrimp fishery that the minister may actually turn herself around in this and apply a last-in first-out principle instead of actually saying that we will institute a fair increase, fair decrease principle in terms of allocations.

There is some concern in the industry that the minister may in that instance choose a last-in first-out instead of using the model that she used for the southern Gulf of Saint Lawrence crab fishery, the model used for her own constituents, which is regardless of the fisher's date of entry into the fishery, there is still a place and the fisher will still share a proportionate share based on the previous percentage of the quota.

Mr. Blaine Calkins: Mr. Chair, given my vast experience on the east coast because we seem to travel there as a committee with the annual crisis in some aspect of the Atlantic fishery, whether it is lobsters, last year, or small craft harbours, the year before, I look very much forward to hearing from Atlantic fishermen. I certainly enjoy their hospitality and the insight I get out there when I actually talk to the people involved in the industry.

My understanding is that the shrimp industry is quite a bit different insofar as the policy, as far as whether it is last-in first-out or whether it is what currently happens with the crab fishery or the lobster fishery in their allocations. Each of those fisheries is quite a bit different.

We could have a debate on this if the hon. member proposes that we should investigate this and see if there should be a change in the policy, but right now the agreement has been well known by the shrimp fishermen. It is a different industry. The policy on how those fishermen are treated as far as their licences are concerned is

completely separate and different than the crab fishery. If we want to have a debate on that some day, I would be more than happy to.

Mr. Gerald Keddy (Parliamentary Secretary to the Minister of International Trade, CPC): Mr. Chair, I have two questions if I have time. My first question is quite simple. I have been in the House for a number of years. I represent a tremendously strong fishing area in South Shore—St. Margaret's. Part of the challenge of trying to regulate the fisheries for the current minister, the previous minister and ministers before that has been the fact that we do not have a modern fisheries act.

We tried in the last Parliament to modernize the Fisheries Act. Of course, the Liberals preached doom and gloom. They swore that would be the end of the fishery as we know it. So this is the reality for the shellfish industry. We have a 19th century act trying to control a mid-20th and late 20th century resource, primarily lobster and crab, for an export market in the 21st century. How do we square that and make that all work? Because that is what we inherited from the Liberals. That is what they refused to change.

How will we ever, under the existing act, have a fishery that works in the 21st century?

● (2205)

Mr. Blaine Calkins: Mr. Chair, we have a lot of legislation in this country. It was good legislation at the time based on what we had. For example, the same thing could be said for the Navigable Waters Protection Act, which had not been amended since 1872, the original date that legislation came into effect.

I have to give credit where credit is due. The previous minister, minister Hearn, had a lot of courage in a minority Parliament to bring forward the Fisheries Act. Unfortunately, we never had an opportunity in two Parliaments. It was hoisted and we never had an opportunity to debate, go across the country, talk to fishermen and engage them on this.

Unfortunately, department officials, the science and ministers, along with the government are held to account by the laws that are passed. I and most of the members of the House would argue that the Fisheries Act of 1868 might be a little bit past its best before date. It has worked relatively well—

Mr. Jack Harris: There's no amendment.

Mr. Blaine Calkins: When we take a look at some of the issues that are facing this country now, and I do not know why I am being heckled on this. It does not make any sense to have a question regarding the Fisheries Act because it is something that we all agree needs to be looked at.

There are recent court decisions in British Columbia where constitutional battles are taking place right now deciding who is responsible for what. All of these things are the result of governments, whether provincial or federal, doing the best that they can dealing in the context of old legislation. It is time that we actually put aside the partisanship that we see so much when it comes to this issue and look for the best interests of fish, the best interests of Canadians, and have an intelligent debate to modernize the Fisheries Act.

Government Orders

Mr. Jack Harris (St. John's East, NDP): Mr. Chair, I appreciate the opportunity to participate in this take note debate. I want to thank the member for Humber—St. Barbe—Baie Verte for bringing this matter forward for debate. I do appreciate that the Minister of Fisheries and Oceans and other members of government are here to participate and to listen to the remarks made by hon. members here tonight.

I realize that we are talking particularly about the big changes in the total allowable catch, in the southern gulf in particular and that region, but I want to talk for a moment about other aspects of the problems in the snow crab industry and the fishing industry generally, particularly in Newfoundland and Labrador, where there is not, in some of the other areas, such a big change in the total allowable catch, but despite that, there is a significant problem and a significant crisis.

I am a little disturbed to hear the member for Wetaskiwin refer to the annual crisis in the east coast fisheries, partly because he is right. We have had a series of crises in the east coast fisheries. It is not the fault of the people who are in the fishery and it is not because of the fact that the Fisheries Act was first introduced in 1867. The way the member talks, one would not know that there was never an amendment made to the Fisheries Act since 1867 and that somehow that means that not only does it have to be changed, but changed in the way that the government proposed it be changed the last time around. It is no trouble having a review of legislation, but it depends what one wants to do with it.

I want to talk about the fact that what has been causing the crisis in the last couple of years in the east coast fishery, particularly in Newfoundland and Labrador, is a result of the recession that has been taking place, the one that the government denied in the first instance and then claimed to have solved a couple of months later. The fact of the matter is that regardless of what is happening in Canada, and we are seeming to have some turning of the corner here, the reality is that the products that we are talking about, crab, lobster and some high end fish, are really products that are sold in the worldwide market, principally in the United States, Europe and Japan.

What do we see? We see two things.

First, we have fish being purchased mostly in restaurants, a product that is based on the disposable income of people going to restaurants, and when we see the guts taken out of the incomes of Americans, for example, they are still suffering perhaps worse than many Canadians are, but they are the ones upon whom we depend to actually go and buy this product.

The second thing that we see happening is the devaluation by Canadian standards, and we call it a rise in the Canadian dollar but it was actually a devaluation of the U.S. currency, the devaluation of the British pound, the Danish krone, the Japanese yen and the Euro, all devalued in comparison with the Canadian dollar. What does that do? That significantly reduces the incomes of Canadian fishers and subsequently plant workers because the whole market depends upon them.

The crisis that we have is the result of the economic downturn in this particular instance, and the depreciation of other currencies

compared to the Canadian dollar, so a reduction of 20% in the market price is just as devastating to them as a reduction in the total allowable catch.

I know the previous speaker is from Wetaskiwin. I was in this House before, 20 years ago, when there used to be an awful lot of debate about the family farm out west and the need to protect the family farm. We do not hear much about that anymore because maybe so many family farms are actually gone and consolidated into larger farms and ranches, and the industrialization of farming out west, but that was a major topic.

It was in fact a long-standing role of the Government of Canada to support farmers with programs when there were droughts, when the prices were low, and when there were significant downturns in the economics of the family farm as a result of either natural or market pressures. The farmers could look to and did look to the Government of Canada for support in those kinds of circumstances.

I do not think we have really seen that to the same extent in the east coast fishery. The treatment seems to be a little different, and perhaps the minister would like to comment on that during the questions and comments period.

● (2210)

We have occasional programs, the kind of programs that the minister is talking about in terms of the lobster fishery. It is not direct support for the people engaged in the industry. We have not used the kind of creativity that is needed to support the industry.

We have seen examples in major disasters, and I would refer to the cod moratorium in Newfoundland in 1992 as a major disaster, where there was a government response in those days. We are not talking about the same kind of devastating circumstances that came with the cod moratorium. Part of the issue had to do with the science at the time, and part of it had to do with overfishing, not only by foreigners, but also by Canadian fleets. There was a significant response by the Government of Canada.

We still think the Government of Canada has a role to play in trying to mitigate against the situation that fishers are facing in the whole of the Atlantic these days because of the recession. We could talk about the infrastructure program. Obviously there are some benefits to communities if there is a small craft harbours program or an infrastructure program for roads or other things. That does not directly engage fishermen in the activity, but it provides some economic activity in the communities. We do need some significant support in these particular circumstances.

Government Orders

We are not satisfied that the government and the minister have aided the industry enough during these difficult economic times. We have seen a major dent in the industry as a result of the recession. We know from our own experience, but also obviously market studies have shown that given the economic recession, people are dealing with significantly tighter household budgets. Disposable income is down. Crab and lobster and other products are seen as a luxury. Eating out at restaurants is seen as a luxury that many families cannot afford. We have that effect of the recession in particular in the areas of the fishery and there needs to be some special programs to deal with that. I understand the macro programs, the economic stimulation generally, but what about programs that directly support this?

While other speakers have talked about the retirement of licences and things like that, there has been long-standing from the Government of Newfoundland and Labrador, along with the fishermen's union, proposals to engage in the program to help older workers leave the industry, leave the fishery and leave the fish plant industry with dignity. The Government of Canada has so far refused, despite repeated requests by the Government of Newfoundland and Labrador and the fishermen's union in Newfoundland to participate in this program. The Government of Canada has declined to do that.

These are some examples of the lack of sufficient support from the Government of Canada for fishers in Atlantic Canada, wherever they may be.

We have heard from the member for Beauséjour and the member for Humber—St. Barbe—Baie Verte about the inadequacies of the lobster program. I recognize it was a program in which some effort was made, and perhaps as one member suggested, the minister valiantly fought with members in cabinet and tried to get more money from the Minister of Finance and failed. I do not blame the minister totally for this, but her government obviously has to take responsibility for the failure to provide enough support and enough new programs aimed specifically at helping the people who are suffering as a result of this economic downturn.

We have seen it in the auto industry. We have seen it in the forestry industry. As one member said, we did have specific programs for the forestry industry. Where are the specific programs that are going to help with this particular problem that we are seeing all across Newfoundland and Labrador in the existing crisis in the fishery? It is a market crisis. It is a recession crisis. It is directly related to that. We have seen great difficulties in even getting the fishery industry going this year because of negotiation problems particularly related to the market price of fish.

As I say, it is a problem not simply of the reduction in total allowable catch, but that obviously does great harm to the fishing incomes in much of the southern gulf and other areas affected by the catch, but also the reduction in market price and the consequent significant damage to the fishery in Newfoundland and Labrador.

• (2215)

Hon. Gail Shea (Minister of Fisheries and Oceans, CPC): Mr. Chair, the member talked about the recession being responsible for where we are now, but what we have been discussing all evening is a reduction in quota. I would have to say that the economic downturn

certainly would not have caused the crab to disappear. However, we have to deal with the disappearance.

He talked about different federal government programs to assist the fishery. Although marketing is primarily a function of the industry, there is marketing assistance through CFIA to market different products.

There is one initiative we have brought forward. I will use the lobster industry as an example. What has happened in the lobster industry is that for the most part the internal competition, I believe, kept prices depressed. It was not a highly organized operation. With assistance from the federal government and some of the provinces, the lobster council is being formed in an effort to have the entire industry work together so it can maximize returns to the fishers and the industry.

This is going to take a tremendous effort on everyone's part because it is not something that has worked very well in the past. It seems that the industry is very much dog eat dog and who can get to the top of the pile first and the fishers are suffering because of that.

History shows that fishers have done fair to good. When markets were good and there was an abundance of fish, fishers made a decent living. Unfortunately, now we are in a situation where the markets are depressed and abundance is down at the same time. It is a double whammy for fishers and it is going to be a very difficult year. That being said, it is still not a reason to ignore science because science is what will take us into the next century.

Something we have done in Newfoundland and Labrador is to allow for a buddy-up system, which would allow enterprises to combine. Over the last number of years we have seen the combining of over 200 enterprises. We have actually removed over 200 licences from the water, so there has been some good news in the fishery.

In my mind, the most significant achievement this government has made to assist the fishery has been to extend the capital gains exemptions to fishers. I would ask the member if he agrees with that.

• (2220)

Mr. Jack Harris: Mr. Chair, I would have to agree that the capital gains exemption for fishers was a very significant move. It reflects the capital gains exemption for farmers and recognizes that there is an intergenerational change in fishing enterprises similar to farmers. It was long overdue, I have to say, and I congratulate the government for doing that.

The fact that such a program exists recognizes there is some significant capital to be passed on from one generation to another, and that is a good thing. That recognizes there is significant value in a fishing enterprise. The fisheries of old talked about the poor fishermen. We actually have some very well to do fishermen who have enterprises to pass on. They should not be penalized by a capital gains tax. That is a positive thing.

To get back to some of the support for marketing, that is not a bad thing, but better arrangements for marketing and better marketing ability does not solve the price problem in the short term. We have had a significant drop in price, as much as 20%. That is significant and marketing support is not going to fix that right now.

Government Orders

We can change co-operation marketing or, as suggested, internal competition problems that need to be fixed. These are things the government is working on and things that other governments have worked on in the past. However, we have a price problem right now and that is a short-term problem that we are hoping the government can address.

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Mr. Chair, the member captured a lot of the hope, but as well, all of the frustrations in Newfoundland and Labrador and in eastern Canada about where the fishery is going. I think what is being met here is a sense that we need some direction and we need a sense of leadership. The leadership is coming from within the fishing communities but we are not necessarily seeing it from within the Department of Fisheries and Oceans.

One of the problems with the buddying up system, to which the minister just referred, is that the department does not actually believe in it. I had an opportunity in the standing committee recently to question the assistant deputy minister, Dave Bevan, about whether the department was committed to continuing with the buddying up system. His reply was that the department was not because it did not contribute to rationalization but contributes to people staying in the fishery.

What is wrong with that? I fail to understand why we cannot do things to support our fishers in making a viable industry out of this. Buddying up does not take any more fish out of the water. It is the same as allowing new entrants into a fishery does not take any more fish out of the water if they are simply dividing an existing quota and dividing it more fairly.

A few times tonight the government said that it agrees with that and a few times tonight it said that it disagrees with that. We are not really getting a coherent, clear picture on where it stands on it.

However, I will ask the member for St. John's East this question. Is there a certain importance, a certain relevance to consistency in the decision-making process? I stood here tonight and said that the minister had made a good decision by making the new entrants to the southern gulf fishery feel very stable and comfortable in the fact that they would have a place in that fishery for many years to come.

I then asked if it was the right thing to do the same for those involved in the northern shrimp fishery or should those who are relatively recent new entrants into the fishery feel very insecure. The answer I got back from the government was that they should feel very insecure. That, to me, creates a problem.

Does the member for St. John's East believe it is important to have consistency in the management of our Canadian fisheries?

• (2225)

Mr. Jack Harris: Mr. Chair, the member talked about the stability being provided to the new entrants in the lobster fishery. What is important for fishermen for the long term, especially when they are investing heavily in enterprise, is stability. We talked about the capital gains tax exemption, for example. That is great as long as they do not lose their boat because of the costs of gasoline and all the expenses that go into it. If the market price is so low or the total allowable catch is so low that they cannot make it and they lose your boat, the capital gains tax exemption will not help them. It is a good

thing but we need stability and part of stability is depending on the Government of Canada playing a role in ensuring fishers are capable of having a stable income over time.

There are variations, obviously, from year to year. We are not expecting everything to be exact. However, part of stability depends on consistency of government, on leadership from government and on knowing that when times are particularly tough for reasons beyond the control of fishers and plant workers that there will be assistance available so they can stay in the fishery and be there the next year or the year after when that market comes back. That does involve the kind of commitment that we have not seen or have seen in bits and pieces from time to time, programs that are designed for one thing trying to shoehorn into something else. What is needed is directed programs to support the fishing industry.

The Assistant Deputy Chair: The hon. parliamentary secretary will have three minutes.

Mr. Gerald Keddy (Parliamentary Secretary to the Minister of International Trade, CPC): Mr. Chair, three minutes is not a lot of time to address all the problems in the fishery and to address a number of statements that have been made tonight. Some of those statements are try to correct the record.

This debate was about crab. It then expanded into the shellfish industry. There is a large shellfish industry, much of which we have not even addressed tonight. Certainly, for the lobster industry, I cannot stress enough the need to modernize the Fisheries Act and the industry. Fishermen who live in my riding are fishing a lobster licence on a 35-foot boat. They would sooner fish that licence on a 45-foot boat or a 55-foot boat, but they cannot because the act does not allow them to.

They have a groundfish licence. They are multi-species fishermen, which we have encouraged them to be. Their groundfish licence is on a 35-foot boat and because they cannot afford two boats, they also have to fish lobster on that boat. They fish 150 kilometres offshore. The previous government would not change that act. We cannot change it without their support.

However, that is not really the point. I want to finish on Tim Rhyno's licence. His name has been brought up a couple of times in the House by members in absolutely nothing less than a drive-by smear. He owns his licence legally, morally and ethically. The reality is the story has never been told.

Fist, two people did the science fishery. Tim Rhyno was one. The other person got a licence. Second, there were 17 licences granted in 2003. The first person got his licence. The second licence was put off until 2004. That was Tim Rhyno's licence. What happened to that licence? The minister of fisheries at the time, Minister Thibeault, granted the first person a licence and told Mr. Rhyno, in writing, that he would get his licence the following year.

The following year came and the following year went. Somewhere or another on the other side of the House in the Liberal Party, there was political interference on that licence and he was not granted it. I do not know exactly who interfered, but I have my suspicions. I think we can take a look at the people who have been asking the questions.

Government Orders

Further to that, it has been said in this place that he did not win his appeal. That is absolutely false. On July 8, 2005, he went to the appeal board. Mr. Rhyno won the appeal, yet again, it was recommended by the minister that the licence not be allowed. My point is simple. The individual has been used unfairly. He has asked to come to committee. The committee asked for him to come and then withdrew its request.

I suggest the committee bring Mr. Rhyno to committee, not in a kangaroo court in Sydney or any other place, but in Ottawa—

● (2230)

The Assistant Deputy Chair: It being 10:30 p.m., pursuant to Standing Order 53(1), the committee will rise and I will leave the chair.

(Government Business No. 4 reported)

The Acting Speaker (Mr. Barry Devolin): Accordingly the House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 10:30 p.m.)

CONTENTS

Wednesday, May 12, 2010

STATEMENTS BY MEMBERS

Snowbirds

Mr. Boughen 2679

Canada Health Day

Ms. Bennett 2679

Maison Michel-Sarrazin

Mr. Paillé (Louis-Hébert) 2679

Asbestos

Mr. Martin (Winnipeg Centre) 2679

Diabetes

Mr. Rickford 2680

National Nursing Week

Mr. McGuinty 2680

Rail Transportation

Mrs. Gallant 2680

Community Resource Centre

Mrs. DeBellefeuille 2680

Spinal Cord Injuries

Ms. Hoepfner 2681

Spinal Cord Injuries

Mr. Savage 2681

Eliminating Pardons for Serious Crimes

Mrs. O'Neill-Gordon 2681

Homelessness

Ms. Duncan (Edmonton—Strathcona) 2681

Justice

Mr. Petit 2681

New Book on Sovereignty

Mr. Dufour 2682

Ethics

Mr. D'Amours 2682

Eliminating Pardons for Serious Crimes

Mrs. McLeod 2682

ORAL QUESTIONS

Offshore Drilling

Mr. Regan 2682

Mr. Paradis 2682

Mr. Regan 2682

Mr. Paradis 2683

Mr. Regan 2683

Mr. Prentice 2683

Mr. Dosanjh 2683

Mr. Baird 2683

Mr. Dosanjh 2683

Mr. Baird 2683

Foreign Affairs

Mr. Duceppe 2683

Mr. Harper 2683

Mr. Duceppe 2683

Mr. Harper 2684

International Co-operation

Ms. Lalonde 2684

Ms. Oda 2684

Ms. Lalonde 2684

Mr. Kent 2684

Nuclear Non-Proliferation

Mr. Layton 2684

Mr. Harper 2684

Mr. Layton 2684

Mr. Harper 2684

Mr. Layton 2684

Mr. Harper 2684

The Environment

Mr. Ignatieff 2685

Mr. Ignatieff 2685

Mr. Harper 2685

Mr. Harper 2685

Mr. Ignatieff 2685

Mr. Harper 2685

Taxation

Mrs. Crombie 2685

Mr. Flaherty 2685

Mrs. Crombie 2685

Mr. Flaherty 2685

Afghanistan

Mr. Bachand 2686

Mr. MacKay 2686

Mr. Bachand 2686

Mr. MacKay 2686

Securities

Mr. Paillé (Hochelaga) 2686

Mr. Flaherty 2686

Mr. Paillé (Hochelaga) 2686

Mr. Flaherty 2686

Government Programs

Mr. Rodriguez 2686

Mr. Clement 2687

Mr. Rodriguez 2687

Mr. Moore (Port Moody—Westwood—Port Coquitlam) 2687

Ms. Fry 2687

Mr. Clement 2687

Ms. Fry 2687

Mr. Clement 2687

Public Safety

Mrs. Block 2687

Mr. Toews	2687
Securities	
Mr. Mulcair.....	2688
Mr. Flaherty	2688
Mr. Mulcair.....	2688
Mr. Flaherty	2688
Official Languages	
Mr. Ménard.....	2688
Mr. Nicholson.....	2688
Mr. Ménard.....	2688
Mr. Nicholson.....	2688
Afghanistan	
Mr. Rae.....	2688
Mr. MacKay.....	2689
Mr. Rae.....	2689
Mr. MacKay.....	2689
Mr. Harris (St. John's East).....	2689
Mr. MacKay.....	2689
Mr. Harris (St. John's East).....	2689
Mr. MacKay.....	2689
Justice	
Mr. Blaney	2689
Mr. Paradis	2690
Sydney Harbour	
Mr. Cuzner	2690
Mr. Ashfield.....	2690
The Environment	
Mr. Blais.....	2690
Mr. Paradis	2690
Presence in Gallery	
The Speaker.....	2690
Business of the House	
Mr. Hill.....	2690
Motion.....	2690
(Motion agreed to).....	2690

ROUTINE PROCEEDINGS

Government Response to Petitions	
Mr. Lukiwski.....	2690
First Nations Certainty of Land Title Act	
Mr. Strahl.....	2691
Bill C-24. Introduction and first reading.....	2691
(Motions deemed adopted, bill read the first time and printed)	2691
Nunavut Planning and Project Assessment Act	
Mr. Strahl.....	2691
Bill C-25. Introduction and first reading.....	2691
(Motions deemed adopted, bill read the first time and printed)	2691
Interparliamentary Delegations	
Mr. Benoit.....	2691

Committees of the House	
Public Accounts	
Mr. Murphy (Charlottetown).....	2691
Criminal Code	
Mrs. Block	2691
Bill S-215. First reading	2691
(Motion agreed to and bill read the first time)	2691
Petitions	
Haiti	
Mr. Bélanger	2691
Voting Age	
Mr. Duncan (Vancouver Island North).....	2691
Employment Insurance	
Mr. Maloway	2691
Earthquake in Chile	
Mr. Maloway	2692
Taxation	
Mr. Savage	2692
Justice	
Mr. Richards.....	2692
Child Pornography	
Mr. Richards.....	2692
Animal Welfare	
Mr. Volpe.....	2692
Child Pornography	
Mr. Murphy (Moncton—Riverview—Dieppe).....	2692
Mrs. Smith.....	2692
Human Trafficking	
Mrs. Smith.....	2692
Questions on the Order Paper	
Mr. Lukiwski.....	2692
Starred Questions	
Mr. Lukiwski.....	2693
Questions Passed as Orders for Returns	
Mr. Lukiwski.....	2693
Motions for Papers	
Mr. Lukiwski.....	2693

GOVERNMENT ORDERS

Fairness at the Pumps Act	
Bill C-14. Second reading	2694
Mrs. Hughes.....	2694
Mr. Gravelle.....	2696
Mr. Cannis.....	2696
Mr. Thibeault.....	2696
Mr. Murphy (Moncton—Riverview—Dieppe).....	2696
Mr. Maloway.....	2697
Ms. Faille.....	2697
Mr. McTeague.....	2699
Mr. Maloway.....	2700
Mr. Bagnell.....	2700
Mr. Gravelle.....	2700
Mr. Murphy (Moncton—Riverview—Dieppe).....	2701
Mr. Masse.....	2703
Mr. Kramp.....	2704

Mr. Rota	2704
Mr. Maloway	2704
Mr. Masse	2705
Mr. Kramp	2707
Mr. McTeague	2708
Mr. Rafferty	2708
Mr. D'Amours	2708
Ms. Crowder	2709

PRIVATE MEMBERS' BUSINESS

Competition Act (Inquiry into Industry Sector)

Mr. Vincent	2711
Bill C-452. Second reading	2711
Mr. McTeague	2713
Mr. Maloway	2713
Mr. Lake	2714
Mr. Garneau	2715
Mr. Masse	2716
Mr. Bouchard	2717
Mr. Allison	2718

GOVERNMENT ORDERS

ATLANTIC SHELLFISH INDUSTRY

(House in committee of the whole on Government Business No. 4, Ms. Denise Savoie in the chair)	2719
Ms. Oda (for the Leader of the Government in the House of Commons)	2719
Motion	2719
The Deputy Chair	2720
Mrs. Shea	2720
Mr. MacAulay	2721
Mr. Blais	2721
Mr. Godin	2722
Mr. Byrne (Humber—St. Barbe—Baie Verte)	2722
Mrs. Shea	2724
Mr. Godin	2724
Mr. Blais	2725
Mrs. Shea	2726
Mr. MacAulay	2726

Mr. Kamp	2727
Mr. Weston (Saint John)	2729
Mr. Byrne (Humber—St. Barbe—Baie Verte)	2729
Mr. Kamp	2730
Mr. Kamp	2730
Mr. Simms	2732
Mr. Byrne (Humber—St. Barbe—Baie Verte)	2732
Mr. Cuzner	2733
Mr. Cuzner	2733
Mrs. O'Neill-Gordon	2734
Mr. Byrne (Humber—St. Barbe—Baie Verte)	2735
Mr. Weston (Saint John)	2735
Mr. Allen (Tobique—Mactaquac)	2735
Mr. Simms	2737
Mrs. O'Neill-Gordon	2737
Mr. Byrne (Humber—St. Barbe—Baie Verte)	2738
Mr. Donnelly	2738
Mr. Kamp	2739
Mr. Maloway	2740
Mr. Byrne (Humber—St. Barbe—Baie Verte)	2740
Mr. Keddy	2740
Mr. Weston (Saint John)	2741
Mr. Simms	2742
Mr. Kamp	2742
Mr. Keddy	2742
Mr. Harris (St. John's East)	2743
Mr. LeBlanc	2743
Mrs. Shea	2744
Mr. Byrne (Humber—St. Barbe—Baie Verte)	2745
Mr. Calkins	2746
Mr. Bagnell	2747
Mr. Byrne (Humber—St. Barbe—Baie Verte)	2748
Mr. Keddy	2748
Mr. Harris (St. John's East)	2749
Mrs. Shea	2750
Mr. Byrne (Humber—St. Barbe—Baie Verte)	2751
Mr. Keddy	2751
(Government Business No. 4 reported)	2752

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