



HOUSE OF COMMONS  
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CANADA

# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Thursday, March 29, 2012**

—

**Speaker: The Honourable Andrew Scheer**

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# HOUSE OF COMMONS

Thursday, March 29, 2012

The House met at 10 a.m.

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*Prayers*

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## ROUTINE PROCEEDINGS

•(1005)  
[*English*]

### PARLIAMENTARY DELEGATIONS

**The Speaker:** I have the honour to lay upon the table the report of a Canadian parliamentary delegation concerning its visit to the United Kingdom of Great Britain and Northern Ireland from February 20-22.

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### AFGHANISTAN

**Hon. Gordon O'Connor (Minister of State and Chief Government Whip, CPC):** Mr. Speaker, pursuant to Standing Order 32(2) I have the honour to table, in both official languages, a report entitled “Canada's Engagement in Afghanistan: Fourteenth and Final Report to Parliament”.

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### 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 two petitions.

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### PETITIONS

#### MULTIPLE SCLEROSIS

**Ms. Kirsty Duncan (Etobicoke North, Lib.):** Mr. Speaker, I am pleased to present this petition regarding CCSVI.

The petitioners want to know why the government continues to ignore the evidence from over 30,000 CCSVI procedures, scientific studies from nine CCSVI conferences and returning Canadian MS patients. They want to know why the government continues to ignore leading physicians and researchers in North America, Drs. Haacke, Hubbard, McDonald, Sclafani and Siskin? The UK encourages robust clinical trials that include quality of life outcomes.

The petitioners call on the Minister of Health to consult experts actively engaged in the diagnosis and treatment of CCSVI to undertake phase III clinical trials on an urgent basis at multiple centres across Canada and to require follow-up care.

#### FIJI

**Ms. Jinny Jogindera Sims (Newton—North Delta, NDP):** Mr. Speaker, I rise today to present a petition on behalf of dozens of my constituents in Newton—North Delta calling upon the Government of Canada to open a high commission in Fiji at the earliest opportunity.

The fact is that Canada has no high commission or regular consular services in Fiji, even though it is a member of the Commonwealth of Nations, just as we are. All immigration business and other matters between Canada and Fiji are handled through the high commission in Sydney, Australia. The petitioners find that unacceptable.

The petitioners believe that this situation causes inordinate delays and inefficient service for tourists, visas, businesses and immigration issues for both Canadian and Fijian citizens.

Our fellow Commonwealth countries, Australia and New Zealand, have high commissions in Fiji and the petitioners believe that it is time Canada did as well.

#### RIGHTS OF THE UNBORN

**Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC):** Madam Speaker, I have the pleasure today to table in the House a petition from 50 of my constituents.

According to Canada's 400-year old definition of a “human being”, a child does not become a human being until the moment of complete birth. The petitioners call upon the House of Commons and Parliament to assemble to confirm that every being is recognized as “human” under Canadian law by amending section 223 of the Criminal Code.

#### ABORTION

**Mr. Mike Wallace (Burlington, CPC):** Madam Speaker, it is my honour today to present a petition from my riding.

The petitioners call upon the House of Commons and Parliament to assemble to speedily enact legislation that restricts abortion to the greatest extent possible.

*Government Orders*

## THE ENVIRONMENT

**Mr. David Tilson (Dufferin—Caledon, CPC):** Madam Speaker, I have a petition from people all across Canada who are concerned with the proposed megaquarry in Melancthon Township in Dufferin County, which would be the largest open-pit quarry in Canada at over 2,300 acres. They are concerned with a number of things, one of which is that this proposed megaquarry would threaten the headwaters of the Nottawasaga, Grand and Saugeen watershed systems and the Mad, Noisy, Pine and Boyne river sub-watersheds, consequently, detrimentally and permanently affecting the aquifers in the area of the proposed megaquarry.

The petitioners are asking the Government of Canada to conduct an environmental assessment under the authority of the Canadian Environmental Assessment Act on the proposed Highland Companies' megaquarry development.

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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):** Madam Speaker, Question No. 458 will be answered today.

[Text]

Question No. 458—**Ms. Judy Foote:**

With regard to the sea cucumber fishery on the St. Pierre Bank, Northwest Atlantic Fisheries Organization subdivision 3PS: (a) when will the decision be made to issue additional permits to fishers deemed eligible in the Department of Fisheries and Oceans' (DFO) draw of October 13, 2011; (b) when will additional permits be issued to fishers deemed eligible in the DFO's draw of October 13, 2011; and (c) how long will permit recipients be given to ensure that their vessels meet the standards of the DFO before inspections will be carried out?

**Hon. Keith Ashfield (Minister of Fisheries and Oceans and Minister for the Atlantic Gateway, CPC):** Mr. Speaker, in response to (a) and (b) regarding the Northwest Atlantic Fisheries Organization, NAFO, sub-division 3Ps sea cucumber fishery, it is anticipated that the 2012 management approach, including the issuance of additional licences, will be finalized and communicated in the near future.

In response to (c), those eligible will be provided with approximately five months to gear up.

[English]

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

**The Deputy Speaker:** Is that agreed?

**Some hon. members:** Agreed.

## GOVERNMENT ORDERS

[English]

## CANADA-PANAMA ECONOMIC GROWTH AND PROSPERITY ACT

The House resumed from March 2 consideration of the motion that Bill C-24, An Act to implement the Free Trade Agreement between Canada and the Republic of Panama, the Agreement on the

Environment between Canada and the Republic of Panama and the Agreement on Labour Cooperation between Canada and the Republic of Panama, be read the second time and referred to a committee, and of the motion that the question be now put.

**Ms. Jinny Jogindera Sims (Newton—North Delta, NDP):** Madam Speaker, it is my privilege to speak today to this bilateral trade agreement between Panama and Canada.

It seems that we have not learned too many lessons from our experiences with NAFTA. As a result of NAFTA, we have seen hundreds of thousands of jobs disappear over the border and into other countries. We have also seen the logs that used to be manufactured right in B.C., where Canadians had a chance to have well-paying jobs, go over the border and Canadians jobs leave with them.

Instead of focusing on multilateral free trade agreement talks that actually focus on agreements that would benefit not only Canada but all the countries involved, that would take environmental factors into consideration, that would take labour laws into consideration and that would take sustainability in the long term into consideration, the government is going down the wrong path in signing bilateral free trade agreement after bilateral free trade agreement.

When we look at Panama's labour laws and the lack of protection for its working people, it absolutely amazes me that the Government of Canada, where we once valued the rights of working people, is so intent on signing an agreement with a country that has so little respect, so little regulation and so little support for working people.

This is no surprise as it is the same Conservative government that has attacked the rights of working people in B.C. It is attacking their pensions and is attacking the rights of workers, rights recognized by the United Nations, to full, free collective bargaining.

First, we must not forget the postal workers where the Conservatives did not allow the bargaining process to play out. We recently had the case of the Air Canada workers where the pilots had not even gone on strike and yet the government intervened with very draconian legislation, once again taking away the rights of working people.

On the other hand, we know the government favours corporations. Now that Air Canada is blindly allowing all the Alveos jobs to leave this country, we suddenly hear this mantra that those are private companies. The same government gives billions in tax giveaways to private corporations and thinks that kind of interference is okay but the kind of interference that keeps jobs in Canada is not okay. That is not okay on this side of the House. We are determined to keep jobs here in Canada for Canadians.

Let us look at another aspect of what is happening in Panama. When we want to start trading with a country, we need look at how that country is viewed. Panama is seen as a tax haven. We will not have a very clear understanding of the reporting of income. Not only are we worried about people and big corporations who will hide their money in a tax haven like Panama, we also need to be concerned about a lot of the drug lords who will hide their ill-gained money in Panama.

How can we enter into a trade agreement where there is so little transparency when it comes to the reporting of income and how the institutions work? Once again we need to relate it to what is happening back here.

• (1010)

The Conservatives talk about their so-called crime agenda, which is really a prison building agenda, and yet they are ready to sign a free trade agreement with a country that has flagrant violations when it comes to being a tax haven and flagrant UN violations of workers' rights, .

I had the pleasure of visiting Panama many years ago, which seems like another lifetime. I am sure many changes have taken place but, from friends I have talked to in Panama, I would say that two realities still exist in Panama. There is the reality of the gated communities, in which many American citizens live. They are huge fenced-in communities with a large amount of military hardware to protect them. Panama has had violations around labour rights and has been criticized internationally.

The French recently criticized Panama saying that it would be very difficult for the international community to trade with it as it was a tax haven. However, once again, no surprise here, our government is going ahead with its ill thought out agenda of signing free trade agreements without building in protections for Canadians. It is also our responsibility to ensure that the free trade agreement is not to the detriment of citizens in Panama. As Canadians, we pride ourselves on our international work and how we look at the rest of the world. We really need to start paying attention.

Todd Tucker, who is part of the Public Citizen's Global Trade Watch, made a compelling case about Panama being one of the world's worst tax havens. He said that the Panamanian government had intentionally allowed the nation to become a tax haven. He went on to say that the tax haven situation in Panama was not improving under the current government and conditions in Panama. He also said that, in addition, a trade agreement with Canada would only worsen the problem and could cause harm to both Panama and Canada. That should be enough to give all of us time to stop and reflect before going ahead in a heedless way.

Teresa Healy of the Canadian Labour Congress spoke to the committee regarding the agreement on labour co-operation. She testified that while the international labour organizations labour standards are invoked, the agreement is still weaker than it should be. As well, the current Panamanian government has been increasingly harsh on labour unions and workers in recent years.

Why am I not surprised that the Conservative government pays too little heed to the normal, average working person in Canada and attacks their rights? Why would we expect the government to enshrine or protect workers' rights in developing countries like Panama? The government has gone out of its way to attack unionized workers and the working people here and it sells our jobs out of Canada. Why would it stand up for the workers in Panama or to keep the jobs here in Canada?

The government is turning a blind eye while, as I speak, thousands of jobs are leaving this country. I do not trust the government to

### *Government Orders*

protect the interests of everyday Canadians because it only protects the interests of corporations and big money.

• (1015)

**Mr. Greg Kerr (West Nova, CPC):** Madam Speaker, I do not normally engage in questions and comments, but the false indignities of the left-wingers can drive one nuts and drive ordinary Canadians nuts.

Here is someone who is expounding on behalf of a party how much its members care about Canada and how much they stand up for Canadians, yet people go to Washington trying to kill Canadian jobs. Anytime a budget comes forward trying to help veterans, those members vote against it.

If you are so indignant and so caring about Canadian jobs, why would you turn down a Canadian company and hire a foreign company to take care of your leadership convention which just took place? Canadians were turned down for a foreign firm.

• (1020)

**The Deputy Speaker:** I would like to remind all MPs to direct their comments through the Chair.

The hon. member for Newton—North Delta.

**Ms. Jinny Jogindera Sims:** Madam Speaker, throwing out deflections that have very little to do with the debate at hand will do very little to convince Canadians. The Conservative government is sending jobs out of the country. We just have to look at what has happened in Ontario, in Montreal and other parts of Quebec, in B.C. and across the country. The government cannot be trusted to protect Canadian jobs and Canadian interests. The Conservative government has one interest, and that is to give billions of tax breaks to rich oil companies and big banks and then sit back and let the working people in the country struggle to make ends meet.

The Conservatives have the opportunity to take care of Canadians. I hope they do so in the budget today.

**The Deputy Speaker:** I would like to remind members to wait until they have been recognized to make comments. Otherwise, they will wait for a very long time to be recognized if they continue to heckle from different sides of the House.

Questions and comments, the hon. member for Malpeque.

**Hon. Wayne Easter (Malpeque, Lib.):** Madam Speaker, while I do not agree with a lot that the government is doing, I do believe the Canada-Panama trade agreement is a good agreement.

Where I differ substantially from the NDP and the member who just spoke is I think trade can be utilized to improve human rights and improve economic conditions.

*Government Orders*

I cannot understand where the member is coming from when she said that the trade agreement would worsen tax havens. How could that be? Once we build a trading relationship we have more authority. Just closing the door and leaving them out there is not going to solve anything. Opening up the door gives us the opportunity to improve those relationships and demand that the tax havens be closed and demand that workers' rights be respected.

**Ms. Jinny Jogindera Sims:** Madam Speaker, that is exactly the point. Our greatest opportunity to try to ensure some positive changes are put in place is before we sign on the dotted line of a bilateral agreement.

The very best chance to ensure some protection for workers' rights and ensure action is taken so that Panama is not a tax haven for ill-gotten money, as well as legal money, is before Canada signs that agreement. The government could use this opportunity, but it is not going to because it has no interest in protecting workers here in Canada or anywhere else.

**Mr. Dennis Bevington (Western Arctic, NDP):** Madam Speaker, there are two ways it could go and quite clearly, this is a race to the bottom.

When we enter into a trade deal with a country even though we recognize it has certain characteristics, we are saying that it is okay. What are we saying to our own people? We are saying that it is okay to seek out tax havens, to launder money, to do all those things. What we are seeing here is a race to the bottom. Is that not the case?

**Ms. Jinny Jogindera Sims:** Madam Speaker, my colleague made a very thoughtful comment.

Absolutely, this is about a race to the bottom. This is not about what is good for Canada or what is good for the people of Panama right now. This is about what is good for big international corporations. This is about what is good for the very wealthy, who do not need more doors opened for them.

The Conservative government is missing a prime opportunity to ensure that the rights of workers are enshrined.

• (1025)

**Mr. Don Davies (Vancouver Kingsway, NDP):** Madam Speaker, I am pleased to stand in this House today to offer my comments on Bill C-24, An Act to implement the Free Trade Agreement between Canada and the Republic of Panama, the Agreement on the Environment between Canada and the Republic of Panama and the Agreement on Labour Cooperation between Canada and the Republic of Panama.

I will start by talking generally about the perspective I bring to this House from Vancouver, Vancouver Kingsway in particular, and the good folks there. I think this is a broad consensus of their views on trade policy. The principles I am about to talk about fairly express those points of view.

Trade is very important to Canada. It is recognized by all Canadians who care to think about this issue that trade is essential to our economy. British Columbia is a coastal province and a trading province. There is a very strong commitment to the concept of trade being very important not only to the development of the economy of Canada but also the economy of British Columbia.

There are many businesses and enterprises in British Columbia, as there are across the country, that engage either directly or indirectly in the import or export of goods and services around the world. This is particularly the case with Asia with which British Columbia and businesses in British Columbia have a particularly strong tie.

Trade allows goods and services that are within the productive capacity or local expertise or resources of one country to be exchanged with those of another. That is why I can say certainly on behalf of the New Democrats that we believe trade is good. We believe it is desirable. We believe it is critical to our economy.

The question that should be raised with respect to any trade deal is the terms on which that trade ought to be conducted. Are there any principles, policies or rules that should be applied when Canadians consider the exchange of goods and services out of our country and the entrance of goods and services into our country?

There is a vast spectrum in the political world. We have heard some views expressed in this House during the debate. At the far end of the spectrum, there are those who assert that trade ought to be totally free, that the market should be free to act on its own, and that goods and services should be allowed to enter untrammelled to whatever market those goods and services can penetrate, and that government should stay out of the way. At the other end of the spectrum, there are those who have the view that trade should be highly regulated, that there should be high tariffs, that countries should be closed and highly protectionist.

On the one hand there are the proponents of total free trade, who think that goods should be able to enter a country regardless of the other country's labour standards, environmental standards, and regardless of the human rights situation in that country. On the other hand there are those with a very closed approach to trade who think it should be very difficult for goods and services to enter the economy.

Speaking on behalf of the people of Vancouver Kingsway, and British Columbia and, I think, on behalf of the New Democratic Party of Canada, we believe that we should have a policy that pursues well-managed trade, not free trade, not a closed approach to trade, but fair trade. That is the approach to trade this party has taken every since the free trade debates opened up in this country some decades ago.

Why do we take this position? We believe that Canadians do not want goods and services that use child labour to enter Canada. We do not want goods and services that are the product of destructive environmental practices to enter this country. Canadians do not want goods coming to this country from countries that have very poor human rights records. Canadians do not want goods and services to enter this country when those goods and services come from an economy that is so fundamentally different from ours, with such lower standards that it actually hurts Canadian employers' ability to compete.

*Government Orders*

•(1030)

I will give one example. One of the reasons the NDP led such a spirited campaign with the Liberal Party in the 1980s, who opposed the free trade agreement with the United States at the time, was that we would be opening our borders to the U.S. economy which had 10 times the power of ours. In some of the southern states there were no labour standards, there was economy of scale, and employers were paying so little in wages that it would hurt Canadian employers. That was a major concern.

At that time, there was a burgeoning textile industry in this country, particularly in Quebec, but in other provinces as well. Employers were paying good wages. They were paying for health and welfare plans and pension plans. Workers were paid wages on which they could raise their families. Employers were paying workers' compensation benefits to the government to compensate workers if they were injured on the job. The employers were paying EI premiums in case workers became unemployed. These were the kinds of jobs that were being developed in this country. As soon as the free trade agreement was signed, textiles were allowed to flood in from the southern United States, where there were no unionized jobs, wages were half the rate that Canadian employers were paying, employers were not paying into social programs and there was no public health insurance. The result was that Quebec's textile industry was decimated. Canada lost tens of thousands of jobs, hundreds of thousands if we include jobs in other industries. These were good, middle-class, well-paying jobs.

There is a lot of rhetoric around trade in the House. The facts are that over the last 30 years, since the neo-liberal or neo-conservative, depending on one's point of view, concept of pursuing untrammelled free trade agreements, a significant change has occurred in the living standards of workers in this country. By any measure, according to many groups, Canadian workers today make less money in real terms than workers did 30 years ago. The middle class has been squeezed and the inequality of wealth distribution in this country has risen dramatically over the last 30 years. That is not rhetoric; that is a fact.

Part of the reason that happened is the trade policy that has been pursued not only by the Conservative government but by the Liberal government before it. At one time, I think it was in 1993, the Liberals campaigned on removing Canada from NAFTA. Of course, it is not uncommon for the Liberals to change their minds once they get into power, and they never did remove Canada from NAFTA. It is important to understand that Canadians and New Democrats want a trade policy based on encouraging trade and making sure that the sound principles I referred to are respected.

Regarding the bill that is before us today, New Democrats are concerned about it and do not believe it is a sound piece of legislation.

When the committee considered this bill, compelling testimony was heard from witnesses regarding the tax situation in the Republic of Panama, as well as its poor record of human rights. I do not hear anybody on either side of the House disputing the human rights record in Panama, but it is a concern.

Despite requests from the Canadian government, Panama has refused to sign a tax information exchange agreement. This is very troubling, considering the large amount of money that is documented to be laundered in Panama, including money from drug trafficking. Some years ago there was a study done, I believe at Harvard University, which listed Panama as one of the top three countries for money laundering from drug cartels in South America. Panama's complete lack of taxation transparency has led the Organisation for Economic Co-operation and Development to label the nation as a tax haven. It is not the New Democrats calling it a tax haven, it is the OECD.

•(1035)

Recently Panama was removed from the so-called OECD grey list, after substantially implementing the standard for exchange of information when it signed a tax information exchange agreement with France. That brings Panama's total agreements to the critical 12, the international standard. However, French President Sarkozy, in a speech at the end of the G20 conference in November last year in Switzerland, named Panama as a country that nevertheless remains a tax haven.

I believe that all people of Canada and members of this House should be concentrating on pursuing free trade agreements with countries that raise environmental standards, respect human rights, protect Canadian employers and make—

**The Deputy Speaker:** Order, please.

Questions and comments, the hon. member for Burlington.

**Mr. Mike Wallace (Burlington, CPC):** Madam Speaker, I thank the hon. member for his well thought out speech. I do not agree with most of it, but it was well presented.

My question is simple. On this side of the House we are in favour of free trade agreements. We have signed a number of them over the years since we have come to office. The New Democratic Party has been opposed to every one except for one. I believe the NDP supported the agreement with Jordan.

I like to talk about specifics. Could the hon. member highlight the actual differences between what we have signed with Jordan, which the NDP members agreed with, and what we have signed with Panama?

**Mr. Don Davies:** Madam Speaker, it is a fair question from the hon. member.

Before I get to his specific question, the hon. member said he disagreed with most of what was in my speech. I spoke about building trade agreements between Canada and the rest of the world that are based on principles that respect human rights and make sure goods are not produced in countries that are destroying the environment.

I spoke about signing agreements with countries where they do not use child labour to produce goods, and where the economic conditions are comparable to Canada. This way, Canadian employers do not have to compete against countries where people are paid \$1 an hour, and where there is no workers' compensation, employment insurance or standards. I heard an hon. member say that is not Panama.

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Panama is not known to have high environmental, human rights and labour standards. I would say that we on this side of the House continue to pursue trade agreements with countries that respect those standards.

I do not really know why the hon. member would oppose anything I said, unless he is in favour of environmental degradation, disrespect for human rights and lower labour standards. However, I do not think he would agree with that.

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Madam Speaker, it does seem that the New Democratic Party might be on a paradigm shift here. Its members might be looking at the possibility of favouring free trade agreements.

My question to the hon. member is this. The hon. member qualified what was important for New Democrats to support a free trade agreement. Could he give us any clear indication as to other countries with which the government or the House should be looking at entering into more formal free trade agreements? Could he cite any countries as examples?

**Mr. Don Davies:** Madam Speaker, certainly I can list countries that I think Canada should be pursuing agreements with. These would be countries that are world leaders with respect to the environment, labour standards and human rights. Countries like Sweden, Norway or Denmark would be a good start. However, I notice that the government is not engaging in discussions with those countries.

I think we should be carefully examining each country that we propose to trade with, and making sure that trade with those countries is beneficial to the Canadian economy and employers. Moreover, it is not necessarily the identity of the country all the time, but it is the terms on which that trade is going to be conducted. We should not be signing agreements with countries that do not squarely put labour standards, human rights and environmental standards in the text of the agreement. The government has taken an approach to relegate those important concepts to side deals that are not part of the text of the formal agreement, leading many to believe those concepts have secondary importance.

We on this side of the House are going to continue to make environmental, human rights, labour and employment standards central planks in any trade agreement we have with any country. If those countries agree to respect those standards, then an agreement could be good for their economy and the Canadian economy. We will support those agreements.

• (1040)

**Hon. Geoff Regan (Halifax West, Lib.):** Madam Speaker, I am pleased to rise today and speak to Bill C-24, an act to implement the free trade agreement between Canada and Panama. I enjoyed the comments of my colleague from Vancouver Kingsway. However, when he says that Canada should enter into an agreement with Norway, for example, he ought to remember that there was an agreement that was to come in the last few years with the EFTA countries, which included Norway, Iceland, Liechtenstein and Switzerland. The NDP voted against that, as I recall.

I appreciated my hon. colleague's point that trade is essential to our economy. It is important that members recognize that and understand what arises from that.

I come from a trade-dependent province, Nova Scotia. I recognize how important these kinds of agreements are to our economy, to job creation and to our families. My hon. colleague talked about the Canada–U.S. free trade agreement. In the early 1980s, the Canadian government of Mr. Trudeau was very concerned about arising sentiments of protectionism in the U.S. A variety of tariff barriers and non-tariff barriers arising in the U.S. were of great concern, causing issues for Canadian businesses trying to sell to the U.S. The process was begun under that government of discussing the possibility of an agreement with the U.S.

My biggest concern with the way the Mulroney government approached the negotiations with the U.S. was that its approach was to say that its whole economic policy was going to be dependent on getting a trade agreement with the U.S. It said to the U.S., “let us sit down and negotiate”. What kind of position are government members in if they make it clear publicly to the counterpart in negotiation that they are not going to leave the table, that they have to have an agreement as they have told their country that it is vital to their future to have this agreement? That does not put them in a very strong bargaining position. Surely it would have been better to have entered that negotiation differently.

My difficulty with the NDP point of view is that it can never find an agreement that it can support. Members are convinced that they could have negotiated a better agreement that was far more in Canada's favour. That is nice to say. Maybe there are things that could have been done differently. However, it is a bit unrealistic to say they could have negotiated a far better agreement and gotten everything they think is important. That is not what negotiation is like. It is a two-way street. That is why my friends in the NDP have never been in favour of any trade deal with any other country, as far as I can recall, no matter how many jobs it created for Canadians or Nova Scotians or how much, for example, it helped our regional economy in the Atlantic.

If we look at the record, Canada did very well. If we look at the economic performance of Canada and the U.S. during the 1990s and the decade between 2000 and 2010, the results for Canada's economy were very strong. My difficulty with the NDP approach is that opposing these agreements is preferring protectionism. Protectionism provides temporary relief. Two hundred years ago, or a little less than that, my great-grandfather was a shipwright in Dartmouth working on sailing ships. When they started to fade away and metal and steamships took over, we could have said we were going to prevent those from coming in, that we would support with protectionism and tariffs our wooden shipbuilding industry. That might have provided some relief for a little while, but sooner or later it would have had negative impacts on the economy. The standard of living for people in this country would have gone down.

• (1045)

I think that is the result when we have the kinds of protectionist barriers that my NDP colleagues favour. The alternative to the U.S. trade agreement, perfect though it may have been, would have been more barriers to our products.



*Government Orders*

If we look back to 1988-90, of course the trade agreement was negotiated in about 1987, we were 90% dependent for our trade on the U.S. Ninety per cent of our exports went to the U.S. That was an enormous proportion of our economy. So, to say that we did not need to have that or that it was not good enough simply is not a good enough answer. I think we have to come up with a better argument than that.

Speaking of the impacts on Atlantic Canada, I encourage colleagues to read the recent report of the Atlantic Provinces Economic Council, which was produced in connection with its outlook 2012 conference. It is cleverly entitled "Let's Get Out of Here". It presents an interesting study on how Atlantic Canadian firms are taking on the world. They are not saying, "Let's get out of here and move to Fort McMurray". They are saying, "Let's get out of here as Atlantic Canadian businesses, move around the world and sell our products to create jobs here at home". That is the idea that they are promoting.

Atlantic Canada has been successful in building innovation-based businesses that have been focused on niche markets, while also capitalizing on our key resource sectors. However, those key resource sectors are struggling these days. If we look at what is happening in forestry, when people in the U.S. and around the world are reading fewer newspapers, when there are as not many houses being built in the U.S., that has a huge impact on the pulp and paper industry and on the lumber industry. So, we need to have other kinds of businesses, in the new economy especially, that are creating jobs.

One constant in our success in Atlantic Canada has been a reliance on trade. Before Confederation, the Maritime provinces and now the Atlantic provinces, were very strong traders. They were known as very successful traders with the U.S. and Europe. Yet, whether we are talking about Europe, the Middle East, China or America, Canada, particularly Atlantic Canada, has enjoyed success in all major markets in the world. Not enough success, in my view, but considerable success.

The fact that our reliance on exports to the U.S. has gone from 90% to 80% over the past couple of decades is a positive thing. Although we are not quite as reliant on exports to the U.S., we are still heavily reliant. I think we can expect that, for the foreseeable future, the U.S. will continue to be our most important market.

While we support this particular trade agreement, Canadian families, Canadian workers and the Canadian economy have been very poorly served by the government, which is failing in terms of its overall trade agenda around the world. While the Prime Minister and his ministers rack up a lot of frequent flyer points, jetting around the globe, they have basically ignored our key market: the U.S. We do not see much effort there.

More than \$1.4 billion is traded between Canada and the U.S. on a daily basis as part of the largest commercial relationship between any two countries in the world. Yet the Conservatives have sat on their hands and watched as the border has thickened. We do not see the kind of effort there that we ought to see.

Canada's geographic, economic and cultural advantages in a North American market of nearly 500 million people will remain a major

strategic asset in a rapidly evolving world, but not if we continue on the path the government has put us on.

As some of the speakers before me have noted, this trade agreement with Panama is yet another example of the current government pursuing new arrangements, at the expense of established agreements. The consequences, I think, are clear to anyone who has seen the recent trade statistics, which show declining exports and a trade deficit.

The one thing we can say about the Conservative government is it seems to be enamoured with deficits. Certainly, we know that it put the country in deficit after inheriting a \$13 billion surplus. It put us in deficit by April of 2008, six months before the recession began. The government's mismanagement of Canada's trading relationship has resulted in trade deficits for the first time in 30 years. That is very worrisome. I am sure we will hear some fictions about the government's fiscal record and, we hope, about its record fiscal deficit this afternoon and the consequences for seniors, fishermen, the unemployed and just about everyone else who will pay for the Conservatives' incompetence.

• (1050)

**Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC):** Madam Speaker, I just want to express my appreciation of the measured speech and tone from my friend, the member for Halifax West on the subject of free trade.

I would certainly rebut what he had to say with regard to our government's engagement with the United States. He knows that since the May 2 election campaign, our government has extended the softwood lumber agreement, the lumber agreement that the Liberals had lapse on their watch without actually engaging in renewed negotiations. We renewed it and now we have extended it by two years.

We have gone beyond that with our beyond borders program that the Prime Minister announced with President Obama prior to the Christmas break, the most deepening steps we have taken to further liberalize our trade agreement with the United States, from FTA, NAFTA and now the beyond borders agreement.

Our border infrastructure program has put more money into border crossings than ever before in this country's history. We are also now expanding, as the hon. member knows, the second span across from Windsor to Detroit.

Our government has invested heavily, because we recognize and we believe in creating Canadian jobs through world sales. We understand that the important relationship with the United States, the most successful trading relationship in the history of the world, is something to covet, to cherish and to build upon responsibly for the interests of Canadians.

*Government Orders*

We are doing that with all these agreements, all these investments and the approach we are taking, so I would certainly hope he would agree with me that we have taken seriously our responsibility to have a healthy relationship with the United States, and further, that he would agree that the constant antagonism to the United States by the official opposition is entirely unhealthy to the Canadian economy.

**Hon. Geoff Regan:** Madam Speaker, I can agree with the last point that it is important that we have good relations with our southern neighbours. I think it is also important that we state our point of view at times.

When George W. Bush was the president, there were things he did we agreed with and others we certainly did not. One of the things on which we clearly disagreed, and very strongly, and one of the things for which Mr. Chrétien deserves great credit, is his decision not to follow the U.S. in going to war in Iraq.

That was the right decision. It was a tough decision, because there was certainly lots of pressure at that time from the U.S. and from the Conservative Party. The current Prime Minister was most anxious and most critical of Mr. Chrétien and his government for not going to war in Iraq. That is a fine example.

Overall, on the question of the thickening of the border, we assume, with the perimeter deal, that they did not insist on getting better access to the U.S. market.

**Mr. Don Davies (Vancouver Kingsway, NDP):** Madam Speaker, as I mentioned in my speech, the Liberals opposed the free trade agreement with the United States, campaigned on it in the 1980s and said in the 1990s that they would withdraw Canada from NAFTA.

I am just wondering if he could inform the House what the Liberal position on trade is now. Are the Liberals still opposed to the free trade agreement with the United States, as they said they were in the 1980s, or are they in favour of it now?

I would also like my hon. friend's comments on the question of whether or not he thinks that the situation of workers in this country, 25 years later, is better as a result of those trade agreements or worse.

**Hon. Geoff Regan (Halifax West, Lib.):** Madam Speaker, I hope I will have time to answer both questions from my hon. colleague from Vancouver Kingsway.

I think he is engaging in a bit of revisionist history. In fact I encourage him to look at the Liberal red book, its platform from the 1993 election. He will find that the government of the day said it would try to negotiate agreement on labour and environment with the U.S., and that is exactly what happened.

There were side agreements that were negotiated on those issues, similar to the agreements that have been made on the Canada-Panama free trade agreement.

The fact of the matter is that the long history of the Liberal Party has been in favour of trade, going back to Sir Wilfrid Laurier. We are still in favour of trade. We have supported many trade agreements.

We do think there is room for improvement, and as I said before, entering into the negotiations with the U.S. toward that agreement on the basis of saying that our whole economy policy is dependent on this was not a basis for strong negotiation.

If we look at the impact on the economies of Canada and the U.S. and the benefits to workers across this country, of the growth that happened in the 1990s and between 2000 and 2010, I am not sure how my hon. colleague could say Canada did not benefit during that period and that Canadian workers did not benefit.

Yes, there were changes, and yes, there was a process and a time of transition for many workers, as there constantly is, but especially in a time of new technologies and global growth. I think we have to work hard to help workers adjust to those times, and part of that is training.

• (1055)

**Ms. Chris Charlton (Hamilton Mountain, NDP):** Madam Speaker, over the last two Parliaments, I think this is my third or fourth time speaking to the Canada-Panama free trade agreement.

I have to say that this is an agreement that has not improved with age, nor has the debate on this issue, frankly. I continue to be struck by the inability of both the Conservatives and the Liberals to differentiate between free trade and fair trade. We in the NDP are not against trade. We recognize the important role trade plays in our economy, but it is not good enough to just keep bringing forward a series of bilateral trade agreements as if such agreements will somehow magically give us a coherent and smart industrial and economic strategy.

On the contrary, there has been no economic strategy, no real focused trade strategy, and the result has been that most Canadians are worse off now than they were before.

The government simply cannot keep doing these ribbon cuttings for free trade agreements and expect that the job is done. This is no small issue. When we look at the last 20 years since the implementation of the Canada-U.S. free trade agreement, we see that the real income of most Canadian families has gone down, not up. The real incomes of the two-thirds of Canadian families who constitute the middle class and those of the poorest Canadians have gone down, right across the country.

The only people who have actually profited and seen an increase in their real income over the past 20 years since the first of these agreements was implemented have been the wealthiest of Canadians. The wealthiest 10% have seen their income skyrocket. One-fifth of Canadians, the wealthiest 20%, now take home most of the real income in this country.

For the Conservatives, that is entirely fine. In fact they are completely unapologetic for having espoused the principles of the robber barons of the 19th century. Listening to their speeches, I am surprised they have not quoted John D. Rockefeller, who said, "The disparity in income between the rich and the poor is merely the survival of the fittest. It is merely the working out of a law of nature and a law of God".

It is certainly a sentiment that is deeply imbedded in the Conservatives' free trade agenda and in that of the Liberals before them. However, Canadians deserve better. They deserve fair trade instead of free trade. Fair trade puts an end to the race to the bottom by delivering on the promises of sustainable livelihoods and opportunities for people in the poorest countries in the world.

*Government Orders*

Poverty and hardship limit people's choices, while market forces tend to further marginalize and exclude them. This makes them vulnerable to exploitation, whether as farmers and artisans or as hired workers with larger businesses. That two billion of our fellow citizens survive on less than \$2 per day despite working extremely hard makes it painfully clear that there is indeed a problem.

I want to put this into context by quoting extensively from an article from October 2010 called, "Back to the 'Good' Old Days". It was published by the Canadian Centre for Policy Alternatives. Although it is focused on Asia, its observations and conclusions directly relate to the issues in Latin America. It begins with the legacy of the robber barons that I alluded to earlier. It then goes on to state that the first 60 years of the 20th century were focused on curbing the worst excesses of unfettered free enterprise through government regulations, minimum wage increases and the growth of the labour movement.

It says:

Strong unions and relatively progressive governments combined to have wealth distributed less inequitably. Social safety nets were woven to help those in need.

Corporate owners, executives, and major shareholders resisted all these moderate reforms. Their operations had to be forcibly humanized. They always resented having even a small part of their profits diverted into wages and taxes, but until the mid-1970s and '80s they couldn't prevent it. Now they can.

Thanks to international trade agreements and the global mobility of capital, they can overcome all political and labour constraints. They are free once more, as they were in the 1800s, to maximize profits and exploit workers, to control or coerce national governments, to re-establish the survival of the fittest as the social norm.

This global resurgence of corporate power threatens to wipe out a century of social progress. We are in danger of reverting to the kind of mass poverty and deprivation that marked the Victorian era. Indeed, this kind of corporate-imposed barbarism and inequality is already rampant in many developing countries.

It is worth pausing here to reflect on the submission made by Dr. Teresa Healy, senior researcher for social and economic policy at the Canadian Labour Congress, during the Standing Committee on International Trade deliberations on the Canada-Panama free trade agreement.

She pointed out that Panama is a country with a population of about 3.4 million people. It is currently recording relatively high growth rates, but it is the second most unequal society in the region. Forty per cent of the population is poor and 27% is extremely poor, and the rate of extreme poverty is particularly acute in indigenous populations. Although the country has endured extensive structural adjustment, liberalization and privatization in recent years, this has not translated into economic benefits for the population.

● (1100)

This should give all Canadians pause to think. It was not that long ago that our forebears were mistreated in workplaces, and the prospect of a reversion to Victorian social conditions should alarm all of us. The CCPA article I was citing earlier reminds us what the conditions were like in Canadian workplaces in the 1800s. Conditions in the mines were especially bad, with most of the miners dying from accidents or black lung disease before they reached the age of 35. Hundreds of thousands of children, some as young as six, were forced to work 12 hours a day, often being whipped or beaten.

A Canadian royal commission on child labour in the late 1800s reported that the employment of children was extensive and on the

increase. Boys under 12 worked all night in glassworks in Montreal. In the coal mines of Nova Scotia, it was common for 10-year-old boys to work a 60-hour week down in the pits. This royal commission found not only that were children fined for tardiness and breakages but also that in many factories they were beaten with birch rods. Many thousands of them lost fingers, hands and even entire limbs when caught in unguarded gears or pulleys. Many hundreds were killed. Their average life expectancy was 33.

As late as 1910 in Canada, more than 300,000 children under 12 were still being subjected to these brutal working conditions. It was not until the 1920s, in fact, that child labour in this country was completely stamped out.

Yes, we finally did the right thing in Canada, but somehow the government wants us to believe it is okay to simply ignore the fact that such practices are still rampant in the countries with which we are signing trade agreements. The Conservative government has completely abandoned any notion of corporate social responsibility, and through its trade agenda it is giving state sanction to the continued abuse of labour, human and environmental rights in countries such as Panama. It is completely outrageous.

Make no mistake. Already in most of the developing nations, they have brought back child labour. Conditions in most factories operated by or for the transnational corporations in Asia and parts of Latin America are not much better today than they were in North America and Europe in the 1800s. Thousands of boys and girls are being compelled to work 12 hours a day in dirty, unsafe workshops for 40¢ or 50¢ an hour.

The article went on to say that in the United States another robber baron, Frederick Townsend Martin, boasted:

We are the rich. We own this country. And we intend to keep it by throwing all the tremendous weight of our support, our influence, our money, our purchased politicians, our public-speaking demagogues, into the fight against any legislation, any political party or platform or campaign that threatens our vested interests.

If nothing else, I guess we have to appreciate his honesty. At least he was upfront about the corporate agenda in his day.

It was David Rockefeller who restated the operating principle of the corporate agenda in modern times. In 1990 he said:

We who run the transnational corporations are now in the driver's seat of the global economic engine. We are setting government policies instead of watching from the sidelines.

That is the sentiment that guides the corporate interests who are pushing our government to enter into the bilateral free trade agreements with willing partners around the world. It is a sentiment that has been blindly accepted and adopted by successive Liberal and Conservative governments that have been only too happy to oblige in the implementation of this corporate agenda.

*Government Orders*

Surely we do not all need to submit to the notion that might is right. There is an alternative vision of our economic future that believes that no one should be left behind. That is the kind of future my NDP colleagues and I have been championing in this House. It is a future that is based on fair trade, not free trade.

If we do not amend our trade agreements to incorporate the principles of sustainable development and recognition of human and labour rights, then the trade agreements are not worth the paper they are written on. In truth, we should be hanging our heads in shame.

If Canadians were aware that we are condoning practices by our trading partners that we would never condone at home, then I am certain they would call on us to abandon such trade relations. That is why I will be voting against the Canada-Panama free trade agreement.

• (1105)

**Ms. Lois Brown (Parliamentary Secretary to the Minister of International Cooperation, CPC):** Madam Speaker, I would like to ask my colleague a question regarding her comments on labour issues. The front page of the bill states:

An Act to implement the Free Trade Agreement between Canada and the Republic of Panama, the Agreement on the Environment between Canada and the Republic of Panama and the Agreement on Labour Cooperation between Canada and the Republic of Panama.

Furthermore, if one goes to the agreement on labour, it talks about such things as:

- a. improve working conditions and living standards in each Party's territory;
- b. promote their commitment to the internationally recognized labour principles and rights;
- c. promote compliance with and effective enforcement by each Party of its labour law;
- d. promote social dialogue on labour matters among workers and employers, and their respective organizations, and governments;
- e. pursue cooperative labour-related activities for the Parties' mutual benefit;
- f. strengthen the capacity of each Party's competent authorities to administer and enforce labour law in its territory; and
- g. foster full and open exchange of information between these competent authorities regarding labour law and its application in each Party's territory.

I know that my colleague has talked about some of the labour policies that have taken place in many other countries around the world and we do not want to see those things happening either. I choose my products. Does she not think that we have the opportunity—

**The Deputy Speaker:** I must give the hon. member time to respond. The hon. member for Hamilton Mountain.

**Ms. Chris Charlton:** Madam Speaker, I note there was not really a question at the end of that speech. However, I would remind my colleague that I, too, have looked very closely at the Canada-Panama free trade agreement and she will note that the section she was reading from with respect to labour rights is, in fact, nowhere near the main text of the free trade agreement. What she is quoting from is a side agreement. Why would a government relegate fundamental labour rights to a side agreement in the larger context of the Canada-Panama free trade agreement?

I will also ask her, because I know she will want to respond, why the Conservatives voted against two amendments that my colleague, the member for Burnaby—New Westminster, moved in committee

with respect to labour rights the last time we debated this issue. There were two in particular that I want to bring to her attention. The first would have protected trade union workers in Panama by offering the right to collective bargaining. The second would have required the Minister of International Trade, as the principal representative of Canada on the joint Panama-Canada commission, to consult on a regular basis with representatives of Canadian labour and trade unions. Why did the government vote against those amendments if it is so adamant about being in support of labour rights?

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Madam Speaker, I appreciate the member's candour and boldness in proclaiming that she will not be voting in favour of this particular free trade agreement. I would be interested if she would tell us how she will be voting on the free trade agreement with Jordan. I know there was some concern. I understand that New Democrats voted to send it to committee. Does that mean they support the Canada-Jordan free trade agreement? I am not sure about that.

Furthermore, given her beliefs, to what degree does she think that Canada as a nation should punish countries that we trade with but who have human rights issues? An example of a country of that nature might be China, which the NDP and others have expressed concern about in regard to its human rights practices. Would she try to limit trade with that country in any way?

**Ms. Chris Charlton:** Madam Speaker, I really do appreciate the question with respect to the Canada-Jordan free trade agreement. Of course, that bill was debated in the House and we have already voted on it, so I am a bit surprised that the member would not know what the NDP position has been on that.

With respect to his second question, I believe that any trade agreement must put human rights, environmental rights and labour rights front and centre in the negotiations. That clearly has not happened in the trade agreement before us today and that is why I have been absolutely clear that I will not be supporting this trade agreement when it comes time to vote on it in this House.

• (1110)

[Translation]

**Mr. Matthew Dubé (Chambly—Borduas, NDP):** Madam Speaker, I am very pleased to have the opportunity to speak about Bill C-24, as many of my colleagues have done before me. First, I would like to thank the hon. members for Burnaby—New Westminster and Windsor West, who worked so hard on this file.

I would like to clarify the position of the government, which seems to believe that everything is black or white. From the outset, I think it is very important to point out that, often, what we hear in debate is that the NDP is against all trade and against any measure that would help our Canadian industries to grow. That is not entirely true, and these comments need some clarification. The NDP is in favour of trade, but not at any price or for any reason. As the hon. member who just spoke pointed out so eloquently, we must be sure to consider certain important factors, such as workers' rights and sustainable development, when signing free trade agreements.

*Government Orders*

I think that the best way to say it is that we want free trade agreements that are equitable and fair and that truly take into account social justice and the other factors that I just mentioned.

To this end, there is one more thing we need to consider when examining the bill before us to implement a free trade agreement between Canada and Panama. The people of Chambly—Borduas have often shared with me their fears and worries about Canada's standing and reputation. The way our native country is perceived and the way we work with other countries in the world politically or economically may not seem important when we are talking about travelling to another country. And yet it is very important because we have a responsibility as a privileged and developed country to share these values.

When we sign free trade or other agreements with different countries, it is our responsibility to share those values and to behave in a way that will lead to economic growth and enhance rights in general, workers' rights and sustainable development. This must be done not only in Canada but throughout the world. The government often neglects this responsibility, particularly when it comes to bilateral free trade agreements, which are inadequate.

I listened with interest to an earlier question put to the member for Hamilton Mountain, who was speaking about the fact that the bill and the free trade agreement could support workers' rights. However, I am finding it very difficult to understand, as she pointed out, why the Conservatives voted against the well-reasoned amendments suggested by the member for Burnaby—New Westminster in committee if this is a truly an important issue to them. If the government were truly concerned, it would have taken the time to consider the very reasonable amendments moved.

It is important to also highlight another one of our international responsibilities. Panama is considered a tax haven. And this is an economic free trade agreement. Thus, I find it very difficult to consider that we will be dealing with a country that allows money laundering and tax evasion.

As I said, my colleague has worked very hard on this, and I would like to commend him. In fact, the NDP member for Burnaby—New Westminster moved an amendment that would resolve the issue of fiscal transparency. We could implement measures that would require Panama to exchange tax information with Canada. This would lessen the risk of illegal money laundering activities and so forth. I have already talked about these measures.

• (1115)

Once again, both the Conservatives and the Liberals rejected this amendment because they believe that Panama has a satisfactory double taxation agreement. I would like to point out that this is not a very good argument because the double taxation agreement pertains to fiscal transparency for legal revenue such as taxes, and we already know the source of such revenue. This measure does not at all deal with illegal revenue, but it could if the Panama agreement included my colleague's amendment, which seeks to bring about complete fiscal transparency.

The other aspect I would like to discuss is key to our argument. Several of my colleagues and I mentioned it earlier. I am referring to

the rights of workers in the manufacturing sector. These rights are at the heart of a free trade agreement such as this one.

I can already hear the counter-argument that the NDP bows down to the unions. That argument is totally ridiculous in this case, because we are talking about developing countries that are still in the process of adapting their regulations and creating a culture of labour rights and human rights, which are fundamental rights. It is important to note that, while very competent people at the Canadian Labour Congress—Ms. Healy, as my colleague mentioned—have done research, we are not talking about a simple union matter here, or the will of a union. We are truly talking about important issues regarding labour rights. It is not complicated. We are talking about the people who will be making the products that are subject to this trade agreement. Human resources are at the core of this trade agreement. They are the foundation of the transactions that will take place. The jobs are more important than the profits that will be made.

The government likes to talk a lot about the jobs that these free trade agreements will help create. If we are going to talk about job growth, let us also talk about the quality of those jobs, here in Canada and in Panama. The government should focus on creating high-quality jobs for the people of Canada and of Panama. The government says that Canadians want economic growth, but as I was saying earlier, that growth should not come at all costs. I think our constituents, the people we represent, would agree. Here and around the world, we have built a reputation, a culture of defending labour rights and creating high-quality jobs. I think we would want the same thing for another country, Panama in this case.

That is a problem that comes up quite often, not just in this free trade agreement, but in a number of others. The government blindly applies the same negotiation strategies and the same conditions as the ones used for the North American Free Trade Agreement in the 1980s and 1990s. That was another time, but the government is trying to apply the same conditions today. Not only are we dealing with a country where the situation is very different from that of our neighbours to the south—the United States and Mexico—but the times are different as well. This is 2012, and the reality for workers has changed. For example, in the manufacturing sector, the tools available for workers are different. Accordingly, working conditions have changed. I think that we have to adapt to that vision going forward.

I will conclude by reiterating that the NDP opposes this bill not because we are against trade, industry and economic growth, but because we are against trade at all costs at the expense of justice and fairness. We want fair trade that is consistent with our fundamental values as they relate to human rights. Those rights are essential when we talk about trade in economic terms, because that also involves cultural exchanges with another country. We must be faithful to our reputation and our values in any agreement we sign, especially at the international level.

*Government Orders*

• (1120)

[*English*]

**Ms. Lois Brown (Parliamentary Secretary to the Minister of International Cooperation, CPC):** Madam Speaker, I would refer my colleague to the front page of the bill on the agreement with Panama. It includes an agreement on labour co-operation between Canada and the Republic of Panama. I will not read it all, but I suggest he take a look at article 18.03, which refers to the obligations between Canada and Panama and our encouragement for Panama to develop good labour laws.

The NDP members have indicated they will support the Canada-Jordan free trade agreement. Many people have argued that this agreement is a lesser agreement than the Canada-Panama agreement. Could the member comment on why the NDP members refuse to support this agreement, which would give people in Panama the opportunity for hope and a better life?

[*Translation*]

**Mr. Matthew Dubé:** Madam Speaker, I would like to thank my colleague for her question. I will refrain from commenting on what she seems to be saying—that a bill relating to the agreement between Canada and Jordan is of less value. As has been said, we have to explain and clarify. I hear what she is saying and it is entirely correct: the bill contains some measures, but they do not go far enough; it is not complicated. We have very serious concerns about workers' rights. This is indeed a start, but it is not enough.

I will ask my question again: why did they oppose the amendments proposed by my colleague from Burnaby—New Westminster if they really have a clear, precise, strong position on standing up for workers' rights? Why do they not work with the opposition to propose measures that will strengthen what is already in the bill, as she said, but that will help in tangible ways? What is provided in the bill as it stands is not sufficient and does not go far enough. There have to be much stronger and more serious commitments to improving existing working conditions.

[*English*]

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Madam Speaker, could the hon. member expand upon this? If one applies certain principles that he spoke about in regard to free trade agreements, would one apply those very same principles to trade in general?

For example, if his concern about worker exploitation is the reason why he would not support the free trade agreement with Panama, would he not apply those same principles when he deals with trade in general with all nations in the world? Would he abandon those principles and stick strictly with free trade agreements?

[*Translation*]

**Mr. Matthew Dubé:** Madam Speaker, I would like to thank my colleague for his question. I find it hard to see why I would abandon my principles, regardless of the situation. We are talking about trade, here. I will reiterate: we are not against trade, but that always has to be qualified. We will always be prepared, in whatever case it may be, to work to ensure that the measures for implementing a bill are appropriate and meet Canadians' expectations.

We do this not for ourselves. As I said, the people also share our concerns. We have to meet people's expectations in our transactions. Trade is essentially a matter of making deals. When we make deals with someone, we have to make sure that both parties to the deal understand its principles and terms. I am certainly not afraid to qualify every deal we make. We are entirely prepared to examine any issue and assess it case by case. We will not abandon our principles. We do an assessment and we come back with the comments that arise on an issue. That is what we are trying to say in this debate.

**Mr. Massimo Pacetti (Saint-Léonard—Saint-Michel, Lib.):** Madam Speaker, I am pleased to rise in the House today to debate Bill C-24 to implement the free trade agreement signed between Canada and the Republic of Panama on May 14, 2010.

Although I am in favour of free trade and I support this bill, I refuse to do so at any cost, because I think we need to take a step back and reflect on the relevance and the impact of this agreement. Unlike the NDP, which systematically opposes free trade, the Liberal Party of Canada has always believed that trade agreements can have a positive effect on our economy. As we all know, our economy is based on exports, so eliminating trade barriers is highly desirable. Personally, I do not think the agreement with Panama, per se, is problematic; rather I think the problem lies with abandoning our traditional markets.

Our current economic situation is proof of how negligent the Conservatives have been. Although we had a positive trade balance for a very long time, we now have a trade deficit, and I highly doubt that a free trade agreement with Panama will change that fact. In 2009, Canada's exports to Panama totalled only about \$90 million, while our trade with the U.S. exceeds \$1.4 billion every day. Approximately 75% of the goods we export go to the United States.

Even so, our trade balance with our neighbour is in deficit. Protectionist measures in the U.S. are contributing to this unfair situation, despite NAFTA. I therefore have to wonder why a new free trade agreement with another country is so urgent, when our largest trading partner refuses to honour its commitments when difficult economic times come along.

Perhaps the Canadian government should do more to defend our economic interests in Washington, rather than in Panama. We are seeing this government making more and more concessions to the Americans rather than defending Canadian interests, and our economy is paying the price.

I firmly believe that it would be in our best interest to focus our efforts on revitalizing our trade relationship with our neighbours to the south and our other major trading partners rather than spreading our resources out. Instead of doing whatever the Americans want, which is what the government did on the copyright issue, the Conservatives should work harder to protect Canadian interests.

*Government Orders*

The Conservatives have been too nonchalant. For example, even though President Obama mentioned the buy American policy several times in his speech, the Conservatives were taken completely by surprise when they found out that the U.S. government intended to go ahead with a measure that violates our free trade agreement.

Why bother signing so many other free trade agreements when the most important one is not even enforced? I think that we should find ways to make the United States respect our agreements before we sign new ones that will likely have very little impact. It is an inescapable fact that, because of our geography, our economy is heavily dependent on the United States. The government should focus its efforts on that market rather than divide its resources among less critical files.

We also have a number of other major trading partners, including South Korea, China and the United Kingdom. The government should make it a priority to recapture those markets. Despite its strong economic growth, Panama will never be more than a relatively small market for us. The impact of this agreement will therefore be small, as I have said several times already.

Of course, diversifying our trading partners is a good thing and makes us less vulnerable to the ups and downs of certain markets. Despite its relatively small economy, Panama is important. It has been experiencing significant economic growth and is one of Canada's major trading partners in Latin America.

• (1125)

The country has also been making significant progress in matters of governance and democracy. In a way, a free trade agreement would recognize that progress. It is also worth noting that the new Panama Canal will be of critical importance to global trade. The region will probably continue to experience strong economic growth and will become an even larger commercial hub once the new canal opens. Strengthening our relationship with Panama is no doubt a good move.

However, we cannot ignore the issues of tax evasion and money laundering. Canada loses millions of dollars every year because of such illegal activities. With a free trade agreement in place, we will be entitled to ask for greater fiscal transparency to combat tax fraud.

In addition, certain environmental and humanitarian issues need to be raised with the Panamanian government. The working conditions in Panama do not even come close to those of our workers. Salaries are extremely low and working conditions are far from good for everyone. This free trade agreement will open our market to Panamanian companies. We are within our rights to ask Panama to improve its working conditions. Clearly, a company that underpays its employees and makes them work 12 or even 16 hours a day does not deserve to be able to sell its products in Canada and compete with equivalent products that, of course, cost more to produce here.

The government must also require certain environmental guarantees. But, of course, I am not holding my breath in that regard. This government is not doing anything for Canada's environment and so I doubt it will do anything for Panama's. Coming from this government, such demands would have no credibility.

In closing, I would like to reiterate my support for free trade with Panama. However, I believe that we should sign a tax information

exchange agreement with this country. This would help us to increase transparency and would give us more tools to combat tax evasion and money laundering in Panama.

Nevertheless, we should first put all our energy into recapturing our core markets. Canada must speak up. Canadians expect this government to protect their economic interests on the international stage. The Conservatives should focus more on our economic relationship with the United States and try to make it honour the free trade agreement because, as I mentioned in my speech, our economy depends heavily on the United States. Panama has only a very small influence on our economic health.

I am therefore asking the Conservatives to focus all their energy on the relationships with our largest trading partners. Given the fragility of the current economic situation, we simply do not have the luxury of ignoring our core markets, nor do we have the flexibility to do so.

• (1130)

**Ms. Paulina Ayala (Honoré-Mercier, NDP):** Madam Speaker, I believe that negotiating free trade agreements country by country shows a lack of ambition because there is no broad, regional vision. I have a question for my colleague about that.

If we examine European agreements, we see that the discourse in the European Union is such that free trade agreements establish winning conditions for long-term co-operation in order to achieve respectful and successful trade relations.

Do you believe that Canada relies simply on an economic criterion when developing its free trade agreements and that we do not have a regional vision for the Americas?

**The Deputy Speaker:** The hon. member for Saint-Léonard—Saint-Michel has the floor, but I would once again remind all members to address their questions to the Speaker.

**Mr. Massimo Pacetti:** Madam Speaker, I would like to thank the new member for the question. Her riding is next to mine.

If I have understood her question, free trade agreements should be bilateral and multilateral at the regional level. I believe she mentioned Europe. Trade agreements with just the United Kingdom or a single country are no longer acceptable today. We must sign free trade agreements with all of Europe.

In principle, we should do the same thing with South America. I believe that this government is trying to sign agreements with Asia. However, Asia is not just one country. Some countries have problems with democracy. I believe we should move slowly and ensure that Canadian interests are protected in any free trade agreement that we sign.

*Government Orders*

•(1135)

[English]

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Madam Speaker, in reference to the U.S., my colleague made a valid point. Hundreds of thousands of jobs across Canada are very dependent on what is happening in the United States. There is an agreement between Canada and the United States. It is important for the government to put more of a priority on that agreement and try to protect Canadian jobs by ensuring that we have access to the American market. That should be the priority. It is not necessarily to take away from other free trade agreements. Rather, the government should recognize an important priority to all Canadians is to ensure that we have that secure market with our neighbour to the south, the United States.

I would ask my colleague to comment on the importance to Canadians across the country that the Government of Canada advocate for those healthy jobs that are here today because we export so much to the United States.

**Mr. Massimo Pacetti:** Madam Speaker, the Liberals always ask the toughest questions. I will try to answer that one.

I did not focus on the U.S. aspect in the sense of the problems we have had in the past. Since the Conservative government has come to power, it has been able to mess up the free trade agreement by giving up on the softwood lumber issue and paying all kinds of money. The lumber and pulp and paper industries in the U.S. have become much stronger by using our money. The Conservative government failed to negotiate with the Americans' on their buy American policy. We could not contribute there.

With any free trade agreement there is good faith and both countries expect to benefit from it. Both countries should benefit from it because there is economic activity that was not there before. The way to benefit is through trade, the exchange of goods and services. The services would include labour, which means that people in both countries would work. If we are unable to have the Americans uphold our free trade agreement with the U.S., I am not sure how successful we would be with respect to other trade opportunities.

**Ms. Elizabeth May (Saanich—Gulf Islands, GP):** Madam Speaker, I am pleased to rise today to speak to Bill C-24, the Canada–Panama economic growth and prosperity act.

Others in this House might not have been thinking throughout this debate of the famous palindrome: “A man, a plan, a canal—Panama”. As members know, a palindrome is something that reads the same forward and backward. Unfortunately, I cannot read this trade deal as anything but backward. When the “man” is the Prime Minister and the plan is this free trade agreement, we do not get anything very progressive. We do not get “a cana”l; we get a ditch.

We have a very small level of trade with Panama. While we see the Conservatives trying their best to gather up as many small trade agreements as possible, such as the one we passed with Jordan and this one with Panama, it is worth bearing in mind the level of trade that is currently at stake.

In 2010, there was just under \$214 million in trade in goods between Canada and Panama. We do not expect this to go up very

much even with a free trade agreement. If we look at previous free trade agreements with countries like Costa Rica and other small bilateral free trade agreements, we find that in a number of cases our trade has declined after signing the agreements.

We have a global trading framework already which includes the General Agreement on Tariffs and Trade, and under the Uruguay round the creation of the World Trade Organization. We are not labouring any longer as a global society of nations under high tariffs and protectionist measures. They have been mostly slashed.

What would one want in trading and approving a trade agreement with Panama?

We have heard much in this House of the need to improve labour rights within Panama. We have heard that Panama continues to be a nation that traffics heavily in narcotics and drugs, and the rest of the world would like to stem their flow. We also know that Panama is a country that has extensive money laundering problems. This agreement does nothing to address these issues.

When we look at the ways in which Panama has operated as a tax haven, according to the Organisation for Economic Co-operation and Development, Panama is one of 26 jurisdictions in the world that have not yet fulfilled their promise as of 2002 to provide tax sharing information. That would provide a greater understanding of when a country is operating unfairly and illegally to harbour revenue and wealth so that the country of origin cannot tax it properly.

The trade agreement with Panama unfortunately does not deal with any of these issues. It does not deal with narcotics trading. It does not deal with the tax haven problem. It does not deal with money laundering. It does have a side agreement to deal with labour, but we can already measure from previous efforts with such side agreements that they have no real effect on improving labour conditions in a country.

Through the 1990s there was a great increase in trade agreements and a great wave of globalization. Its triumphalism was the creation of the World Trade Organization, but things have slightly stalled since Doha and there is a little less triumphalism. Some people feel that trade, trade liberalization and greater economic activity, particularly greater strength and power to corporations, will raise all boats. Gus Speth, the former head of the United Nations Development Programme, famously said, “This kind of trade raises all yachts”, but it does not do much for the poor. It certainly does nothing to improve labour conditions. If we negotiate a trade agreement while turning a blind eye to the things about our trading partner that worry us, things like drug trafficking, money laundering, human rights abuses, tax havens and places to shelter income that should be taxed under public revenue elsewhere, it is unlikely we would be able to fix them later.



*Government Orders*

Turning to the text of the agreement, in article 1.06 there are some carve outs so that the agreement would not unfairly target multilateral environmental agreements. I wish the trade negotiators for Canada had listed all the agreements that are important. They certainly have carved out the ones that were listed in NAFTA, such as CITES, the Convention on International Trade in Endangered Species, the Montreal protocol on the ozone layer, the Basel convention on the transport of hazardous materials, the Rotterdam convention on trade in hazardous goods, and the Stockholm convention on persistent organic pollutants.

• (1140)

A startling omission, since both Panama and Canada are parties to the United Nations Framework Convention on Climate Change, is that the framework convention on climate change is not listed as an agreement that would be protected against any incidental accidental implications from this trade agreement to climate policies. As we speak, both Canada and Panama remain parties to the Kyoto protocol, although we know that Canada has signalled its intention, quite shamefully I may add, to withdraw from its legal commitments there. I would not expect to see the Kyoto protocol in this agreement, but I certainly expected to see the framework convention on climate change, to which both countries are currently committed.

More concerning are the sections that appear in chapter 9 of the Canada-Panama free trade agreement. Chapter 9 deals with the quite devastating investor-state provisions.

It sounds like the most boring of topics, an investor-state provision. What could it be and why do we care? I want all Canadians to care. This provision is our innovation. We were the first anywhere on the planet to create this provision. It was done in NAFTA. In NAFTA, it is chapter 11. In the Canada-Panama agreement it is chapter 9, but it has the same effect.

There was an effort to make this kind of provision global. Some may remember the efforts were negotiated within the Organisation for Economic Co-operation and Development. It started within the World Trade Organization, but it stalled there. At the WTO they were called multilateral investor agreements. They regrouped and went to the OECD and called them the multilateral agreement on investment, the MAI instead of the MIA. It stalled and failed there. Thank goodness. It was the result of widespread grassroots opposition.

It is the first truly global campaign I have ever seen where grassroots groups using the Internet reached out to each other. I remember one parliamentarian saying to me at the time, "I can't imagine that any Canadian citizen is really worried about something called the multilateral agreement on investment". He came back to me a few days later, after he had been on an MPs' study tour and said that while he was paying for gas at a station in Corner Brook, Newfoundland, he saw on a clipboard a petition to stop the MAI. It contained several pages of signatures.

Why do Canadians at the grassroots and people globally not want more investor-state provisions? I should say that once it failed at the OECD, largely thanks to France, but other countries ran to catch up, once it failed there, they abandoned it. By they I am referring to the corporate entities that are pursuing the notion that corporations should have powers superior to those of elected legislatures. The

essence of an investor-state provision is that multilateral corporations should be able to trump decisions made by democratically elected parliaments and legislatures around the world and they should be able to sue a country if that country passes legislation that a corporation does not like. That is the essence of it. It is not in any traditional way an expropriation.

They have taken it from global to doing it BIT by BIT, literally the acronym BIT, bilateral investment treaty, such as this one. They are collecting up by BITs to replace what they could not do directly, a global agreement that allows corporations to sue governments when governments take action, even when that action is not in any way designed to inhibit trade. It is as such when Canada banned a toxic gasoline additive, or when Canada took steps to ban the export of PCB contaminated waste pursuant to the Basel convention I mentioned earlier, or in the very sad and tragic case of Metalclad, a U.S. corporation. Metalclad wanted to put a toxic waste site next to a little community in Mexico called San Luis Potosi. The people of San Luis Potosi said no, that it was too close to their water source and they would not let that giant U.S. corporation, Metalclad, put its toxic waste disposal facility there. Under chapter 11 of NAFTA, Metalclad sued the federal state of Mexico.

This agreement means that any corporation with a mailbox in Panama can claim to be an investor and sue Canada at the municipal, provincial or federal levels for any decision it does not like, that it feels impedes its expectation of profits.

In the case of poor little San Luis Potosi, Mexico ended up owing Metalclad just under \$17 million.

• (1145)

I fear that my time to speak to this agreement may be coming to a close. I want to conclude by saying firmly and clearly that we must learn from what has gone wrong with chapter 11 of NAFTA and stop including investor-state provisions as an automatic, unthinking addition to every single trade agreement we negotiate.

**The Deputy Speaker:** The hon. member for Okanagan—Shuswap.

**Mr. Colin Mayes (Okanagan—Shuswap, CPC):** Madam Speaker, I appreciate the comments from my colleague.

One of the issues I have is that history has proven that as countries become more prosperous, average family income goes up, life expectancy goes up, as does the amount of freedom in a country. If my colleague went online to a YouTube video called "200 Countries, 200 Years", she would find those facts recorded there.

Why would the member be against a free trade agreement with Panama that is going to increase not only those people's place in life as far their family income is concerned, but also their life expectancy and freedoms in their country? Would the member not support the agreement just on those grounds?

*Government Orders*

**Ms. Elizabeth May:** Madam Speaker, I tried to be very specific in my response to this proposed treaty, specifically the investor-state provisions.

It is true that when a country is not prevented from selling its goods by tariff barriers, there is a trend toward improved incomes. I will not deny that for one minute, but the member should to ask the people of San Luis Potosi whether they feel that the NAFTA agreement advantaged them.

There are consequences to these trade deals that we should now be able to examine forensically. We should now be able to ask where our good intentions went wrong and how can we improve on the model. Trade agreements in other regions have not included investor-state provisions, and I mentioned the European Union as one example, and the trade bloc in Latin America is another. Investor-state provisions are not a necessary ingredient to improving one's trade relationships. In fact, they are a poison pill.

• (1150)

**Mr. Bruce Hyer (Thunder Bay—Superior North, NDP):** Madam Speaker, as is often the case, the hon. member for Saanich—Gulf Islands has done her homework exhaustively and remembers most of it without a note. She has provided us with quite the shopping list of incredible reasons why this is flawed legislation and a bad idea.

My question for the hon. member is whether or not she believes this bill is hopeless given the huge list of flaws she has identified. Is there some hope that with amendments she could actually be in favour of this bill? If so, what are the key elements that would cause her to consider changing her mind?

**Ms. Elizabeth May:** Madam Speaker, I do not think any piece of legislation before this House is hopeless. With sufficient amendments, even the worst bill can be remedied. Sometimes that may mean deleting most of it and starting over.

However, in this case, I think there are some very specific areas. As I mentioned, if we included the United Nations Framework Convention on Climate Change in chapter 1 of the trade deal at annex 1.06, it would certainly improve the bill.

I would strip out all of chapter 9. I do not think there is anything that could be saved in chapter 9. The whole notion of investor-state provisions is unworkable.

For the rest of it, if we were to replace chapter 9, we could replace it with firm commitments from Panama to provide full banking information so that its banks could no longer function as tax havens, and further firm commitments to work with Canada and other countries to eliminate its narcotics traffic.

There are other elements to protect labour and environmental rights that could be inserted, but I imagine my time to answer this question has expired.

[*Translation*]

**The Deputy Speaker:** The hon. member for Brossard—La Prairie for a very quick question.

**Mr. Hoang Mai:** Madam Speaker, I thank my colleague for her presentation.

With respect to this bill, does my colleague have any recommendations concerning the environment?

**Ms. Elizabeth May:** Madam Speaker, I thank the hon. member for Brossard—La Prairie for the question.

A completely different approach is needed. The European Union has regulations that compel member countries to use the highest standards to protect the environment in their trade transactions.

[*English*]

If we did the same thing here, we would say that Panama must improve its environmental standards to be at least equal to Canada's, and that Canada will provide trade assistance to make sure it is able to do that.

[*Translation*]

**Mr. Hoang Mai (Brossard—La Prairie, NDP):** Madam Speaker, I am pleased to rise here today to speak to Bill C-24 to implement the free trade agreement between Canada and the Republic of Panama—and there is something else after that title.

At present, we have time to discuss and debate. I would like to point out that the NDP supports free trade agreements. We agree that Canada must trade with other countries. We realize that the Canadian economy relies on trade. So we have no problem with that. However, in this case, we believe that the government is not showing any leadership. Yes, it negotiated this agreement with another country, but why did it take such a narrow-minded approach? Why not look at more countries, in order to really establish better criteria?

I am not sure if any of my Conservative colleagues have read it, but I highly recommend the book *Fair Trade for All* by Joseph Stiglitz, a Nobel Prize winner in economics. The book looks at sustainable development—which we are trying to promote—and global fair trade. It also talks about strengthening ties in order to fight poverty and the problems of inequity. I would like to give my colleagues across the floor a little wake-up call: Canada and many other countries have a huge problem with inequity.

According to the OECD and the Conference Board, there is a huge and ever-increasing gap between the rich and the poor. And it is growing faster in Canada than it is in the United States. The OECD can prove it. So we have some problems in that regard.

I would now like to discuss more specifically this bill dealing with the free trade agreement with Panama, which poses two problems. First of all, Panama is a known tax haven. That presents a problem when it comes to doing business and negotiating with a country. Certain clauses must be taken into account, especially regarding tax evasion. The Quebec branch of the Association for the Taxation of Financial Transactions and for Citizens' Action recently prepared a submission on Panama and concluded that such an agreement would be tantamount to legitimizing a tax haven.

I invite my colleagues to read a December 2010 article from *Le Devoir* that says that “Panama is a tax haven, and not just any tax haven: it is one of the most active, one of the least co-operative and of the most integrated with organized crime”. Those comments were made by people from the outside. If we are going to conclude an agreement with Panama, then there needs to be more leadership with regard to tax evasion.

*Government Orders*

As the national revenue critic for the official opposition, I find that the government has not done enough. We will see in today's budget, which we are anxiously awaiting. A motion was moved at the Standing Committee on Finance to continue the work done in the previous parliamentary session, but, unfortunately, the motion has been set aside. I hope that the members opposite will accept the motion, which will be debated on Tuesday. The motion proposes that we use all necessary means to address tax evasion and tax havens. I think that my colleagues can agree on that. We are talking about revenue that Canada is losing through fraudulent means. I cannot see why we would not address these problems. I should mention that the Liberals did not do much about this either.

To come back to the agreement, one of the major problems is that Panama has refused to sign a tax information exchange agreement. That is very disturbing considering that Panama is known for its money laundering activities, including money from drug trafficking.

When the committee considered the bill during the 40th Parliament, Todd Tucker, from Public Citizen's Global Trade Watch, provided a very interesting testimony.

● (1155)

He made a compelling case that Panama is one of the world's worst tax havens and that the Panamanian government has deliberately allowed the country to become a tax haven.

In his statement, he said:

...Panama is one of the world's worst tax havens. It is home to an estimated 400,000 corporations, including offshore corporations and multinational subsidiaries. This is almost four times the number of corporations registered in Canada. So Panama is not just any developing country.

...for decades, the Panamanian government has pursued an intentional tax haven strategy. It offers foreign banks and firms a special offshore licence to conduct business there. Not only are these businesses not taxed, but they're subject to little to no reporting requirements or regulations.

We believe that signing a free trade agreement that does not include a tax information exchange agreement with a country known for its lack of transparency and for being a tax haven is tantamount to promoting tax evasion. The government has to do something about that problem.

Proposals were made in committee. My colleague from Burnaby—New Westminster, the finance critic for the official opposition, worked very hard and proposed amendments that would have made it possible to support this bill. And then there are the component on workers' rights and the problems from an environmental standpoint, which I will come back to if I have time.

My colleague from Burnaby—New Westminster had proposed delaying the application or even the implementation of this agreement until Canada and Panama signed an agreement for the exchange of taxation information. Unfortunately, the Conservatives and Liberals defeated the motion, since both parties claimed to be satisfied with the double taxation component.

As we know, this does not address the issue of transparency or the fact that Panama is still considered a tax haven, nor does it fix the problem of information exchange.

I do not understand why the Conservatives and Liberals do not want to deal with tax havens and go after these funds.

Canadians are currently being asked to tighten their belts. The government is going to table an austerity budget. Yet, it is possible to generate revenue without necessarily cutting spending and jobs. It is possible to generate revenue from criminals—let us call a spade a spade—who exploit tax havens. Some do so legally, others illegally. Why not deal with that?

I was very disappointed that the Standing Committee on Finance refused to conduct this study. I hope that next time, on Tuesday, in the Standing Committee on Finance, the government will agree to undertake a more in-depth study of this.

Moreover, today and tomorrow, there is a conference on tax havens. I would invite my colleagues opposite to attend it.

This issue is very important. It is pathetic that such an incredible amount of money is being lost.

The Canada Revenue Agency has been called upon to address this issue, as has the Minister of National Revenue. We hope that certain problems will be addressed, otherwise we will be faced with a fiscal crisis, especially given the government's decision to cut corporate taxes and allow tax havens to exist unchecked. There are a lot of problems. We are realizing this, and are losing money. Unfortunately, the government is not doing anything about it.

Then there are workers' rights, another very important subject: when free trade agreements are unfair, workers—and, therefore, the public—lose money. It is a violation of their rights, including the right to bargain. It is an attack on the rights of the middle class, which supports the economy and the whole country. It only increases the gap between the rich and the poor.

● (1200)

**Ms. Hélène LeBlanc (LaSalle—Émard, NDP):** Mr. Speaker, I would like to thank my colleague for his speech, which was very interesting, particularly his explanation of the flaws in this free trade bill.

He mentioned a writer, Joseph Stiglitz, who said that we can sign free trade agreements that are fairer and more just.

I would like him to elaborate a little on the recommendations made that well-known writer's book.

**Mr. Hoang Mai (Brossard—La Prairie, NDP):** Mr. Speaker, I would like to thank my colleague for her question.

The author is indeed Joseph Stiglitz, a Nobel Prize winner in economics who wrote a book specifically about how to ensure that trade is fairer and more just.

His analysis was based on the agreements that have been signed. One of the things that has to be considered is fighting poverty. The time to do that is during negotiations, and that is where we are at present.

*Government Orders*

Earlier, we heard the Liberals saying it was better to sign right away and fix the problem later. I think that would mean missing a good opportunity. When you are negotiating, you really have to think about sustainable development, the environment, and some kind of balance when it comes to social justice. That can be done. We are living in a period of globalization and trade is on the rise. Canada is part of that world, and so trade is important. In negotiations, we must consider not only the interests of the multinationals, as is the problem now, but also sustainable development and making everything fairer.

• (1205)

[*English*]

**Ms. Lois Brown (Parliamentary Secretary to the Minister of International Cooperation, CPC):** Mr. Speaker, it is good to have another Speaker here because I can start reading from the agreement. The last Speaker was a little disturbed that I was maybe reading a little too much.

I have read Joseph Stiglitz, and he does promote some interesting ideas.

The bill we are discussing today would implement the free trade agreement, an agreement that is rather lengthy and has quite a number of things set out in it that we would work on together. I refer him to article 20.06 which talks about co-operation to promote increased transparency. Under that, it has a number of definitions and anti-corruption measures.

Could he tell me if he has read those and why does he oppose them?

[*Translation*]

**Mr. Hoang Mai:** Mr. Speaker, I would like to thank my colleague for her questions.

Yes, I have read them and I am aware of them. These amendments clearly propose that we sign a genuine free trade agreement. We are now talking about co-operation. We want action; we want something concrete. Unfortunately, the problem is that the government still has a very narrow vision.

Has an agreement to exchange tax information been signed? No. That is what we are saying.

**Ms. Elizabeth May (Saanich—Gulf Islands, GP):** Mr. Speaker, the question I would like to ask my colleague from Brossard—La Prairie relates to the process associated with trade agreements and free trade agreements.

All negotiations with other countries are over before the bills get here. The Prime Minister is making announcements about a free trade agreement with China, and another one with Japan.

What does he think the role of members is when free trade agreements are signed before they can be debated here?

**Mr. Hoang Mai:** Mr. Speaker, I would like to thank the leader of the Green Party for her question.

I agree with her that this government is not entirely transparent and often presents us with a *fait accompli*. We see this in virtually every regard.

When we want to debate, it gags us, and when we want to talk about something as fundamental as a free trade agreement, it presents us with a *fait accompli*. And when we propose amendments, it rejects them. There has been no real public debate about this. None of the groups that work to protect the environment or to protect workers' rights have been heard.

The real role of the government and the House is to discuss and debate all the issues from various angles. Unfortunately, this government is very much lacking in transparency.

**Ms. Laurin Liu (Rivière-des-Mille-Îles, NDP):** Mr. Speaker, I am pleased to rise today on Bill C-24, a bill to implement the free trade agreement between Canada and the Republic of Panama, signed in May 2010, and the related agreements on labour co-operation and the environment.

I remind members that the predecessor to this bill, Bill C-46, died on the order paper when the 40th Parliament was dissolved, because the Conservative minority government was unable to get the bill passed by a parliamentary majority. Today, emboldened by its parliamentary majority, the government is trying to foist this bill on Canadians despite the fact that 60% of Canadians voted against this government.

Allow me to briefly remind members why this agreement is at the root of so much controversy.

To begin with, there is the issue of tax evasion. Panama is known as a tax haven because it offers taxation advantages to non-resident investors. It provides foreign banks and companies with extra-territorial licenses that allow them to conduct business in Panama. Not only are these companies not taxed, they are subject to very few, if any, obligations.

The local authority's soft line on taxation, banking and legal matters has enabled this country of three million inhabitants to become the financial centre of Central America, with the second largest naval fleet in the world due to ships flying flags of convenience. Shipowners choose this flag because of how unrestrictive it is in terms of taxation, safety and crew labour rights.

As everybody knows, the Republic of Panama has refused to sign a tax information exchange agreement with Canada. That is very worrying given the high volume of money laundering activities in Panama, especially money from drug trafficking. There is no fiscal transparency in Panama, which in the past has led to the OECD and G20 labelling Panama a tax haven.

In the opinion of Alain Deneault and Claude Vaillancourt, from Attac-Québec—a group that combats tax havens and fights in favour of taxing financial transactions—Panama is certainly one of the tax havens that is the most active, the least co-operative, and the most closely tied to organized crime. I quote:

Panama's bad reputation is certainly well-deserved. This country's main economic activity is to provide financial services to drug traffickers and multinationals.

Moreover, Patrice Meysonnier of France's judicial police has no hesitation calling Panama a narco-state that is responsible for laundering a large share of the planet's dirty money.

*Government Orders*

Closer to home, we know that certain Hells Angels leaders in Quebec, who have been on a wanted list since the beginning of Opération SharQc, have taken refuge in Panama. They moved to Panama because they have been able to launder large sums of money there and they hope that the local authorities will not unduly harass them.

On one hand, I find it particularly ironic that this government, which calls itself tough on crime, would enter into a free trade agreement with a country that has become a shelter for criminals and their money without at least first obtaining a fiscal and banking co-operation agreement.

On the other hand, while this government prepares to table an austerity budget this afternoon, and is calling on Canadian families to tighten their belts, how can the government facilitate the erosion of the Canadian tax base by signing such an accommodating treaty?

While members of the G20 have stressed the importance of dealing with the problems caused by tax havens, once again the Conservative government is renegeing on its word and doing the exact opposite by opening up a new front to facilitate tax leakage. Honestly, what a farce.

Another problem with this bill is that the Canada–Panama trade agreement has no mechanism to protect the rights of workers that have so often been flouted in the past. Allow me to provide a couple of examples from last year, 2011.

Thirty-three employees of Panama Gaming & Services were laid off for trying to start a union. The Panamanian government did nothing to help them. These layoffs constitute a blatant violation of workers' rights and, more specifically, a violation of the International Labour Organization's Convention 87, which pertains to freedom of association and the protection of the right to organize, a convention that Panama has ratified.

• (1210)

Here is another example.

On July 8, 2011, security forces used violence to end a union demonstration, leaving at least six dead and 700 injured. Several hundred people were also arrested. The freedom to demonstrate was clearly violated.

The government regularly uses intimidation tactics on union leaders. For example, in the summer of 2011, the under secretary general of a large construction union was arbitrarily arrested and detained for a week. And that is not to mention all the anti-union laws passed by the country's current government.

It is important to remember that the right to strike is prohibited in the Canal Zone and that the government recently passed legislation to undermine the rights and freedoms of public servants. In the public sector, the minimum number of workers required to form a union was increased to 50 in order to make it more difficult to do so.

By signing a free trade agreement with Panama without requiring the country to take concrete action to protect the right of association and the right to strike, Canada is condoning the Panamanian government's actions.

I suppose that we cannot expect any better from this Conservative government, which, even here at home, has taken action that violates workers' rights. We need only think about the special bill that the government recently passed to suspend the right to strike of 3,000 pilots and 8,600 mechanics, baggage handlers and cargo agents who work for Air Canada. Bill C-33 was a fundamental attack on the right to freely negotiate a collective agreement.

One of the most worrisome aspects of the agreement is found in the chapter on investment. In fact, chapter 9 is modelled on chapter 11 of NAFTA, which allows a corporation to sue a government for creating barriers to trade by implementing a regulation.

According to Todd Tucker of Public Citizen, who appeared before the Standing Committee on International Trade on November 17, 2010.

...hundreds of thousands of U.S., Chinese, Cayman, and even Canadian corporations that can attack Canadian regulations by using aggressive nationality planning through their Panamanian subsidiaries.

I am very concerned that major foreign multinationals will be able to have trade tribunals challenge and perhaps even invalidate a decision made by a democratically elected government or parliament in order to protect public health or the environment, for example.

In the previous Parliament, the NDP presented a series of amendments in an attempt to address these shortcomings. Our colleague for Burnaby—New Westminster suggested adding provisions on sustainable investment, a requirement for fiscal transparency and provisions to incorporate workers' rights, especially the right to collective bargaining, into the bill. All these amendments were voted down by the Conservatives, with the support of the Liberals. This time we hope that the government will look more favourably on our amendments. I would like to recognize the work of my colleague from Burnaby—New Westminster in this matter.

Unlike the Conservative government, which has its sights set only on trade and profits, the NDP is proposing a trade policy that is fair and based on social justice and sustainable development. We want everyone, and not just big corporations, to benefit from economic development.

We believe that Canada's trade policy should be based on the principles of fair, sustainable and equitable trade, trade that builds partnerships with other countries that support the principles of social justice and human rights without ignoring the need to develop trade opportunities.

I know that I have just one minute remaining and I will close by speaking of the five pillars of the NDP's fair trade strategy.

First, we are proposing that an impact analysis of all international trade agreements be carried out in order to determine whether or not trade agreements negotiated by Canada benefit Canadian families, workers and industries.

Second, we are proposing that there be a guarantee that trade agreements negotiated by Canada strengthen Canada's sovereignty and its freedom to establish its own policy.

Third is the fundamental principle that all trade agreements must protect and promote human rights, which Canadians deem essential.

*Government Orders*

•(1215)

All trade agreements should also respect sustainable development and the integrity of all ecosystems. Last, any time the Government of Canada signs a free trade agreement, the decision to proceed with enabling legislation must be voted on in the House of Commons.

I will take questions now.

•(1220)

[*English*]

**Ms. Lois Brown (Parliamentary Secretary to the Minister of International Cooperation, CPC):** Mr. Speaker, the analysis that has been done on every free trade agreement that Canada has signed has made it better for Canadian families. We know it creates jobs and opportunities.

I know people in Newmarket—Aurora who are anxious to see a free trade agreement with Panama because, coming from communities in Panama, they have expertise in the language and culture. They would be very happy if we were to open the doors and allow them to do business with Panama.

I will read chapter 18 of the Canada-Panama free trade agreement with respect to labour. It states:

The Parties affirm their obligations as members of the International Labour Organization (ILO) and their commitments to the ILO Declaration on Fundamental Principles and Rights at Work (1998) and its follow-up as well as their continuing respect for each other's Constitution and laws.

Given that the free trade agreement states what labour agreements would be in place and given that chapter 17 talks about agreements on the environment, why does the member not see that this would open doors and opportunities for the people of Panama?

[*Translation*]

**Ms. Laurin Liu:** Mr. Speaker, to be perfectly honest, my constituents do not trust the government when it comes to workers' rights. The government violates workers' rights here at home and could not care less about the rights of workers in other countries.

I would like to remind the House that the hon. member for Burnaby—New Westminster proposed two amendments to protect workers' rights, one giving them the right to collective bargaining and the other requiring the Minister of International Trade, Canada's lead delegate to the Joint Commission on the Canada-Panama Free Trade Agreement, to consult regularly with Canadian workers and unions.

Why does the government not support these amendments?

**Ms. Hélène LeBlanc (LaSalle—Émard, NDP):** Mr. Speaker, it is perfect timing for me to address the House on this budget day concerning the Canada-Panama free trade agreement.

Clearly, Canada is becoming a leader in primary resource exports, and it seems to have found its niche: exporting jobs that belong to Canadian workers.

The day before yesterday, I met with the Aveos workers who demonstrated on Parliament Hill to express their indignation at the unilateral closure without warning of the company's three facilities in Montreal, Winnipeg and Vancouver. The Montreal region lost 1,800 jobs, and the only thing that the Government of Canada is doing

about it is asking the Standing Committee on Transport to study the issue. The Conservatives are in no hurry to protect workers and prevent companies from exporting jobs to the United States, Mexico, El Salvador or, in the future, Panama.

One thing is clear: on May 2 of last year, Canadians elected a strong and united NDP opposition to keep Canadian jobs in Canada.

People in the riding of LaSalle—Émard know that the Canada-Panama free trade agreement will lead to the loss of more jobs like the ones hemorrhaging from the aerospace, manufacturing and pharmaceutical research sectors in the greater Montreal area.

In the south east, plant closures have meant the loss of many precious jobs in Montreal. At this time, the people of LaSalle—Émard are once again feeling the threat of impending plant closures and further job losses. I have been assuring them that my NDP colleagues and I will do everything we can to stop that from happening.

As of February, Quebec had lost 70,000 jobs in the previous three months, including 8,000 in the manufacturing sector, according to *The Gazette*. That sort of hemorrhaging of jobs has not been seen since the 1981 recession. The overwhelming losses in Montreal speak volumes about this government's innovation strategy.

The new year was not a happy one for workers at the Johnson & Johnson pharmaceutical research centre. On January 10, they learned that the research centre on Notre-Dame Street in Montreal was closing, causing the loss of 36 permanent and 90 contract jobs. The next day, Sanofi announced that about 100 jobs would be lost.

Once again, the Conservatives' failure to act cost us good research jobs in Montreal.

The hemorrhaging continued in February, when 150 jobs were lost at Pfizer.

Next, British pharmaceutical group AstraZeneca announced that it was closing its research and development centre in Montreal after reorganizing its operations. The Montreal region lost 132 full-time jobs when that research centre in Saint-Laurent closed. At the same time, AstraZeneca announced a 23% increase in earnings for the fiscal year.

Next came the closure of appliance manufacturer Mabe, in eastern Montreal. Some 700 workers were laid off. Nonetheless, all the pieces were already in place in 2005, when the Mexican multinational bought Canada's Camco, which was the largest Canadian manufacturer in that sector.

In the final months of the 2010-11 fiscal year, the pharmaceutical company Merck Frosst announced its restructuring plans. It closed its centre for therapeutic research in Kirkland, on Montreal's West Island. Almost all of the employees were laid off. The media reported worries of a brain drain in Montreal.

Let us not forget the 1,300 Electrolux jobs that will be lost in L'Assomption, in the Lanaudière region, when the Swedish appliance manufacturer moves its operations to Memphis in 2013. Another 600 jobs were lost when White Birch Paper in Quebec City closed.

• (1225)

[English]

My fellow citizens in the rest of Canada have not been spared by the hollowing out of our economy. The Electro-Motive plant in London is a well-known case where 450 workers were laid off, which affected their families. They will not forget and neither will the NDP.

I also want to remind the House that Caterpillar recorded \$4.9 billion profits the previous year and profits were up by a whopping 83%.

In Hamilton, 1,500 workers at Nanticoke were no luckier than their Ontario and Quebec counterparts in 2009 when Stelco closed its shops in 2009.

[Translation]

I would like to share a thought with the members of the House on this day when we are debating the bill on the Canada-Panama free trade agreement and when the government is bringing down its first budget as a majority government.

[English]

In a very lucid article titled “The myth of Tory economic performance” in February, the *Globe and Mail* commentator rightly hammered home what all Canadians know: the Conservatives have, time and time again, painted a rosy picture of their management of the economy. The article states:

To talk of the Tory economic record, we might first address the reddened state of our treasury that’s occasioning the cuts in the coming budget. A pertinent question is whether our deficit is the result of natural economic factors or whether it owes itself to vote-getting political expediency.

In this context, let’s recall a few things. Let’s recall the two-point GST cut that tore a giant hole in the revenue base, accounting for a good deal of the deficit. Let’s recall the precession spending – having inherited a \$13-billion surplus, the [Conservative] team spent so excessively that we were close to a deficit by the time the recession began. Let’s recall the slashing of corporate tax rates and the government’s easing of mortgage rules and backing of risky loans that further bled the treasury.

Put it all together and what it shows is that, with more prudent fiscal management from the same guy who lectured other countries on debt in Davos, we could have coped with the recession without driving our treasury into a large deficit hole.

• (1230)

[Translation]

As the commentator says, the reality of the Conservatives’ economic management is that jobs are being lost and factories are moving abroad. What the Canada-Panama free trade agreement and the Conservative majority government’s budget have in store are painful cuts to our research and manufacturing sectors, which is why I am opposed to Bill C-24.

The NDP strongly believes in an alternative and a better form of trading relationship that can be established with Panama and any other country.

We have to have a fair trade policy that puts the pursuit of social justice, strong private-sector social programs and the elimination of poverty at the heart of an effective trade strategy.

Canada’s trade policy should be based on the principles of fair, sustainable and equitable trade, which builds trading partnerships

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with other countries that support the principles of social justice and human rights while also expanding business opportunity.

We must ensure that the trade agreements Canada negotiates support Canada’s sovereignty and freedom to chart its own policy.

We must adopt a fundamental principle whereby all trade agreements must respect fundamental international labour standards and human rights, and whereby policies are drafted to respect sustainable development and the integrity of all ecosystems.

Moreover, any time the Government of Canada signs a free trade agreement, the decision to proceed with enabling legislation should be subject to a binding vote on whether or not to accept the terms of the agreement.

In closing, I would like to express my gratitude, on behalf of the people of LaSalle—Émard, for this opportunity to speak in the House.

[English]

**Ms. Lois Brown (Parliamentary Secretary to the Minister of International Cooperation, CPC):** Mr. Speaker, there was a great deal in my colleague’s speech that had nothing to do with the Canada-Panama free trade agreement but she did talk about being fair to the people of Panama.

We know that Canada faced a global recession that was not of our making. It came from outside our borders. Canada weathered the storm far better than any other country in the world. We have created over 610,000 net new jobs in this country and we are seeing growth and prosperity. There is much more to do and we know, from other research that has been done, that free trade agreements raise all boats. Here is an opportunity for a free trade agreement that would give the people of Panama opportunity.

I wonder if my colleague could comment on why it is the NDP wants to disallow the Panamanian people from having jobs and opportunities.

[Translation]

**Ms. Hélène LeBlanc:** Mr. Speaker, I want to thank the hon. member for her question. I would like to mention that we are in favour of increasing our potential number of trading partners. However, we are in the process of negotiating piecemeal agreements that have no global vision and do not contain the necessary parameters to help Panamanians and Canadians. That is why I am opposed to this bill.

**Mr. Hoang Mai (Brossard—La Prairie, NDP):** Mr. Speaker, I would like to thank my colleague and congratulate her on her excellent speech. This bill deals with a free trade agreement with Panama. Rather than simply oppose everything, we have proposed changes with respect to workers’ rights. We believe that these rights need to be taken into account if we are to help the people of Panama and of Canada.

Why, in my colleague’s opinion, should we protect the rights of workers in a free trade agreement with Panama?

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• (1235)

**Ms. Hélène LeBlanc:** Mr. Speaker, it is important to know that free trade agreements are being entered into almost exclusively for economic reasons. In my opinion, the economy is a means and must not come at the expense of people. When the Conservatives negotiate free trade agreements, they do so solely with economic motives in mind and they do not take into account the rights of workers and the inequalities and gaps, which are increasingly large in our modern society.

[*English*]

**Ms. Megan Leslie (Halifax, NDP):** Mr. Speaker, I appreciated my colleague's history lesson. There is a lot to be learned from it such as what can go right or wrong and what we should reconsider for the future.

I would like to hear her comments about what we can learn from these NAFTA-style agreements, which were intended to be between two nations of relatively equal bargaining power, countries from "industrialized" nations that would work together on these trade deals. However, this is a trade deal where we put Panama, a developing nation, in place and it sets up a relationship of exploitation. These trade deals should not be about that.

Does she have comments about that?

[*Translation*]

**Ms. Hélène LeBlanc:** Mr. Speaker, I agree entirely with my colleague. Indeed, this free trade treaty is being entered into by two partners that do not have the same power or population size. What trade do we have with Panama? What will the agreements be? Why not have, as we proposed, agreements that encompass bigger regions, so that we can negotiate as equals?

[*English*]

**Ms. Jean Crowder (Nanaimo—Cowichan, NDP):** Mr. Speaker, I rise to speak to Bill C-24. Back on February 7, 2011, I spoke to the bill when it was Bill C-46. Sadly, the concerns I raised then have not been addressed.

I also want to acknowledge the very good work that has been done by the member for Windsor West and the member for Burnaby—New Westminster. Back in those days, the member for Burnaby—New Westminster proposed a number of amendments to the free trade agreement, including amendments that would deal with some of the issues around sustainable development and investment. The government did not see fit to incorporate these amendments.

As well, that bill had gone to committee, had some extensive review and had a number of concerns raised around labour, human rights and the investment climate. Again, none of those concerns were taken into consideration when the bill was resubmitted to the House.

Members can probably gather by the tenor of my introduction that the NDP is opposed to this bill for a number of reasons. One of those concerns is the poor record of labour rights in the country. I did mention the fundamental flaws that were addressed by amendments proposed by the member for Burnaby—New Westminster.

The government talked about taking on tax havens. However, one of the most glaring flaws in the agreement is that tax disclosure

issues have yet to be meaningfully addressed, despite protestations to the contrary by the Panamanian government.

Often in the House we will hear members opposite talk about the NDP never seeing a trade agreement that it liked, and it is for a very good reason. In fact, we have actually supported a trade agreement. However, what comes up consistently is the fact that the government continues to negotiate trade agreements that do not take into consideration the social and economic justice that we think is fundamental to what should be included in them.

The government also does not negotiate these agreements in an open and transparent way. We only have to look at what is happening currently with the CETA agreement. I know that I and many members of the House get numerous emails about the fact that this agreement has been negotiated behind closed doors, that we do not know what the impact will be on our agricultural communities, on pharmaceuticals, on access to natural health products and that our municipalities may be hampered in their procurement processes.

This is just an example of an agreement that could have a very far-reaching impact, and yet Canadians have no input. They have no ability to get at the very meat of what the agreement is about.

When we talk about how we should negotiate these agreements, Panama would have been a great start to having a fair trade agreement versus a free trade agreement. One of the fundamental principles is fair trade. I want to talk about some of those principles and what is absent in the Panamanian agreement.

This is an older article, but I thought it did a very good job of outlining the principles of fair trade. It is from the Canadian Centre for Policy Alternatives, Richard Tarnoff, in October 2004. In this article he says:

While the principles of "fair trade" have been around for a long time, and are primarily based on ideas of human rights and economic justice, the fair trade movement is a relatively recent development. To a large degree, it is a response to the rapid growth in the global economy, in which more and more of what we consume is being produced in Third World countries, where labour and environmental standards are low or non-existent.

He talks about both the principles of fair trade and the fair trade movement. Many of us are very familiar with the fair trade movement. Many of us, when we go to buy our coffee, look to see if it is fair trade certified. There are also principles that apply to fair trade when negotiating these kinds of international agreements.

Tarnoff goes on to say:

One response to this situation has been the effort by labour, environmental and human rights organizations to have minimum standards included in trade agreements. Sometimes described as the demand for "fair trade rules," these efforts have been vigorously opposed by the multinational corporations for the obvious reason that this is what makes production in Third World countries so profitable.

When he talks about profitable, he talks about how, in these countries, people are paid grim wages, not remotely close to living wages, often in desperate working conditions. Canadians benefit from those kinds of working conditions. We would not want to see any of our neighbours, our children, our brothers or sisters working in those kinds of conditions. Yet because we continue to negotiate the kinds of trade agreements that are before us today, we continue to profit from somebody else's misery.



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•(1240)

I will not go over all the principles of fair trade that he outlined, but I want to touch on a couple. I can imagine Canadians listening to this would say that this makes absolute sense, that a trade principle should be that there would be no forced labour and exploitive child labour. It makes sense. We would not want to see young children working 10, 12 hours a day in hot, overcrowded conditions with no lunch breaks, no adequate remuneration. Never mind remuneration, why would we exploit them in the first place children? Most Canadians would agree that makes sense.

What about encouraging sustainable production techniques? It would make sense that when we import agricultural products from countries, we would want to ensure that they would be sustainable, that they would not use the kinds of pesticides not accepted in Canada, that their workers would be protected from access and that they would have all the safety standards and safety equipment needed so when they handled pesticides and herbicides, they would not become ill. The life expectancy of many farm workers in developing countries is so low it is embarrassing.

Another principle is that working conditions be healthy and safe. That just makes sense. Too many of us have heard the horror stories about children who have been trapped in factories as they have burned down because there are no exit doors. They have long days with no breaks, working seven days a week and not having adequate living conditions when they leave those factories. Working conditions that are healthy and safe just make sense.

Another principle is that equal employment opportunities be provided. This means women have access to good paying jobs, that they are not disadvantaged, that they have access to management jobs in some of these factories and that all aspects of trade and productions are open to public accountability.

Recently we saw the backlash against Apple when it turned out that some of the factories producing some of its component parts were not open and public and that the public was demanding the kind of a accountability to ensure workers were not being taken advantage of.

This is a bit of an aside, but it does link to the trade agreements. Tarnoff goes on to say:

It is not only Third World farmers who have become victims to the economics of globalization. Many small farmers in Canada and the U.S. have found themselves struggling to survive in markets dominated by giant corporations. One solution has been the development of a type of "fair trade" called Community Shared Agriculture, in which urban customers enter into agreements to have a local grower supply them with all their produce for the year. So far, over 1,000 farms in North America have made this arrangement.

When we talk about sustainability, ensuring that there is not exploitive practices, Canadians can support our local farmers, get to know them and buy their produce. Community shared agriculture is a way to ensure that farmers stay in business, especially the smaller farmers.

My riding of Nanaimo—Cowichan has a number of CSA farmers, and I am proud to be one of their supporters. We also have a fisherman who has taken the initiative to have a community supported fishery, so he does the same thing as the agriculture sector. He sells shares in advance so he can ensure he has a livelihood to

support himself and his family. That is the kind of community supported agriculture we should encourage both in Canada and in countries with which we develop trade practices.

He goes on in this article, and there has been criticisms from the multinationals about any concept of fair trade, to talk about some typical criticism that have come from some of the mainstream economists. He mentions Professor John Ikerd, professor emeritus of Agricultural Economics. He said it was interesting that when economics laws and theories about fair trade being ethically right and being social justice, how suddenly the multinationals and their friends talked about how harmful it would be for the economy.

We need to do a much better job of incorporating principles in trade that are not just about the bottom line. There has to be a social justice component of it so that workers and their families have access to adequate wages and income, that the environment is not damaged and that there is a reasonable and fair distribution of wealth.

I encourage all members of the House to vote against this legislation and send the government back to the drawing board so it can come back with a fair trade agreement, not a free trade agreement.

•(1245)

**Mr. John Rafferty (Thunder Bay—Rainy River, NDP):** Mr. Speaker, I am always very impressed when my friend and colleague, the hon. member for Nanaimo—Cowichan, speaks, not just because of her background and knowledge, but also because of the passion with which she speaks. I certainly appreciate that.

One of the passions we have on this side of the House is protecting jobs, ensuring that resources are protected and that secondary manufacturing takes place whenever possible. In this case, we are not just talking about Canada, we are talking about Panama and their point of view.

We have an expression in northern Ontario that Conservatives are always very happy to give away the trees and buy back the furniture. One of the things we have to do is ensure we protect jobs. We also have to ensure that Panamanian jobs are protected.

Would my colleague care to comment on that?

**Ms. Jean Crowder:** Mr. Speaker, the member for Thunder Bay—Rainy River and I share something in common from very different parts of the country. Nanaimo—Cowichan, where I live, is very rich in forestry resources, yet we see logging truck after logging truck going south, taking our jobs with them. In fact, in Nanaimo—Cowichan our sawmills are closing down and our pulp mills are in danger because they do not have access to chips.

When the member talks about protecting Canadian jobs, he is absolutely right. These trade agreements need to do two things. They need to protect Canadian jobs. They also need to make sure that we are not taking advantage of workers in developing countries through exploitive labour practices when they work in unsafe conditions, get paid dirt wages and die before an average life expectancy.

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If we want to have a reasonable approach, and as a rich country are we supposed to be upholding human rights, what are we doing negotiating trade agreements that are not protecting the rights of workers in Panama, Colombia and other countries?

**Mr. Fin Donnelly (New Westminster—Coquitlam, NDP):** Mr. Speaker, I want to thank my hon. colleague for her contribution to this debate. She outlined some of the principles that are fundamental to what we would call a fair trade agreement. She spoke of the economic piece, of course, but she also mentioned that the social and environmental elements are critical. She talked about human rights, labour conditions and environmental practices. Essentially, she talked about the inequity that would exist if this trade deal went through in its current form, notwithstanding some of the attempts we have made to make amendments.

If there were really true political will to address some of these issues would this side of the House, and would my hon. colleague, be supportive of this kind of trade deal that included these elements?

• (1250)

**Ms. Jean Crowder:** Mr. Speaker, the member for New Westminster—Coquitlam has been a tireless advocate on the environmental front, whether it is fish habitat, or as many Canadians know, when he swam the Fraser River a couple of times to highlight the kind of environmental destruction that was happening on the Fraser River. That is a very important piece of what New Democrats stand for.

New Democrats have made proposals for better trade agreements. We have talked about the fact that we need to look at the environmental, social and economic aspects. We cannot look at these in isolation, just pick one part and say it is good for the economy. What we have not had in this country is a really good and thorough review of whether these trade agreements have been good for Canadians, for our economy, for our environment and for jobs in our country. I would suggest that would be a good starting place, to look at the real impacts of those agreements on Canadian workers and then decide how to proceed with the trade agreement.

**Ms. Libby Davies (Vancouver East, NDP):** Mr. Speaker, I feel all fired up after hearing the member for Nanaimo—Cowichan. She gave a great summary of how the NDP feels about the bill and why we are opposed to it. I am pleased to rise in the House today to speak to Bill C-24, the free trade agreement between Canada and Panama.

This is not the first time that we have dealt with the bill and not the first time that we have fought the bill. It came to the House in the last Parliament. It was passed at second reading. It went to committee and many witnesses were called. It started to go through a clause-by-clause review. It was finally concluded in December 2010, but then died on the order paper at the dissolution of the 40th Parliament.

The legislation was reintroduced in November 2011. We do get to have another kick at the can, so to speak.

I just want to outline why we on the NDP side feel so strongly opposed to this bill and other trade agreements that we feel are exploitative, narrow and, as the previous member said, do not take a comprehensive approach.

I want to thank the labour movement, the Canadian Labour Congress. Individual unions have paid enormous attention to some of these bills. I remember the Canada-Colombia free trade agreement, which we opposed vigorously in this House for several years, as did the labour movement. We really feel that these trade agreements lay down a regime. They continue the NAFTA-style agreement that does not respect the integrity of human rights, that does not respect or even understand what needs to be addressed in the signing country and what Canada's role is in these agreements.

I think sometimes the Conservative government thinks that nobody is watching these innocuous bills, that these trade agreements are boring and technical, and that they will just slip through.

The fact is many groups pay attention to these particular trade agreements, whether it is the Council of Canadians, the Canadian Labour Congress or individual unions. I know the steelworkers did an incredible amount of work on the Canada-Colombia trade agreement because of their concern about labour rights and human rights in Colombia.

In my own community in east Vancouver, there is a whole movement of what is called fair trade. Commercial Drive is the first community in Canada that has a fair trade retail district. Stores are encouraged to purchase for their own use and to sell retail to customers products that have been obtained through fair trade practices, that are certified, transparent and healthy.

It is a consumer movement. It is partly in reaction to these massive trade agreements that are now being sent through this House, not just by Canada, but also by other governments. I do think it is important to know that there is an incredible amount of interest in the whole notion of fair trade that respects the rights, the environment and social justice in the country that we are trading with and also respects the need for jobs here in Canada.

This is a pretty large issue. If the government thinks it is just sort of sliding it through with no one watching, I think that is clearly not the case.

I want to highlight a couple of the things that we tried to do because, as the member for Nanaimo—Cowichan said, in the NDP we are not just opposing, we are actually proposing. We are being very proactive, putting forward amendments and trying to suggest what would improve a trade agreement.

When it went to the committee last year, the member for Burnaby—New Westminster was our trade critic at the time. He did an incredible job of providing awareness about this trade agreement and the Canada-Colombia agreement. He moved numerous motions to try to address some of the grievous aspects of the bill, and he focused on the fact that the bill would do nothing with respect to the tax haven environment in Panama.

*Government Orders*

•(1255)

I was not at the committee, but I know from the member that there were many witnesses who spoke about their concerns with the tax haven environment in Panama and its poor record on labour rights. The member valiantly tried to put forward amendments to address this. It is very distressing to know that both the Conservative and Liberal members of that committee shot down these amendments. Therefore, there were attempts made at committee to make this agreement a better agreement. It seems to me that is our job as legislators.

I think it is important to note for the record that the Canadian government has requested greater tax information and transparency from Panama. It is very concerning that Panama has refused to sign a tax information exchange agreement. In fact, this has led the OECD to label the nation a tax haven. Is this the kind of place we should be trading with?

We expect transparency in our country. Although it is a struggle, we are always working to ensure it happens. If we are to introduce a new agreement and develop a new trading relationship with a country, surely these are the kinds of provisions that should be front and centre in that agreement. It is very unfortunate that Panama refused to sign a tax information exchange agreement. That should sound a warning bell that there is a problem here.

The member for Burnaby—New Westminster moved a motion which would have burned the implementation of the trade agreement until Panama agreed to sign a tax information exchange agreement. However, that too was defeated.

He also moved amendments that would have required the Minister of International Trade to consult with labour and trade unions as well as work with human rights experts and organizations in order to create impact assessments for the trade agreement. To me, this is very important.

We recognize that there is a serious problem. There needs to be ongoing evaluation, assessment and monitoring. Surely our minister responsible for these areas should be able to consult with labour and trade unions as well as human rights organizations who work in this area to know what is happening on the ground. We are not talking about theoretical situations. We are talking about serious human rights violations. We are talking about serious labour violations where workers do not have the right to collective agreements or the right to strike. Their ability to organize as a union is sometimes threatened in a collective and personal sense. That is a very serious situation.

Therefore, it seemed to us to be a very reasonable suggestion to put forward as an amendment that the minister would want to know what was going on. He would want to consult with the organizations that are aware of these situations to be able to have impact assessments as part of the agreement. One would think that would have been supported, but no, that was defeated too.

The member also put forward amendments that would have protected trade union workers in Panama by offering the right to collective bargaining as well as requiring the Minister of International Trade as the principle representative of Canada to consult on a

regular basis with organizations in our country. That was defeated too.

The bill has a sorry history and it is back before us again. We will do our utmost to defeat the bill. It should go back to the drawing board. There should be a reverse in favour of an agreement that is based on the principles of fair, sustainable and equitable trade which builds trading relationships and partnerships with other countries, that supports the principles of social justice and human rights, while also expanding economic opportunities. That is what fair trade is about. That is what we should be doing in this agreement.

•(1300)

**Mr. Pat Martin (Winnipeg Centre, NDP):** Mr. Speaker, I thank the hon. member for Vancouver East for laying out some of the NDP's sincere and legitimate concerns about this bill and the points we have been trying to make. We have been urging the government to take into consideration and accommodate some of the reasonable concerns we have had about this.

I would like to focus on one comment my colleague made. Essentially the hon. member for Vancouver East was making the point that a free trade agreement with Canada is not a right; it is more a privilege.

In fact, if one wants to become a member of the community of free trading nations, one should be agreeing to a set of standards and rules that in fact stipulate that the standards of wages and living conditions in one's home country be elevated, complementing those high standards of wages and living conditions in the trading partner, in this case Canada. In other words, we should be raising up the conditions of these countries to our level and not allowing our standards to be pulled down to their level. It seems like a very straightforward notion, to my mind.

Is that in fact the basis of her objections to this agreement as it stands?

**Ms. Libby Davies:** Mr. Speaker, I would like to thank the hon. member for Winnipeg Centre for his very thoughtful comments.

Where is the freedom in this whole notion of free trade? Really, it is the freedom to move capital wherever one wants, without any rules and restrictions, in disregard for labour standards, jobs, human rights, the environment and social questions.

I think the hon. member is entirely correct when he says that the fundamental principles should be about upholding those rights as we know them in Canada. However, let us remember that those rights are also based on international standards as laid out by the International Labour Organization, such as the right to collective bargaining, the right to speech, the right to strike. There are a number of conventions that, regrettably, even Canada is not a signatory to. However, there are conventions that lay out these very important foundational principles.

I entirely agree that trade agreements have to be negotiated within the context of those and not in isolation and removed from them.

*Government Orders*

•(1305)

[*Translation*]

**Ms. Paulina Ayala (Honoré-Mercier, NDP):** Mr. Speaker, I would like to ask my colleague what she thinks about the government's vision regarding free trade agreements.

Do we find, in these agreements, the sincere ambition of a government to contribute to enhancing the quality of life of our economic partners? Do we find, in these agreements, Canada's undertaking to support these countries to improve social conditions, while honouring individual and collective rights, labour standards, and environmental and other standards?

In other words, is the government trying to capitalize on the weaknesses of certain countries in these areas?

[*English*]

**Ms. Libby Davies:** Mr. Speaker, one of the objections we have had is that this particular agreement is seeking to continue what we call the NAFTA model. Of course, NAFTA was the first big agreement that happened.

There was the failure of the free trade area of the Americas agreement, the FTAA. I know many of us were in Quebec City a number of years ago, protesting against that. It was shot down. Since its failure, now we see the Canadian government seeking to have bilateral agreements, but these are still based on the NAFTA model.

Therefore, I entirely agree with the hon. member's correct assessment of that model. It is a very narrow corporate model based on the flow of capital. It does not take into consideration labour rights, social rights, human rights, the environment and other social questions. That is why it must be rejected.

We are always told that we are against trade. Who could be against trade? We are not against trade; we are in favour of fair trade that is based on important international principles. Then we could advance good agreements that would actually benefit both countries and their workers.

[*Translation*]

**Ms. Hélène Laverdière (Laurier-Sainte-Marie, NDP):** Mr. Speaker, as we know, Panama is an important partner to us in this hemisphere. Having visited this country a few years ago and having worked with Panamanian counterparts in various contexts, I believe that it is truly a country with which we should have closer ties. However, these ties must be based on sustainable and fair principles that benefit both countries. Yet the free trade agreement that is before us today really does not meet these criteria. In fact, this agreement is problematic in a number of ways. I will not hide the fact that many of these problems are common to a number of our free trade agreements. Despite this, I would like to revisit some of these problems, as some of my colleagues have done.

To begin with, it should be noted that there are problems when it comes to environmental protection. I will not elaborate on these problems today, because many of my colleagues have described them at length and, in any case, my time is short. There are also problems as far as protecting workers is concerned. For example, under the system we will end up with, investors will have the right to request compulsory arbitration that they can conduct independently,

however a union can only file a complaint and it will be up to governments to seek and obtain remedies. Why this double standard? This is once again a whittling away of workers' rights. This is not good for Panamanian or Canadian workers. When you start chipping away at the rights of workers in another country, what happens? We have seen this in the past. Companies relocate jobs to these countries and we lose manufacturing jobs left, right and centre, as we have seen in recent years. In short, that creates a system where nobody benefits.

There is also a somewhat more specific problem in this case, and that is the absence of a tax information exchange agreement. This is a major problem. We know that, at best, Panama is in a grey area when it comes to its tax haven status. We believe that Canada must help Panama and encourage it to be more fiscally transparent. The negotiation of a free trade agreement is an opportunity to do just that. We want to work with Panama to help stop the money laundering that is, unfortunately, happening in the country, and to help stop the funding of drug trafficking. This is a problem that affects the entire hemisphere and that has tragic consequences for Panama, the hemisphere and Canada.

I think that we should really require Panama to sign a tax information exchange agreement. Some say that the double taxation agreement will be enough. If double taxation agreements were enough, tax information exchange agreements would never have been invented. Double taxation agreements apply to legitimate and official earnings, but the problem is all the other revenue.

We are being told that the double taxation agreement covers some ground, but my fundamental question is this: why not have a tax information exchange agreement? Why not?

•(1310)

Who stands to lose if such an agreement were signed? It would certainly not be Canada, and I do not imagine that Panama would either. In fact, such an agreement would help put Panama in a position to better meet international standards, for example, its obligations under the OECD.

What we proposed was very simple: suspend the free trade agreement until a system is in place for exchanging tax information. The Conservatives rejected this proposal. Why did they reject it? What is the rush? Are they going to tell us that our national economy is at risk, as they did with the Air Canada situation?

Bilateral trade between Canada and Panama represents less than 1% of our trade. There is no rush. We can wait. We can use our tools and energy to help Panama meet international standards. This would help Panama. It would help the entire hemisphere, and clearly, it would also help Canada.

Meanwhile, the free trade agreement does not include the exchange of tax information. What would be the impact of signing such an agreement? According to Mr. Tucker, the research director for Public Citizen's Global Trade Watch, this would make things worse for Panama. I would like to read some of what he said, because it is really very interesting and it gets to the heart of the matter.

*Government Orders*

The Canada-Panama trade deal would worsen the tax haven problem. As the OECD has noted, having a trade agreement without first tackling Panama's financial secrecy practices could incentivize even more offshore tax dodging. But there's a reason to believe that the trade deal will not only increase tax haven abuses but will also make fighting them that much harder.

Chapter 9 of the Panama agreement expands the investor-state system under NAFTA, under which Canada has paid out hundreds of millions of dollars in legal fees and compensation to U.S. investors. Canada's defensive interests are many in the case of the Panama pact, because there are hundreds of thousands of U.S., Chinese, Cayman, and even Canadian corporations that can attack Canadian regulations by using aggressive nationality planning through their Panamanian subsidiaries.

In short, the free trade agreement as written, without a tax information exchange agreement, will hurt Panama because it will worsen the situation there, increasing abuses and making fighting them even harder. It will also hurt Canada.

I will repeat my questions: why not wait, and why not include a tax information exchange agreement?

• (1315)

[*English*]

**Mr. Pat Martin (Winnipeg Centre, NDP):** Mr. Speaker, I thank my colleague, the foreign affairs critic for the NDP. We benefit greatly from her views. Having been a diplomat in the Canadian foreign service, she has first-hand knowledge and experience of some of these matters of which she speaks.

I ask the member this. How did we arrive at this position? It begs the question, were the people around table negotiating on behalf of Canada involved in some treachery? Were they merely incompetent? What was their bargaining position?

Where I come from, one tries to bargain from a position of strength. As the dominant party in this trade agreement, in the overwhelming elephant-to-mouse relationship in this agreement, surely we would be dictating the terms and conditions of any ultimate agreement we come to. Therefore, were they incompetent or did they deliberately sign an agreement that is not in the best interests of Canada for some other unknown motivation?

**Ms. Hélène Laverdière:** Mr. Speaker, that is an excellent question. I have to confess that when I was looking at that, I was wondering exactly the same thing. We asked that there be such an accord and we understand that Panamanian authorities said no. The story leads us to believe that we walked away and said if Panama did not want one, then we would not have one. I do not understand that. It is a crucial element in that situation. It should have been there. The treaty should not have been signed until it was there. As my hon. colleague says, we do not want to over-exploit our situation of strength with other smaller economies, but in a case like that, in the long term, it is not helping anybody. It is a bit mind-boggling.

**Mr. Mike Wallace (Burlington, CPC):** Mr. Speaker, my question is simple. The NDP has noted that it supported only one free trade agreement in the House relatively recently and that was the Canada-Jordan Free Trade Agreement. If the member looked at the free trade agreement with Jordan and the one with Panama, could she say where the differences are? New Democrats supported the agreement with Jordan. I do not understand why they are not supporting the one with Panama.

**Ms. Hélène Laverdière:** Mr. Speaker, that shows the problem with the way the government approaches issues like free trade. Despite what some of our colleagues say, New Democrats have

never said we are against all free trade agreements. The government seems to say all free trade agreements are good.

With respect to Jordan, another country I have visited, by the way, we face a very different situation both in terms of human rights and workers' rights. To my knowledge, Jordan has never been on the OECD black list of tax evasion havens. They are two different situations. In each situation what would be ideal is that we negotiate more multilaterally, but if we are intent on negotiating bilaterally, we have to look at each situation and its specific circumstances, and Panama is not Jordan.

• (1320)

[*Translation*]

**Mr. Mathieu Ravnat (Pontiac, NDP):** Mr. Speaker, my colleagues have made it clear that we oppose this bill for a number of very good reasons.

When the committee looked at the previous bill on free trade with Panama, Bill C-46, we heard convincing testimony about the fact that the Republic of Panama was a tax haven and about its poor record on workers' rights. We proposed motions and amendments that would have corrected the worst parts of the agreement, but the Conservatives and the Liberals both rejected our proposals. We are disappointed that the new bill, despite its inspiring new short title, has not fixed the fundamental shortcomings of its predecessor or introduced tax disclosure provisions.

The government will no doubt say that we oppose this bill because the NDP opposes all trade, but I am here to say that that is not true. The difference between the Conservatives and the NDP is that we believe that the economy should serve the people, not the other way around.

[*English*]

Their faith is in capitalism; our faith is in man. That is what truly separates us. With this principle in mind, free trade is not a good in and of itself but a means to an end, one that serves the interests of the majority of human beings and not a minority of wealthy people. As one of our old slogans goes, put humanity first.

However, I am personally willing to concede that trade is part of the march of history. I would even go so far as to say that trade makes the world smaller and can help bring humanity closer together, which is always a good thing. Man has too long suffered from tribalism, and what unites us is far more fundamental than what separates us. If I may use a metaphor, it is about time we undo the loss of family caused by the arrogance of the Tower of Babel.

*Government Orders*

However, history has proven that free trade does not automatically mean greater prosperity for the majority or greater rights. Free trade can also tear us apart. Must I remind my colleagues across the aisle that we are still living with the terrible ramifications of 19th century colonialism, that colonialism did not bring us closer together but rather has created deep cleavages and violence, which we are still trying to repair today, and that the major justification of colonialism was freer trade?

However, as progressives we cannot get in the way of the march of history. Having said that, these economic forces are not deterministic and there has always been a subjective element to them. Man has made decisions to engage in trade in particular ways, and better decisions must be made. These economic forces should not be viewed as the Titans of Greek myth, terrible chaotic forces that cannot be controlled. On the contrary, they are forces we must harness to make the world a better place. Olympus must prevail after all.

Therefore, free trade must also be fair trade and must help solve the deep-rooted inequalities between the developed and under-developed world, the rich and the poor, the northern and southern hemispheres. We simply cannot allow free trade to exacerbate existing divisions or, worse, create new ones between peoples. We cannot be so naive as to believe that Canadian companies, like companies all over the world whose *raison d'être* is profit, do not see a particular pecuniary advantage in doing business in countries whose labour standards are lower. I am convinced that if we ask most Canadians whether their government should sign trade deals with another country because some influential companies would like to have access to cheaper labour, where fellow human beings are not paid a decent wage and where dirty money can be laundered, they would say that is simply not fair.

The reality is that there are many Canadian companies behaving badly all around the world, in Africa, Jordan and Latin America, and it is misplaced patriotism to defend them. However, what if we create a situation where free trade and fair trade can work together; where free trade can assure social progress is maintained and enhanced with those countries we trade with; where more prosperity and not more exploitation is the result; where the gap between rich and poor is rendered smaller; where the environment is respected? Is this not the ideal of trade?

• (1325)

[*Translation*]

The problem is that the bill does not do enough to secure everyone's prosperity and protect their fundamental rights. For instance, it should have protected unionized workers in Panama by giving them the right to collective bargaining and requiring the Minister of International Trade and Minister for the Asia-Pacific Gateway, as the principal representative of Canada on the joint Panama-Canada commission, to consult on a regular basis with representatives of Canadian and Panamanian labour and trade unions. Unfortunately, the fact is that a free trade zone would do nothing to protect workers' rights, and this is already a serious problem in Panama.

As for sustainable development, a clause needs to be added that meets the needs of a free trade agreement in the present without

compromising the ability of future generations to meet their own needs, as set out in the Brundtland report published by the World Commission on Environment and Development. The problem is that protecting the environment is difficult in Panama.

In order to be considered responsible, an investment must maximize social good as well as financial return, specifically in the areas of the environment, social justice and corporate governance, in accordance with the United Nations Principles for Responsible Investment. A responsible investment should help to put an end to tax havens that allow money from illegal drug trafficking to be laundered.

Unfortunately, this bill does very little to correct these problems. It is simply not enough. Canada's trade policy should be based on the principles of reciprocal, sustainable and equitable trade, trade that builds partnerships with other countries that uphold human rights principles, while recognizing the need to expand market opportunities. The federal government should stop focusing exclusively on the NAFTA model and remain open to other possible solutions.

Panama is not like the United States or Europe. The government should explore other means of expanding trade by coming up with a vigorous trade promotion strategy that will set the standard for a fairer society for the rest of the world. Fair and equitable trade should be the overarching principle, and not just an afterthought, in all trade negotiations between the Canadian government and other countries.

The NDP strongly believes in an alternative and a better form of trading relationship that can be established with Panama and any other country. Such a trade agreement would involve a comprehensive trade strategy whereby the fundamental principle of negotiation would be the defence and protection of human rights. It would prohibit the import, export or sale in Canada of any product that is deemed to have been manufactured under sweatshop conditions, using forced child labour, or under other conditions that are inconsistent with fundamental international labour standards and human rights.

In the NDP's vision, all trade agreements should respect sustainable development and the integrity of all ecosystems. That is a fundamental principle. This positive and decent vision puts humanity at the centre of our concerns. Let us build a better future for everyone in our trade relations with other countries.

• (1330)

[*English*]

**Mr. Mike Wallace (Burlington, CPC):** Mr. Speaker, I want to thank my hon. colleague for his presentation this afternoon. I enjoy working with that member on my committee, government operations and estimates. He does an excellent job there on behalf of the New Democratic Party.

*Government Orders*

I know he is probably as surprised as I was that he supported the free trade agreement with Jordan, but I would just like to know if the member could tell us which clauses in this bill, on the Panama agreement, are different from the clauses in the bill on the Jordan agreement? Why are they different, and why is that a problem and the reason for not supporting the Canada-Panama agreement?

[*Translation*]

**Mr. Mathieu Ravignat:** Mr. Speaker, first I want to thank my hon. colleague from the Standing Committee on Government Operations and Estimates for his question. I would also like to say that he does excellent work on that committee.

As it happens, I just came from a meeting of the Standing Committee on International Trade, which is currently studying the Canada-Jordan free trade agreement. The hon. member should not jump to any conclusions about the level of support from a party.

We are currently studying the problem. For example, we just heard some very disturbing testimony on the working conditions in Jordan, specifically for foreign workers. There are some extreme cases of abuse. At this time, the hon. NDP members who sit on that committee are studying the agreement in order to ensure that it is a good agreement.

[*English*]

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Mr. Speaker, I think the member might be confusing other people inside the chamber in regard to what the NDP position is on Jordan. When I asked the question of one of his colleagues earlier, she made it very clear that the NDP would be supporting the Jordan free trade agreement.

Now, the member indicates, because it is still in committee, that he wants to approach it with an open mind. I think the NDP members should be a little clearer. I know they are nervous about this being the first ever free trade agreement they might contemplate supporting and so they are treading carefully, but they should be a little consistent on this.

The NDP voted to see it to go into committee. However, is the NDP supporting the free trade agreement with Jordan? We know its position on this particular bill but what is its position on the Jordan bill?

[*Translation*]

**Mr. Mathieu Ravignat:** Mr. Speaker, I think the hon. member is the one who is confused. It is quite normal to vote at second reading stage to refer a bill to committee in order to learn more about the bill. I am not going to apologize for our open-mindedness, because that is one of our party's strong suits.

[*English*]

**Mr. Robert Chisholm (Dartmouth—Cole Harbour, NDP):** Mr. Speaker, I appreciate the member's intervention on this issue. He is doing a great job on the international trade committee and thinks very thoughtfully about these issues.

I wonder if he would talk about why it is so important for this country to be entering these trade negotiations with some thought about the kinds of conditions and the kind of message of the way we want to work and walk on this earth. How do we want to be

perceived by other countries? What kind of good can we do if we understand those things when we begin to negotiate a trade deal?

● (1335)

[*Translation*]

**Mr. Mathieu Ravignat:** Mr. Speaker, a commercial exchange is just like any other human exchange. It should be done with respect and with consideration for the conditions in which the citizens of the other country find themselves.

I would like to add something. The United States and Jordan signed a free trade agreement that was supported by the vast majority of unions in the United States. There were clauses in the agreement that protected workers' rights and, in that case, the Government of Jordan did not comply with those clauses.

In this situation, we must ensure that there is a solid commitment from both governments, because through this relationship, which is not always equitable, we must protect human rights.

[*English*]

**Mr. Jasbir Sandhu (Surrey North, NDP):** Mr. Speaker, I rise today to speak to Bill C-24, An Act to implement the Free Trade Agreement between Canada and the Republic of Panama, the Agreement on the Environment between Canada and the Republic of Panama and the Agreement on Labour Cooperation between Canada and the Republic of Panama.

However, before I do that I will take a moment to share with the House my meeting yesterday evening with the participants in the Forum for Young Canadians. I met with a number of young people from across this country and I can tell this House that our country has a bright future. These young people were very much tuned into the issues that we are discussing in this House and issues that matter to Canadians. We talked about the budget, the economy, health care, crime prevention and many more subjects. These young people were very well-informed about the issues that we discuss in this House.

I want to acknowledge those young people who I met last night. I met with Liane Hewith, a grade 12 student from Vancouver Quadra; Bronwyn Vaisey, a grade 9 student from Port Moody Gleneagle Secondary School; and Faythe Lou, a grade 11 student from Kwantlen Park Senior Secondary from my riding of Surrey North.

Indeed, Canada does have a bright future.

Today, because of the meeting last night, I am more committed as a parliamentarian to work harder to create opportunities for young people, such as the ones I met last night.

I will now move on to speak to the free trade agreement and talk about some of the basic principles of this trade deal, in other words, what should be a framework for Canada when we start these trade negotiations with other countries.

First, we should pursue a multilateral approach based on a fair and sustainable trade model. In fact, bilateral trade deals amount to protectionist trade deals since they give preferential treatment to a few partners and exclude others. This puts countries with smaller economies in a position of inferiority vis-à-vis larger partners. A multilateral fair trade deal model avoids these issues, while protecting human rights and the environment.

*Government Orders*

The Canadian government needs to have a vision for a fair trade policy that puts the pursuit of social justice, strong public sector social programs and the elimination of poverty at the heart of an effective trade strategy. Canada's trade policy should be based on principles of fair, sustainable and equitable trade that builds trading partnerships with other countries that support principles of social justice and human rights, while also expanding business opportunities.

In free trade agreements involving countries, such as Panama, we have the opportunity to better the human rights situation within that country. When will the Conservatives start putting the concerns of everyday people before those of big businesses? Fair trade should be the overarching principle, not just an afterthought, of trade negotiations.

The NDP on this side of the House strongly believes in an alternative and a better form of trading relationship that can be established with Panama and any other country, one that includes, within an overall fair trade strategy, the following points: first, providing a comprehensive, common-sense impact assessment on all international agreements that demonstrates that the trade deals Canada negotiates are beneficial to Canadian families, workers and industries. The government does not sign any trade agreements that would lead to net job losses for Canadian families.

Second, ensuring that the trade agreements Canada negotiates support Canada's sovereignty and freedom to chart its own policy, support our ability to be a competitive force on the world stage and support the principles of a multilateral fair trade system.

The third point is the fundamental principle that all trade agreements must promote and protect human rights by prohibiting the import, export or sale in Canada of any product that is deemed to have been created under sweatshop conditions, forced labour or other conditions that are not in accordance with fundamental international labour standards and human rights.

The fourth point is the fundamental principle that all trade agreements should respect sustainable development and the integrity of all ecosystems.

• (1340)

The fifth point is that any time the Government of Canada signs a free trade agreement, the decision to proceed with enabling legislation be subject to a binding vote on whether to accept the terms of the agreement. The current system, which consists of tabling FTAs in the House for a period of 21 sitting days prior to ratification is neither mandatory nor does it bind the government to a decision of the House.

The points that I have just highlighted should be the guiding principles for negotiations for any free trade agreements.

In this agreement, I did not see the Conservative government use any of those principles. Rather, it appears to be once again resorting to making up facts to suit its interests rather than looking out for the interests of Canadians.

The Canada-Panama free trade agreement is another marginally improved copy of the George Bush style approach to trade. It still puts businesses and big corporations ahead of everyday working-

class people, it has no effective enforcement of human rights and it pays lip service to environmental protection without any real tough measures or dispute resolution mechanisms.

It is another one of those NAFTA copycat agreements that were initially negotiated and designated for trade between highly industrialized countries. However, Panama is not a highly industrialized country. This trade deal would not help Panama grow substantially nor would it increase the standard of living for its citizens. Instead, it would increase the role and incentive for exploitation by multinational corporations and inequality at a far greater pace and scale than in the case of NAFTA.

Another factor is that Panama is not a major trading partner of Canada. Two-way merchandise trade between the two countries reached only \$149 million in 2008, which is less than 1%.

According to the United States department of justice and other entities, Panama is a major financial conduit for Mexican and Colombian drug traffickers' money laundering activities. That is a major concern that has been raised by the opposition in the House and in committee. The issue of tax havens also needs to be considered when we enter into these sorts of agreements. The government needs to consider more than the dollar value of the contract that it is entering into.

This is yet another trade deal negotiated in record time, without any consultation with trade unions, environmental groups, civil society or any citizen of the country. A fair and sustainable deal would not just address the needs of business but also the needs of working families and the environment.

The trade agreement does not provide investors and labour with a level playing field. While, under chapter 11, investors have the right to seek binding arbitration that they can pursue independently, a trade union in Panama does not get to pursue a case to arbitration. It can file a complaint that would lead to an investigation or report but it is up to the government to seek remedies and damages.

Empirical evidence strongly suggests that the minister of the day will not pursue the matter. The trade agreement includes enforceable protections of patents, trademarks and copyrights but no meaningful protection of workers and no meaningful protection of the environment.

Rather than imposing a one size fits all model, convenient to the U.S. finance system, and helping transnational corporations and repressive governments play off workers in different countries, we must recognize that different countries choose different development strategies and must be allowed to pursue fair and sustainable trade.

I want to urge my colleagues in the Conservative government to put the interests of Canadian families first before the interests of big corporations and their friends when it comes to signing free trade agreements around the world.



*Government Orders*

● (1345)

**Hon. Wayne Easter (Malpeque, Lib.):** Mr. Speaker, the member talked about the amount of business that Canada does now with Panama. As the member knows, the trade minister flies around the world a lot and the Conservatives actually believe that when they enter into a discussion it is as if they have a deal. However, when it comes to results, the results of the trade deals are just illusions in the minister's mind.

What does the member see here? We have solid agreements. We have solid trade in Korea, which is a billion dollar market for the pork and beef industry, and the minister keeps ignoring that market while trying to find new ones. The United States has imposed buy American on us and we are falling back in that particular market. Would it not be more important that the minister find some balance and concentrate on the markets that we already have and hold them, as well as finding these new ones, because they are not all that the minister tries to add them up to be?

**Mr. Jasbir Sandhu:** Mr. Speaker, there is no doubt in the NDP's mind that we need to negotiate trade agreements around the world. Trade is an essential part of today's economies, but trade must be fair and equitable. Human rights and the environment must be taken into consideration.

I would have to agree with the Liberal member that the Conservatives do not seem to have a strategy in place as to how they will negotiate trade. On the one hand, he is absolutely right that the Minister of International Trade is on a mission flying around the world to negotiate these trade agreements in a hurry, but he is not taking into consideration some of the fundamental values Canadians would like to have included as part of those agreements, such as protection of the environment and the rights of workers. Canada can take a leadership role around the world with respect to the environment, human rights and the rights of workers.

[*Translation*]

**Ms. Paulina Ayala (Honoré-Mercier, NDP):** Mr. Speaker, my colleague ended his speech by talking about Canadian families. I would like to ask him about the outcome. We are already familiar with the negative impact of these agreements: plant closures in Montreal and throughout Canada, employees threatened with having their jobs moved elsewhere, violation of legal agreements, and so forth. Has anything positive come out of these agreements?

[*English*]

**Mr. Jasbir Sandhu:** Mr. Speaker, trade agreements are a reality and we need to negotiate them with other countries.

What I find really troubling is that we have seen from the Conservatives over and over that when the facts do not fit their strategy or where they want to go, they create their own facts.

Canada could be a world leader in negotiating trade agreements and influencing some fundamental issues, such as human rights, workers' rights, and the environment. We have a chance to take a leadership role in those areas, yet the Conservatives seem not to want to do that. They do not have a clear policy on how they want to negotiate trade deals and with which countries. It seems to be done piecemeal, a little at a time. There is no clear strategy on their part to negotiate these trade deals.

● (1350)

[*Translation*]

**Ms. Alexandrine Latendresse (Louis-Saint-Laurent, NDP):** Mr. Speaker, it is not every day that I rise to speak about international trade, because it is not really my area of expertise. I will apologize in advance to those who consider themselves to be better informed than I.

I have some concerns about the sudden proliferation of free trade talks initiated by the Conservative government, and I would like to tell the House about them.

The government has decided to enter into no fewer than 16 free trade agreements with various countries. I did say 16. It is an unprecedented and rather worrisome development. I would like to quickly list them.

First of all, there is Asia, with Japan and Korea, followed by Thailand and Singapore. These are the so-called Asian tigers, the solid, dynamic, creative and open economies, supported by reliable, democratic governments.

Then we have India, with its gigantic market and its emerging and promising strength. India is a democratic and talented country, with a future as rich as its fascinating multimillennial past. In addition, it has been a dear friend of Canada for a very long time, a partner on which we can always rely and, in the coming years, it will be an ally of choice.

I will continue with my list.

Next comes the now-famous treaty with the European Union, which comes with agreements with two countries whose economies are increasingly connected with the EU: Turkey and Morocco.

Europe represents an enormous, practically bottomless market. As well, the stabilizing force of the European Union on all aspects of society heralds lasting prospects of prosperity and fruitful trade.

Turkey, too, is a remarkably vigorous country and it is probably desirable to have closer ties with it.

I note in passing that until very recently, Ukraine also fell into that category. Unfortunately, this free trade agreement has been significantly compromised as a result of the anti-democratic actions of the Yanukovich administration, and negotiations may now never produce results.

Then we come to a very small Arab country, the Kingdom of Jordan, the only Middle Eastern country on the list. With the Arab Spring in full bloom, Jordan is still the most stable nation in the region. However, there are still serious reservations about the workers' rights situation in that country, and the interest the government is taking in it seems to stem from a magnificent exploitive egoism. But that is a discussion for another time.

I would remind this House that two hours from the Jordanian border, in Syria, people are being killed as we speak, simply for trying to exercise their rights. Short-sightedness can be corrected, and geography can be learned.

*Government Orders*

Then comes a string of small countries in Central America and the Caribbean with weak economies and governments that may or may not be exemplary. This is the Caribbean common market—CARICOM—and it covers the Dominican Republic, Guatemala, Honduras, El Salvador, Nicaragua and, lastly, Panama. The only country missing from the list is Costa Rica, the most stable and most advanced country in the region, with which we already have a free trade agreement in effect.

That completes the list. It is no small number. Frankly, it is unbelievable. What conclusions are we to draw from that list?

First, that wherever the Minister of Foreign Affairs goes, a free trade agreement is never far behind. He hands them out like the Catholic church used to hand out absolutions. If he happened to go through East Timor next week and noticed the least sign of a middle class, we should expect a press briefing.

What is particularly blatant is that Canada is trying to establish specific zones of influence where its commercial activities will be facilitated: the rapidly growing Asia Pacific, Europe and its close allies, and our own backyard, Central America.

And again, Jordan is more or less the odd one out on that list. To the north there is the revolt in Syria, to the west there is complete collapse in Iraq, and to the south there is the most impenetrable country in the world, Saudi Arabia. I find it hard to see what our interest is, but fine, let us move on.

The treaty with the European Union and its satellites has been roundly criticized by nearly everyone. The European Union is much more dynamic and competitive than Canada, and the agreement will jeopardize a number of sectors of our economy and throw open all the doors of all levels of government to the Europeans. The adjustment is going to be brutal, and people are not going to like it.

As well, the tenor and wording of the agreement are secret. Even the European national governments do not know what is being hatched. So the biggest decision about international trade will be announced to us in the grand biblical style of divine revelations, and we will have to live with it because it will be law.

We may as well turn all the lights out while we are at it.

Today we are concerned primarily with Panama. This is a specific case, although the country is located in a targeted geographic group that is much larger. What is unique about this case? We already know. Harsh words have been spoken about it in the House, and I will say it again today. Panama is a tax haven and a narco-state that refuses to comply with international transparency laws. When other countries call it out, it makes some completely symbolic gestures and shirks all its responsibilities.

• (1355)

I am not here to put the Panamanian government on trial, and I do not want to tarnish the reputation of this small country that has a very difficult history, and with good reason. Panama was created by force and has been dominated by the United States throughout its history. It was basically exploited and constantly threatened and, when the time came for Panama to get out from under the United States' thumb, the Americans gave Panama an unbelievable and humiliating thrashing. It is a country that was colonized, insulted and betrayed. I

would like to recognize Panama's difficult history. The fact that it was able to recover as it did is a miracle in itself.

However, the methods the Panamanian government used to recover were misguided. Panama is a tax haven where the government closes its eyes to the laundering of money from drug trafficking. I am sticking to this description so as not to hurt the wonderful people who live in Panama and who are innocent of this skulduggery.

This bill is an excellent opportunity to clearly state where the NDP stands on international trade. The NDP is of the opinion that agreements must be fair, equitable, humane, sustainable and responsible. Of course, the government will say that this is certainly the case and that Canada wants to help the economies of the Americas in a fair and sustainable way. The government will tell us again that, if there is a responsible country in the world, it is the great and beautiful country of Canada. That is false.

The only motivation here is a ridiculous love of profit. It is clear to anyone who is not obsessed with the sacred word “profit” that this agreement is motivated by an old colonial reflex to try to become just a little bit richer, despite already being rich. What we have here is a very small agreement with a very small country that will be forgotten next week and that will quickly make a few bigwigs a few million dollars richer. That is the plan. Period.

The NDP believes that this agreement will not benefit the people of Panama in any way. It will serve only to benefit the Panamanian government and our own government. This is completely unfair. The next time the government tells us that it wants to combat tax evasion, we will bring up Panama. The Conservatives have such a superiority complex that they are only too eager to go off and play the white man somewhere.

I have bad news. Since an austerity budget is about to be announced, today seems like the perfect opportunity to say what I think is the primary motivation behind these agreements with Central America. The Conservatives have been telling us non-stop that they created 600,000 jobs since the height of the recession. However, that is impossible for one very simple reason: Canada is experiencing Dutch disease.

What is Dutch disease? It is succumbing to the temptation to develop precious natural resources as quickly as possible with absolutely no regard for anything else. This boosts our currency and everyone thinks, my God, we sure are weathering this crisis well, and it must be because our banking system is better than everyone else's and our bankers are more upstanding, but that is not the case. It is because natural resources development is happening faster, and we are exporting our resources as fast as we can. The immediate impact of that activity is that the industrial sector, which has no connection to the development of the magical resource, is quietly collapsing and disappearing. We bolster our confidence by saying that in a global context, those businesses were not viable anyway. We shrug our shoulders and continue to dig resources out of the ground.

Then the disease spreads to the highest levels of the economy. Jobs in the service sector disappear. Aveos moves to El Salvador, research gets cut, and development is hobbled. Eventually, inflation goes up. That is the scenario. What is the government doing? It is doing whatever it can to sell the country's resources and pump more money into the machine to keep it going.

What about the imaginary 600,000 jobs that the Conservatives like to talk about? Maybe they were created in China, which is great for our relations with China, but we live here. The government needs to plan for Canada's long-term future in a global context. It has to steer clear of easy solutions, sit down and think about things. Unfortunately, thinking is not something this administration tends to do. Why waste time thinking when the government can sign free trade agreements with all comers to pump more fodder into the system? We do not like it.

To sum up, until there is something in place to ensure true sustainable development with Panama, until the workers in that country can count on better protection for their rights, we cannot support this kind of agreement.

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## ROUTINE PROCEEDINGS

[English]

### NEW MEMBER

**The Speaker:** I have the honour to inform the House that the Clerk of the House has received from the Chief Electoral Officer a certificate of the election and return of Mr. Craig Scott, member for the electoral district of Toronto—Danforth.

\* \* \*

• (1400)

### NEW MEMBER INTRODUCED

Craig Scott, member for the electoral district of Toronto—Danforth, introduced by Mr. Thomas Mulcair.

**The Speaker:** Let the member take his seat.

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## STATEMENTS BY MEMBERS

[Translation]

### ELLIOT TARDIF

**Mr. André Bellavance (Richmond—Arthabaska, BQ):** Mr. Speaker, today a funeral is being held for Elliot Tardif, a young boy who suffered from a rare disease and whose struggle led to the creation of a foundation called Les Amis d'Elliot. The foundation's mission is to help sick children in the Bois-Francs-Érable region by supporting organizations that provide physical, mental and social health services to children.

Since its creation, the foundation has raised and distributed over \$800,000 in the community, with significant donations to J.-P.-H. Massicotte school, Suzor-Côté CLSC, Centre de stimulation L'Envol, Maison de répit L'Amis-Temps, and Centre de réadaptation InterVal, just to name a few.

### Statements by Members

Over the years, several local celebrities have been involved in fundraising campaigns to help improve children's quality of life and give their parents a bit of respite and support.

I wish to offer my sincere condolences to Karine and Jérôme, Elliot's parents, and to Samy, his little brother. Their love and courage are a true source of inspiration. I hope they know that their little champion's short time with us has left an invaluable legacy that will go on to help many other sick children.

Thank you, Elliot.

\* \* \*

[English]

### DON JENKINS AND LLOYD DENNIS

**Mr. Bruce Stanton (Simcoe North, CPC):** Mr. Speaker, we were saddened to learn of the passing of not one, but two of Orillia's most prominent citizens several weeks ago.

In late February, after a brief battle with cancer, we lost City Councillor Don Jenkins. Don was a consummate booster of community and country. He and Sara would regularly lead or support community causes and events for the arts and history and all that would serve to advance the city Don loved, but his interest did not stop there. He understood how important Canada's efforts were on the international stage and he shared that wisdom regularly.

Just days later, we learned that Lloyd Dennis had passed away. Together with former Ontario Justice Emmet Hall, Lloyd authored the Hall-Dennis report titled "Living and Learning", which became the blueprint for the modernization of Ontario's education system in the 1960s and 1970s. Lloyd never missed a chance to help people learn. He was a life-long teacher and an inspiration to all of us who had the privilege to know him.

To Sara and Marilyn and the loving families of Don and Lloyd, we send our thoughts and prayers.

\* \* \*

[Translation]

### FIREARMS REGISTRY

**Mr. Denis Blanchette (Louis-Hébert, NDP):** Mr. Speaker, at a time when, unfortunately, too many Canadians are forfeiting their right to vote, either out of disillusionment or cynicism, it is refreshing to know that the students of École secondaire De Rochebelle, a high school in Sainte-Foy, have worked hard putting together a petition to address an issue of national concern.

As part of an extracurricular activity, some École De Rochebelle students, members of the rights and humanities committee, took the initiative to raise awareness among their peers, teachers and families regarding the need to maintain the firearms registry.

The petition and its 192 signatures unfortunately could not be officially presented in the House, and the Conservative government decided to destroy the firearms registry.

Nevertheless, I would like to congratulate these students and their teacher, Simon Mathias Poulin, on their initiative, an excellent sign of their desire to take part in Canada's democratic process.

*Statements by Members*

Perhaps not all hope is lost, after all.

\* \* \*

• (1405)

[English]

**ALBERTA**

**Mr. Brian Jean (Fort McMurray—Athabasca, CPC):** Mr. Speaker, Stats Canada has released the most recent figures on migration between provinces.

I thank Ontario, as Ontario has contributed more to the growth of Alberta's population than any other province. Over 200,000 people from Ontario have moved to Alberta.

Alberta's strong oil sands economy has increased employment and provided fantastic work opportunities for hundreds of thousands of Canadians. This employment is boosting tax revenue and in turn creating a much better quality of life for all Canadians.

We need to encourage cross-country employment. We need to encourage Canadians to take Canadian jobs. Everyone is better off if Canadians are working, regardless of where they work in Canada.

I invite hon. members to my home, the oil sands, where opportunity awaits all of Canada.

\* \* \*

**CHIEF OF GUELPH POLICE SERVICE**

**Mr. Frank Valeriote (Guelph, Lib.):** Mr. Speaker, born and raised in Guelph, Chief Rob Davis has dedicated the last 40 years to serving our community as a member of the Guelph Police Service and the last 12 years as its chief.

Focusing on neighbourhood policing and community and stakeholder relations, Chief Davis' approach to order and safety has been responsible in large part for Guelph's reputation as one of the safest as well as one of the most caring and compassionate communities in Canada.

I have always appreciated his thoughtful and accessible approach to policing and crime prevention. As an open-minded contemporary police officer with an evidence-based approach to the prevention of crime and raising of public awareness, Chief Davis and his advice and perspective were invaluable to me in my role as MP.

I wish him and his wife Janey the very best in the years ahead as he will now have the opportunity to do the job he loves most as a grandparent. While he will be missed in his role as chief, Rob Davis' legacy will endure through his successor and in Guelph's police force for many years to come.

\* \* \*

**KNIGHTS OF COLUMBUS**

**Mr. Royal Galipeau (Ottawa—Orléans, CPC):** Mr. Speaker, on March 29, 1882 the Knights of Columbus received its first charter thanks to the persistent efforts of the late Reverend Father Michael J. McGivney.

[Translation]

He wanted to help the church, his community and all Catholic families.

The first Canadian council was formed in Montreal, in November 1897.

[English]

In 2010, the Knights of Columbus donated close to \$30 million and volunteered 9.3 million hours to charitable causes in Canada. The order has 1.8 million members in 10 countries, including 225,000 here in Canada.

[Translation]

Ever since the world's largest Catholic fraternal service organization was brought to Canada, its members have become known for their mission to be their brothers' and sisters' keepers and to make a difference for their fellow human beings.

[English]

I am pleased to wish a very happy founders day to my brother knights.

[Translation]

Long live this great charitable organization.

[English]

May this great organization continue its charitable work for decades to come.

\* \* \*

[Translation]

**PROSTITUTION**

**Ms. Marjolaine Boutin-Sweet (Hochelaga, NDP):** Mr. Speaker, prostitution is not a career choice. Many women get involved in prostitution to feed their drug addiction. Fines and prison are not the solution to drug-related prostitution. Prevention is better than repression. We have to address the problem at its source. In other words, we have to address substance abuse and addiction.

That is what a number of groups and elected officials are trying to do in Hochelaga. The community organization Dopamine, which works in addictions services, wants to relocate to a neighbourhood where the need for its services is greatest. A respite care centre would be set up at Dopamine's former location where prostitutes could go to shower and sleep, and get help when they are ready to get out of the business.

However, despite the recommendation of the Agence de santé de Montréal, the application to the Homelessness Partnering Strategy to relocate Dopamine has been dragging on for months. What is more, I have received no response to the letter I sent to the Minister of Human Resources explaining this increasingly critical situation.

I hope to receive a positive response soon and I hope that the budget tabled a little later on will not abandon these people who feel increasingly forgotten by society.

•(1410)  
[English]

### CITY OF BRANTFORD

**Mr. Phil McColeman (Brant, CPC):** Mr. Speaker, last week I had the great privilege of participating in Brantford Mayor Chris Friel's "Breakfast of Champions", alongside local politicians and community leaders. Discussion focused on the future branding of our community, and there was no shortage of great ideas.

Our city has developed strategic partnerships with Wilfrid Laurier University, Nipissing University, Mohawk College and now McMaster University and Conestoga College. These institutions have inspired new life into my hometown and have attracted new residents, businesses and investments into a renewed, beautiful downtown core. Partnerships between community leaders, the municipality, academic institutions and industry unlock the potential and opportunities every day.

Today's Brantford is a wonderful place where small-town humility and charm mix with forward thinking and progress. It is a place that exudes a small-town feel and a big-city vibe. Come and check us out in Brantford, a true 21st century city.

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### SHERIDAN COLLEGE GRADUATES

**Mr. Terence Young (Oakville, CPC):** Mr. Speaker, I rise today to congratulate three graduates of Oakville's Sheridan College currently starring in the Broadway production of *Jesus Christ Superstar* in New York City.

Sheridan College is Canada's largest school for the arts and the second-largest in North America. All Canadians should be proud of the calibre and success of the young performers from Sheridan who hail from all parts of Canada. Sheridan's musical theatre program allows students to study all aspects of performance, from singing, acting and directing to business training and in-field experience.

*Jesus Christ Superstar* opened March 22 to rave reviews, without a doubting Thomas in the group. It features Sheridan alumni Chilina Kennedy as Mary Magdalene, Mark Cassius as Matthew, and Aaron Walpole as Annas.

Our government has invested more in the arts and culture than any other government in Canadian history. We are proud to see Canadian stars shining across Canada, on Broadway and around the world. Sheridan graduates all continue to give the world some of its best and brightest performances.

\* \* \*

### EMPLOYMENT INSURANCE

**Mr. Malcolm Allen (Welland, NDP):** Mr. Speaker, not a day goes by that I do not hear from another frustrated constituent in my riding waiting, like so many across this country, for employment insurance benefits. Many let me know that they have waited up to four months to receive a single benefit payment, benefits they have paid for and have a right to receive. These are the same folks who have played by the rules and worked hard their whole lives to raise their families and put food on the table. Now they are being told by this government, "Sorry, you'll just have to wait".

### Statements by Members

The Conservative government is so out of touch it cannot see that unemployed workers cannot afford to wait the two months to pay their bills. I have heard from members of my community who cannot pay for food and medications for their kids and cannot even pay the rent. Families in Niagara deserve better. Without a job creation plan, high unemployment rates in Niagara have left families feeling abandoned. Just when they need the government most to live up to its end of the bargain, they are once again let down by the Conservative government.

I strongly urge the Minister of Human Resources and Skills Development to take the necessary steps to restore service levels so that Canadians can get the benefits they have paid for and so rightly deserve.

\* \* \*

### NEW DEMOCRATIC PARTY OF CANADA

**Ms. Eve Adams (Mississauga—Brampton South, CPC):** Mr. Speaker, shockingly, the member for Toronto—Danforth has decried sitting judges for having an anti-criminal bias. Unlike that member, I think most Canadians would agree that an anti-criminal bias is a very good thing.

Canadians gave our government a strong mandate to keep our streets and communities safe, and that is exactly what we are doing.

I call on the new leader of the NDP to discipline the new member for his radical soft on crime comments. After all, his party has disciplined rural MPs for much less.

Canadians are concerned about crime and they swiftly rejected the opposition's soft on crime agenda in the last election. Perhaps the NDP's new leader and that new member for Toronto—Danforth can learn from that.

\* \* \*

### THE BUDGET

**Mr. Don Davies (Vancouver Kingsway, NDP):** Mr. Speaker, I rise on budget day to express some of the important priorities of the people of Vancouver Kingsway.

We need secure affordable housing.

**Some hon. members:** Oh, oh!

**Mr. Don Davies:** Mr. Speaker, I cannot hear myself—

**The Speaker:** Order, please. The hon. member for Vancouver Kingsway has the floor.

**Mr. Don Davies:** Mr. Speaker, I rise on budget day to express some of the important priorities of the people of Vancouver Kingsway.

*Statements by Members*

We need secure, affordable housing. Having a home is a basic need that makes employment, raising a family and building community possible.

We need accessible quality child care. Young families and single parents need this vital service to fully participate in our economy, and our children need it for sound educational development.

We need better support for our seniors. A well-funded public pension system is the safest and cheapest way to ensure all Canadians can retire in dignity.

We need to protect our environment, the foundation of all economic activity. This is particularly important to young people who want to inherit an earth that can sustain them and future generations.

We need good, permanent, full-time jobs, jobs we can support ourselves on, jobs in which we can raise our families.

These policies are the priorities of all Canadians. I hope the budget presented today addresses them. If so, I will support it. If not, New Democrats will work hard to get—

• (1415)

**The Speaker:** Order, please. The hon. member for York Centre.

\* \* \*

**ISRAEL**

**Mr. Mark Adler (York Centre, CPC):** Mr. Speaker, hypocrisy and an anti-Israel bias is, sadly, alive and well at the United Nations.

Last week we saw, yet again, Israel being singled out by members of the United Nations Human Rights Council in a simplistic and one-sided resolution.

I call on members from all parties to join me in expressing extreme disappointment with this continued hate-on for the Jewish state. There is no shortage of pressing human rights matters that the UNHRC should be addressing.

These types of actions are counterproductive to the efforts of negotiating a lasting peace between Israelis and Palestinians. Our government believes that status issues must be negotiated between the two parties, not the United Nations. We strongly urge both parties to return to negotiations without preconditions.

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**YOUNG FARMERS**

**Hon. Wayne Easter (Malpeque, Lib.):** Mr. Speaker, I rise today to recognize recent achievements made by two outstanding young farmers.

Mark and Sally Bernard who operate Barnyard Organics in Freetown, P.E.I., were named the top young farmers of Atlantic Canada. This was not their first award. They were awarded Farmer of the Year by the P.E.I. Certified Organic Producers Co-op in 2009 and the NSAC's Young Alumni Achievement Award in 2011.

Producing primarily organic grain and oil seeds, the Bernards also raise broiler chickens, layer hens and sheep. In addition, they have a grain cleaning and soybean roasting operation. The 550 acres of land and all of the livestock are certified organic.

Mark and Sally are a great example of young farmers utilizing their talents to create a successful business in a difficult market. On behalf of the House of Commons, congratulations to Mark and Sally, and I thank all farmers across this country.

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**25TH ANNIVERSARY OF MAN IN MOTION WORLD TOUR**

**Mr. Bob Zimmer (Prince George—Peace River, CPC):** Mr. Speaker, while in my riding of Prince George—Peace River last week, I had the honour and privilege of being a part of two Rick Hansen 25th Anniversary events.

It was 25 years ago that Rick Hansen began his Man in Motion tour inspiring a generation of Canadians to be the best they could be.

At both events last week, it was clear that Rick Hansen, a true Canadian hero to all of us, is still inspiring us to dream big and to celebrate those who are making a difference in our communities.

To that end, I would like to take this opportunity to recognize the organizers of last week's festivities. It is with a great sense of pride that I offer my congratulations to Patricia Marshall and Ann Lewis in Prince George and Lori and Bob Slater in Fort St. John for their dedication and commitment to ensuring both events were successful.

Thanks again, Rick Hansen and all who continue to make such a difference.

\* \* \*

[*Translation*]

**STANDING COMMITTEE ON PUBLIC ACCOUNTS**

**Mr. Matthew Dubé (Chambly—Borduas, NDP):** Mr. Speaker, the mandate of the Standing Committee on Public Accounts is clear: to oversee the federal government's expenditures.

When a border infrastructure fund magically morphs into a minister's personal slush fund, change is needed.

Instead, the committee's report tabled yesterday is weak and sanitized and overlooks the serious ethical failures of this government. Important witnesses were never invited, little work was done on this subject, and all our efforts to have the Auditor General appear as a witness were nipped in the bud by the Conservative majority.

[*English*]

So the Conservative majority on the committee was busy avoiding the hard questions and making sure the Auditor General was blocked from appearing. This is absolutely shameful. Will this report become the new gold standard of Conservative whitewashing? Can Canadians expect the same kind of kid-gloves treatment on the next Conservative boondoggles?

If the government is unwilling to examine its mistakes, the least it could do is get out of the way while the opposition does its job to uncover the truth.

\* \* \*

• (1420)

#### NEW DEMOCRATIC PARTY OF CANADA

**Mr. Pierre Poilievre (Nepean—Carleton, CPC):** Mr. Speaker, the NDP leader already plans to oppose our low-tax, low-debt, pro-trade plan for jobs and growth. He is going to oppose a plan that has already created 600,000 net new jobs and brought Canada out of the recession stronger and faster than any other country in the world.

He proposes high taxes that would devastate our economy, he wants to shut down entire industries and today members of his caucus proposed what amounts to a bailout for a company that has burned through \$1 billion in the last five years and will not even show up to defend itself before a parliamentary committee. It is as if he looks at the debtor nations of the world that are running off the debt cliff and says, "Hurry; we have to catch up to them".

On this side of the House, we understand that we cannot create jobs by taxing those who hire, we cannot borrow our way out of debt and we cannot give people anything without first taking it away. This budget will put taxpayers in the driver's seat, right where they belong.

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## ORAL QUESTIONS

[*Translation*]

### THE BUDGET

**Mr. Thomas Mulcair (Leader of the Opposition, NDP):** Mr. Speaker, I am pleased to see that the Prime Minister is back.

There is every indication that the Conservative budget will be synonymous with cuts and job losses. A few months ago, the Prime Minister promised in this House, solemnly, precisely, that he would not cut pensions, not cut transfers to the provinces for major programs such as health care, and not reduce services to the public. That is exactly what he said in this House.

Will the Prime Minister keep his promise, or break it?

**Right Hon. Stephen Harper (Prime Minister, CPC):** Mr. Speaker, first of all, I would like to personally congratulate the new NDP leader on his election.

This government went to the people. We looked for a mandate for our budget and our economic action plan. We will govern according to that mandate.

[*English*]

**Mr. Thomas Mulcair (Leader of the Opposition, NDP):** Mr. Speaker, I thank the Prime Minister for his kind words, but the question was whether or not he was going to respect his word.

In a few hours the Conservatives' budget will cut services all across the country. Here is what they promised during the election. They promised to create jobs. Instead they are slashing health care and pensions.

### Oral Questions

There is growing inequality in this country, yet the Conservative solution is to go after old age security, to go after health care, to cut vital services and make people fend for themselves at the very moment they need it the most. How does that make any sense?

**Right Hon. Stephen Harper (Prime Minister, CPC):** Mr. Speaker, this government ran in the last election on a plan to continue to create jobs and growth in this country.

Part of that plan was a gradual elimination of the deficit over the life of this Parliament. That is and continues to be part of the plan. As we were clear, we are not cutting health care and pensions.

\* \* \*

### ETHICS

**Mr. Thomas Mulcair (Leader of the Opposition, NDP):** Mr. Speaker, the only things that are eliminated are 2,600 jobs at Aveos.

Let us talk about someone who still has his job.

[*Translation*]

Let us talk about his Minister of Industry. He moved a Service Canada centre to Rimouski, in his own riding, to help out his buddies. He was rebuked by the ethics commissioner in the Rahim Jaffer affair. And we have learned that he was given a trip to Marcel Aubut's cottage at the time that Aubut was lobbying for a new arena in Quebec City.

What does it take to get kicked out of cabinet?

**Right Hon. Stephen Harper (Prime Minister, CPC):** Mr. Speaker, as I have said several times, the minister did not use a contract or taxpayers' money inappropriately. That was not his intention and I trust the minister.

\* \* \*

[*English*]

### HEALTH

**Ms. Libby Davies (Vancouver East, NDP):** Mr. Speaker, the Conservatives want to balance the books on the backs of vulnerable Canadians.

The Prime Minister promised to create jobs. Instead, he is delivering cuts. He promised to encourage growth. Instead, he is saddling the provinces with higher health care costs.

The Conservatives are shortchanging the provinces by \$31 billion, impacting needed front-line health care services. Why is the Prime Minister attacking the very core of our cherished medicare system? Why is he turning his back on Canadians who need quality health care?

*Oral Questions*

• (1425)

**Hon. Leona Aglukkaq (Minister of Health and Minister of the Canadian Northern Economic Development Agency, CPC):** Mr. Speaker, as I stated all week, our government recently announced long-term stable funding for the provinces and the territories that will see transfers reach a historic level of \$40 billion by the end of the decade.

The NDP can talk a good game, but when it comes to health care, let us take a look at the record. Here are some of the health initiatives the NDP voted against. First of all, there were the health transfers, first nations health initiatives, first nations health infrastructure, addictions treatment programs, telehealth and research, just to name a few examples of what the NDP did not support.

**Ms. Libby Davies (Vancouver East, NDP):** Mr. Speaker, of course the Prime Minister never campaigned on his reckless health care cuts because he knew that Canadians would not stand for it. In fact he promised to protect health care transfers—

**Some hon. members:** Oh, oh!

**The Speaker:** Order, please. The hon. member for Vancouver East has the floor.

**Ms. Libby Davies:** Mr. Speaker, the fact is that the first chance he got, the Prime Minister is slashing health care funding and wreaking havoc with our health care system.

What does the Prime Minister say to Canadians who still will not be able to find a doctor or who believed his phony claim that Conservatives would protect our health care system?

**Hon. Leona Aglukkaq (Minister of Health and Minister of the Canadian Northern Economic Development Agency, CPC):** Mr. Speaker, our government announced a long-term stable funding arrangement with the provinces and territories and 6% increases. By the end of the decade, that budget will be \$40 billion.

Again let me list some of the examples of initiatives in health care that the NDP voted against: suicide prevention research; personalized medical care; autism research initiatives; consumer products safety initiatives; health products initiatives; Telehealth; addictions programs; first nations health infrastructure; first nations health initiatives; and the list goes on.

\* \* \*

**NATIONAL DEFENCE**

**Hon. Bob Rae (Toronto Centre, Lib.):** Mr. Speaker, could the Prime Minister square this circle that we have trouble with on this side with respect to the F-35 contract?

The Prime Minister has said that there is a \$9 billion limit on what he is prepared to spend. His Minister of National Defence has said that the F-35 is the only plane. General Natynczyk has said that 65 planes are an absolute minimum with respect to what should take place.

We now know that the plane will cost well more than the \$75 million he said that he had a firm contract for in the last election. How will the Prime Minister deal with this critical question?

**Right Hon. Stephen Harper (Prime Minister, CPC):** Mr. Speaker, I am not sure anybody alive can square all the circles over in that corner of the House.

In terms of the specific request, I note today that the estimates put out by the United States with regard to the costs of this plane are well within the contingencies established by the Department of National Defence.

However, as the member knows well, the government has not yet signed a contract and retains considerable flexibility on that matter.

**Hon. Bob Rae (Toronto Centre, Lib.):** Mr. Speaker, in the early eighties we started out with 120 CF-18s when the order was first allowed.

**An hon. member:** It was 138.

**Hon. Bob Rae:** It was 138. Now we have 80 with respect to the number that is there.

The question becomes a critical one, and it is still in place, it is still there and it still cannot be answered.

How can the Prime Minister ensure that the statements made by the three individuals I have named, himself, the Minister of National Defence and the general in charge of the CDS? How can he be sure that in fact we will have an F-35, or whatever plane, within the budgetary amounts on schedule with—

**Right Hon. Stephen Harper (Prime Minister, CPC):** Mr. Speaker, I do not know what position exactly the leader of the Liberal Party is advocating, but this government's position is that we will replace the CF-18 when that airplane begins to reach the end of its useful life at the end of the decade. We will ensure that our men and women in uniform have the best equipment possible.

\* \* \*

[*Translation*]

**ETHICS**

**Hon. Bob Rae (Toronto Centre, Lib.):** Mr. Speaker, when a Liberal government minister went to a fishing camp, the Prime Minister, who was then an opposition member, was the first one to demand that minister's resignation. He asked why the minister would not do the honourable thing under the circumstances.

Therefore, we should put the very same question to the Prime Minister. What has changed? We now have two clear examples of ethics issues involving the Minister of Industry. Why is he still in cabinet?

• (1430)

**Right Hon. Stephen Harper (Prime Minister, CPC):** Mr. Speaker, I have already answered that question. I am not aware of any connection with contracts and government business here.



*Oral Questions*

[English]

**41ST GENERAL ELECTION**

**Mr. David Christopherson (Hamilton Centre, NDP):** Mr. Speaker, today at the procedure and House affairs committee, the Chief Electoral Officer said, “Any action taken to deliberately misdirect electors and interfere with their right to vote under the constitution and the Elections Act is a serious offence....that is totally unacceptable in a modern democracy”. He also went on to say that any attempt to misdirect voters was an absolutely outrageous attempt to thwart our electoral process. Yet the government continues to characterize all this as just opposition smear tactics.

The government cannot have it both ways. Which is it? Does it think that this is all just games or does it believe there is a serious issue here that needs getting to the bottom of?

**Mr. Dean Del Mastro (Parliamentary Secretary to the Prime Minister and to the Minister of Intergovernmental Affairs, CPC):** Mr. Speaker, first, on the government side, we appreciate the Chief Electoral Officer's clarifications today before committee. We agree that any attempt to deliberately misdirect voters is in fact illegal. We encourage Air Canada—

**Some hon. members:** Oh, oh!

**Mr. Dean Del Mastro:** —Elections Canada to get to the bottom of that.

We encourage Air Canada to keep flying.

The Chief Electoral Officer has indicated that he absolutely stands behind the results of all 308 ridings. He also encouraged the opposition members to stop their baseless smear campaign.

**Mr. David Christopherson (Hamilton Centre, NDP):** Mr. Speaker, here we go again. The government wants to have it both ways.

The fact is we have heard today that there are 800 complaints, 250 open case files in 200 ridings in every province in the country. Yet, as late as an hour or two ago, government backbenchers were describing this whole robocall scandal as nothing but just mistakes and a circus.

Again, the government again cannot have it both ways. The government cannot keep saying it is both. This is either very serious and it agrees that it is or it does not think it is important at all. Either way, the government should come clean with Canadians.

**Mr. Dean Del Mastro (Parliamentary Secretary to the Prime Minister and to the Minister of Intergovernmental Affairs, CPC):** Mr. Speaker, once again, the Chief Electoral Officer encouraged the member opposite not to jump to any conclusions and to allow him to undertake the process. He indicated that he had all the resources and abilities necessary to conduct this investigation, but he told the member not to jump to conclusions.

The member is demonstrating exactly what one of my colleagues indicated was a circus: a baseless smear campaign that has been undertaken by the opposition parties in the House of Commons, with no evidence to support what they are suggesting whatsoever.

We will fully assist Elections Canada in this matter and we encourage it to report back to Parliament in due course.

[Translation]

**ETHICS**

**Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP):** When it comes to the Minister of Industry, it is scandal after scandal.

Let me list them: an assistant who violates the Access to Information Act; Conservative fundraising events where contract awards are discussed; a transfer of jobs to benefit his business partners; a violation of the Conflict of Interest Act that was condemned by the Ethics Commissioner; and, of course, the now-infamous hunting weekend with his sleeping bag.

Will the minister realize at last that his track record includes too many serious mistakes for him to keep his job?

[English]

**Hon. Peter Van Loan (Leader of the Government in the House of Commons, CPC):** Mr. Speaker, while the hon. member attempts to paint quite a different picture than reality, the reality is that there is no evidence of any impropriety in any of the cases involving the minister. The minister's conduct has been exemplary throughout. There has never been any question of any improper use of government funds. For the hunting trip in question, he used his own funds for his own purposes.

In fact, this government actually campaigned against having funding for professional sports arenas. It was that party that campaigned for government funding for professional sports activities.

[Translation]

**Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP):** Mr. Speaker, let us not forget that, in a conflict of interest situation, it is the action that is serious, not the consequences.

The Minister of Industry is setting new lows with his twisted logic. The Ethics Commissioner said that she cannot remember having to conduct so many investigations involving the same minister. If the minister had received a trophy for each scandal in which he was involved, his living room would already be full.

Enough is enough. Does the Minister of Industry realize that he no longer has the trust of Canadians and that he should resign?

[English]

**Hon. Peter Van Loan (Leader of the Government in the House of Commons, CPC):** Mr. Speaker, the minister in question has been doing a superb job in carrying out his responsibilities as Minister of Industry for Canada, carrying out our elements of the economic action plan, helping in his part to deliver the 610,000 net new jobs for Canadians, focusing on the priorities of Canadians.

The NDP has focused on these kinds of questions. He has focused on doing a good job for Canadians. He has not, in a single case, dispensed one penny of government money inappropriately. He has been focused on doing his job and we stand behind him.

*Oral Questions*

•(1435)

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Mr. Speaker, he has been focused on the fact that last week he got busted by the ethics commissioner for giving preferential treatment to his buddy Rahim Jaffer. That is the guy who, ever since he showed up in Ottawa, just cannot seem to keep his hands clean.

Let us go through the latest one. He is being investigated for moving an entire government department to a relative's place. He says that there is nothing wrong with this, that it is just part of his ongoing education.

If he gets busted a second or a third time by the ethics commissioner, will the government do the right thing and kick him out of cabinet?

**Hon. Peter Van Loan (Leader of the Government in the House of Commons, CPC):** Mr. Speaker, I think the record is clear. There has been no undue interference in that regard. The decisions made by Human Resources Canada on where to locate its facilities are based on its needs on what is most appropriate. There has been no involvement of the minister in that regard.

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Mr. Speaker, I think the record is clear. The guy got busted last week and the government says, "Hey, that's not a problem because he is one of ours".

Let us look at what has been also going on. He is being investigated for shenanigans in Thetford Mines. Now, in this famous moose scandal, his only defence is that he was sleeping snug as a bug in his little sleeping bag, while talk of millions of dollars worth of deals went down around him.

Is there nobody on that side willing to drag him out of his ministerial sleeping bag and hold him to account, or are they going to just keep cheering him on as he tries to break the record for ethical lapses in judgment?

**Hon. Peter Van Loan (Leader of the Government in the House of Commons, CPC):** Mr. Speaker, the hon. member for Timmins—James Bay must have been on that trip because he seems to know the content of conversations that occurred, which differ very widely from anything the minister was party to. Perhaps this is the reason that party supported funding for professional sports arenas.

The fact is the minister was not lobbied. He paid his own way on the venture. In fact, this party campaigned against any funding for professional sports facilities.

\* \* \*

**AIR CANADA**

**Ms. Olivia Chow (Trinity—Spadina, NDP):** Mr. Speaker, since privatizing Air Canada, the Conservatives have been in cahoots with Air Canada, allowing it to cast its workers out on the streets. The minister has betrayed those workers. He is playing political games and preventing the CEO of Aveos from being summoned to the transport committee.

We are talking about jobs and public safety. Why is the minister putting the interests of CEOs ahead of those of Canadian workers?

**Hon. Denis Lebel (Minister of Transport, Infrastructure and Communities and Minister of the Economic Development**

**Agency of Canada for the Regions of Quebec, CPC):** Mr. Speaker, the loss of these jobs is devastating for workers who continue to support security all across Transport Canada. That issue is very important.

I am disappointed with how Aveos has treated its employees during this challenging time. The legal advice I received states that Air Canada is in compliance with the act.

[*Translation*]

**Ms. Isabelle Morin (Notre-Dame-de-Grâce—Lachine, NDP):** Mr. Speaker, Aveos workers keep getting more bad news every day. Yesterday, they did not get their final paycheques. They also learned that Aveos refused to appear before the Standing Committee on Transport, Infrastructure and Communities and that the Conservatives had no problem with that.

Today, the minister tabled a legal opinion that supports Air Canada. We are well aware that when it comes to helping Air Canada, the Conservatives go to great lengths. However, when the issue is workers and 1,785 jobs in Montreal, the minister has nothing to say.

Why is the minister refusing to protect workers?

**Hon. Denis Lebel (Minister of Transport, Infrastructure and Communities and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC):** Mr. Speaker, we work with facts, not speculation.

I know that the loss of these jobs is devastating for the workers and their communities. Aveos does not have much respect for its employees. We are very disappointed about that.

This morning, senior Air Canada executives appeared before the Standing Committee on Transport, Infrastructure and Communities to testify, and from what I understand, Air Canada is complying with the act.

While they spend their time speculating, we are working with facts, and the facts show that Air Canada is complying with the act.

**Mr. Jamie Nicholls (Vaudreuil—Soulanges, NDP):** Mr. Speaker, the Minister of Transport, Infrastructure and Communities is refusing to do anything and has the nerve to say that he has no plan to protect thousands of jobs.

[*English*]

Air Canada president and CEO sure has a good friend in the Conservative government. The \$5 million man will get his bonus, but what about the thousands of middle-class families who were left behind?

Worse, the Conservatives voted against our motion to have the CEO of Aveos appear at committee.

The minister hides behind an army of lawyers. Is it all a part of avoiding accountability? Why will the minister not enforce the law and actually hold Air Canada to account to save thousands of good Canadian jobs?

•(1440)

[*Translation*]

**Hon. Denis Lebel (Minister of Transport, Infrastructure and Communities and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC):** Mr. Speaker, apparently the member would like to run these companies himself instead of letting the executives do their jobs.

This is a matter between private companies, and we will respect that.

[*English*]

The legal advice I received states that Air Canada is in compliance with the act. In committee today Air Canada stated its commitment to keeping the jobs in Canada.

We will continue to support the Canadian economy.

\* \* \*

#### PUBLIC SAFETY

**Ms. Judy Foote (Random—Burin—St. George's, Lib.):** Mr. Speaker, we have learned that despite the government's claim of caring about community safety, on March 7 the hon. member for Yorkton—Melville told a classroom of Ottawa high school students, some as young as 14, that all Canadians should carry firearms and girls in particular should be armed to protect themselves from sexual assault.

Does the Minister of Public Safety agree with his colleague's extreme position that school children should be carrying loaded guns into schoolyards? Is that the position of the Government of Canada?

**Hon. Vic Toews (Minister of Public Safety, CPC):** Mr. Speaker, I can indicate our Conservative government does not support treating law-abiding hunters, farmers and sports shooters as criminals. That member in fact has specifically targeted those law-abiding Canadians.

Our government has said that we will repeal the long gun registry and focus on those who actually commit crimes. That is what our government stands for.

\* \* \*

[*Translation*]

#### OFFICIAL LANGUAGES

**Hon. Stéphane Dion (Saint-Laurent—Cartierville, Lib.):** Mr. Speaker, the Minister of Intergovernmental Affairs was told by his Quebec counterpart that appointing unilingual immigration board members in Montreal was a step backward for Canada's francophones.

Did the minister explain to his colleague, the Minister of Immigration, that it is unacceptable for a judge anywhere in Canada to deny a family's refugee claim when he does not understand the official language into which a key document has been translated?

The minister must ask his colleague to rectify the situation. It is his duty to do so.

**Hon. Jason Kenney (Minister of Citizenship, Immigration and Multiculturalism, CPC):** Mr. Speaker, as I mentioned yesterday, the

#### Oral Questions

Immigration and Refugee Board complies with the Official Languages Act. All refugee claimants can have a hearing before a board member who speaks the official language of their choice.

In Montreal, 21 IRB members are bilingual, nine are unilingual francophones and two are unilingual anglophones. Thirty per cent of refugee claims are submitted in English. This means that hearings can be conducted in both official languages with board members who speak the language chosen.

\* \* \*

[*English*]

#### VETERANS AFFAIRS

**Mr. Sean Casey (Charlottetown, Lib.):** Mr. Speaker, yesterday we learned that the chair of the advisory committee for the Veterans Ombudsman, himself a decorated veteran, had his medical records wrongly accessed.

The minister's talking points will require him to recite his ten point plan. It is not working. What the minister needs is a one point plan. It involves walking back to his office and telling his political staff that if they do not stop rummaging through the medical files of veterans, they will receive the same treatment as the member for Calgary West.

When will he streamline his plan?

**Hon. Steven Blaney (Minister of Veterans Affairs, CPC):** Mr. Speaker, of course any privacy breach is totally unacceptable for our veterans, and that is why this government took action. Unlike the Liberals, we implemented all the Privacy Commissioner's recommendations. We went even further with our ten point action plan that is so efficient and is working well.

We continue to build on the success of this privacy action plan because the privacy of our veterans is sacred.

\* \* \*

[*Translation*]

#### PENSIONS

**Mr. Alain Giguère (Marc-Aurèle-Fortin, NDP):** Mr. Speaker, today, the guillotine is coming down on the old age security program even though the Conservatives promised they would never touch it.

The cuts are not only going to reduce our seniors' standard of living, but they are also going to increase expenses for the provinces. As with the prisons, the Conservatives are shirking their responsibilities and sending the bill to the provinces. The fiscal imbalance is back.

Will this government do its job and help our seniors instead of making them poorer?

*Oral Questions*

●(1445)

*[English]*

**Ms. Kellie Leitch (Parliamentary Secretary to the Minister of Human Resources and Skills Development and to the Minister of Labour, CPC):** Mr. Speaker, as I have said several times this week in the House, the current old age security system is simply not sustainable. If we ignore the current path we are on, we will put future generations of Canadians at risk. That is why this government is moving forward.

**Mr. Dominic LeBlanc:** Don't speculate on the budget.

**Ms. Kellie Leitch:** Mr. Speaker, we will not speculate on the budget. Hon. members can wait until 4 o'clock.

That is why this government is protecting retirement security issues. We are making sure we focus on them. We are making sure that seniors today and future generations of Canadians are protected.

*[Translation]*

**Ms. Lysane Blanchette-Lamothe (Pierrefonds—Dollard, NDP):** Mr. Speaker, old age security is not sustainable? That is ridiculous.

The Parliamentary Secretary to the Minister of Human Resources and Skills Development and to the Minister of Labour is massaging the numbers in order to scare people and justify these cuts.

The Government of Canada's chief actuary, the OECD, which conducted a study on pensions, and the Parliamentary Budget Officer are clear. These experts say that the old age security program is indeed sustainable.

The budget is about making choices. Today, the Conservatives have a choice: maintain our old age security program and fight poverty among seniors or put the money elsewhere.

Why are the Conservatives choosing to cut seniors' incomes?

*[English]*

**Ms. Kellie Leitch (Parliamentary Secretary to the Minister of Human Resources and Skills Development and to the Minister of Labour, CPC):** Mr. Speaker, as I said yesterday, this is actually pretty simple math. Right now, for every one senior there are four people contributing to OAS. Twenty years from now, there will be two.

We want to make sure there is a sustainable OAS system so that future generations of Canadians can benefit from it. I am so fortunate to work with a group of individuals here who want to protect seniors now and future generations of Canadians.

**Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP):** Mr. Speaker, the Conservatives just will not let the facts stand in the way of their decisions.

Fact: Experts such as the OECD and the Parliamentary Budget Officer have said OAS is sustainable. Fact: Rewriting OAS eligibility will download billions of dollars of costs onto the provinces.

How can Canadians trust a Prime Minister who is slashing their retirement security for no good reason? How can they trust a Prime

Minister who hid from them his plan for OAS during the election campaign?

**Ms. Kellie Leitch (Parliamentary Secretary to the Minister of Human Resources and Skills Development and to the Minister of Labour, CPC):** Mr. Speaker, it is actually very easy to trust the Prime Minister because he delivers on everything he says he will deliver on.

We are focused on jobs and job creation. There have been 610,000 net new jobs since we came into office.

With respect to OAS, as I said, I will not speculate on the budget, but we are going to deliver on those things we said we would deliver on.

**Ms. Irene Mathyssen (London—Fanshawe, NDP):** Mr. Speaker, it is not just today's seniors who worry about the Prime Minister's reckless OAS cuts. Young Canadians and middle-class families are left wondering if they can still afford to retire at 65. We know years of saving just is not enough anymore. Why? Because the Conservatives want to blow more money on failed fighter jets and a costly prisons agenda.

Why is the Prime Minister leaving tomorrow's seniors out in the cold? Why should seniors work two years longer to pay for the Conservatives' mismanagement?

**Ms. Kellie Leitch (Parliamentary Secretary to the Minister of Human Resources and Skills Development and to the Minister of Labour, CPC):** Mr. Speaker, as I mentioned several times in the House this week, this government is focused on making sure that seniors, those people who built our country, are provided the benefits they are due, whether that be the OAS, an increase in the GIS, actually the most substantive increase in the last 25 years which that party voted against, or increases in the GIS in 2006, 2007 and 2008, which the NDP voted against.

I am very pleased to be part of a party that supports seniors and provides opportunities.

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**FOREIGN AFFAIRS**

**Mr. Ed Komarnicki (Souris—Moose Mountain, CPC):** Mr. Speaker, Canada remains deeply troubled with the apparent arbitrary and politically biased nature of judicial proceedings against Ms. Tymoshenko and other individuals, proceedings which undermine the rule of law.

The government has shown tremendous leadership on this file. In February it paved the way for three Canadian doctors to participate in an international medical commission to assess the health of Ms. Tymoshenko.

Would the Minister of Foreign Affairs kindly give the House an update on the actions the government has taken since the independent medical commission?

*Oral Questions***FISHERIES AND OCEANS**

**Hon. John Baird (Minister of Foreign Affairs, CPC):** Mr. Speaker, we are very pleased that Canada's intervention saw three Canadian doctors visit Ukraine to see the former prime minister. We are very concerned by reports that Ms. Tymoshenko's health continues to deteriorate, and we are certainly prepared to offer her care in Canada.

Last week, my parliamentary secretary, the member for Mississauga—Erindale, travelled to Ukraine to deliver strong messages on behalf of Canada. I have also met with Ukraine's foreign minister to express our strong concerns. We are prepared to work with Ukraine to ensure it continues on the path of democracy, freedom, and human rights.

\* \* \*

• (1450)

[Translation]

**NATIONAL DEFENCE**

**Ms. Christine Moore (Abitibi—Témiscamingue, NDP):** Mr. Speaker, the Conservatives were completely improvising when they announced that \$9 billion would be enough to purchase 65 F-35s, but now the reality is catching up with them. The Auditor General of the United States has reported a 40% cost increase per unit, for a total cost of \$1.45 trillion for the entire program.

My question is simple. At this time, how many F-35s does the government think it can buy with \$9 billion?

[English]

**Hon. Julian Fantino (Associate Minister of National Defence, CPC):** Mr. Speaker, I am pleased to inform the member opposite once again that Canada has been a partner in the joint strike fighter program for 15 years. We have not signed a contract for purchase and have the flexibility we need to purchase aircraft in the years when it will be the cheapest for Canada.

Ultimately, we will replace Canada's aging CF-18 aircraft, and we will do so within the allocated budget.

**Mr. Matthew Kellway (Beaches—East York, NDP):** Mr. Speaker, as we just heard from the Prime Minister, we have received news from the United States government that the price of the F-35 program has gone up again. The latest figure is \$1.45 trillion, up from an even trillion dollars just one year ago. That is \$135 million per plane, and if we want an engine to get it off the ground, that is an additional \$26 million.

The Prime Minister just described these figures as well within the contingencies of the department. How much are the Conservatives prepared to pay for these planes, and why are they so reckless with taxpayers' money?

**Hon. Julian Fantino (Associate Minister of National Defence, CPC):** Mr. Speaker, again, to inform the member opposite, we remain committed to the joint strike fighter program. A budget has been allocated. A contract has not been signed for replacement aircraft.

We will continue to make sure that the air force and our men and women in the military have the necessary tools to do the job we ask of them.

**Mr. Fin Donnelly (New Westminster—Coquitlam, NDP):** Mr. Speaker, this week our motion in support of the owner-operator and fleet separation policies was killed by the Conservatives on the fisheries and oceans standing committee. It is clear they do not support independent fishermen and east coast communities.

Let us hear from the minister himself. We have asked him before, but got no answers, so let us try one more time. Will the Conservatives stand up for fishermen and maintain the fleet separation owner-operator policies, yes or no?

**Hon. Keith Ashfield (Minister of Fisheries and Oceans and Minister for the Atlantic Gateway, CPC):** Mr. Speaker, as I have said many times in the House, I have entered into a consultation process with fishermen to find out how we can improve the fishery, how we can make it work better, and how we can make it sustainable for the long term. I make no apologies for consulting with fishermen.

[Translation]

**Ms. Rosane Doré Lefebvre (Alfred-Pellan, NDP):** Mr. Speaker, these vague promises will not make fish appear in the boats of east coast families.

Fleet separation is crucial for small-scale fishers. We are talking about over 10,000 independent fishers, over 20,000 crew members and thousands of other indirect jobs in our coastal communities. Putting an end to fleet separation will kill tens of thousands of jobs.

Will the minister protect east coast jobs or is he going to sacrifice the fishery to benefit large corporations?

[English]

**Hon. Keith Ashfield (Minister of Fisheries and Oceans and Minister for the Atlantic Gateway, CPC):** Mr. Speaker, as I have said many times and have made very clear, the status quo in the fishery is not working. We are seeking input and advice from people who are in the industry and know the industry. We have to understand what they want us to do to improve the workings of DFO and how we administer fisheries policies in this country. I will continue to consult with those people.

\* \* \*

**AIR CANADA**

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Mr. Speaker, the government knows full well there is a chance for success if the government had the courage to do the right thing and take Air Canada to court. We are talking about 2,500 Canadians in Winnipeg, Montreal and Mississauga who need these jobs. These communities need these valuable jobs.

Why will the Conservative government not enforce the law and protect these most valuable jobs?

*Oral Questions*

•(1455)

**Hon. Denis Lebel (Minister of Transport, Infrastructure and Communities and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC):** Mr. Speaker, we understand that the loss of these jobs is important for communities and workers. However, as I said before, the legal advice I received states that Air Canada is in compliance with the act. In committee today Air Canada stated its commitment to keeping these jobs in Canada. That is very important for us. We will continue to support all industries in Canada.

\* \* \*

**41ST GENERAL ELECTION**

**Mr. Scott Andrews (Avalon, Lib.):** Mr. Speaker, today the Chief Electoral Officer gave unprecedented testimony in committee and called attempts to misdirect voters in the last election as outrageous. He also revealed that the specific complaints and investigations now extend to 11 provinces and territories, that there are over 200 ridings involved, and that he has launched over 250 investigations.

When we add all this up, including the shady extra Conservative bank accounts in Vaughan, it reeks of a national scandal. When will we finally get a royal commission?

**Mr. Dean Del Mastro (Parliamentary Secretary to the Prime Minister and to the Minister of Intergovernmental Affairs, CPC):** Mr. Speaker, the opposition needs to clearly determine whether it has confidence in Elections Canada or not.

Today the Chief Electoral Officer presented to committee. He in fact said that he had the capacity and resources to undertake this. He said several things that the member has either deliberately ignored or is deliberately manipulating. He said there were 250 files, not investigations. He said it could all be a single investigation. He also said he would report back to Parliament. What he said very clearly is the unsubstantiated smear campaign that has been undertaken by parties opposite is entirely inappropriate.

\* \* \*

[Translation]

**CANADIAN BROADCASTING CORPORATION**

**Mr. Craig Scott (Toronto—Danforth, NDP):** Mr. Speaker, Canadians are proud of the CBC. On the radio, on television and online, the CBC informs, entertains and inspires us, but the Conservatives could not care less. Once again, they are going to cut our public broadcaster's budget. Too bad for Canadian culture; too bad for our heritage.

When will this government provide adequate funding for that institution, which is a source of pride for Canadians?

**Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC):** Mr. Speaker, first of all, regarding the substance of the question, the member will have to wait until 4 p.m. for the budget.

[English]

As this is the member's first question in the House of Commons, on behalf of all members of the House, I welcome him to the House as the new member for Toronto—Danforth.

**Mr. Craig Scott (Toronto—Danforth, NDP):** Mr. Speaker, I thank the minister for his welcome.

Throughout the life of the CBC and the government, actions do speak louder than words and the government is trying to cripple the CBC with budget cuts, as we will see. Many artists, actors, composers and independent producers depend on the CBC to develop unique content which the CBC then showcases. Many regions of the country depend on the CBC for local content.

Will the Conservatives finally support Canadian culture rather than undermine it and support the CBC?

**Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC):** Mr. Speaker, with regard to the budget item, he will have to wait until 4 o'clock to see the budget.

With regard to his broader question about supporting Canadian culture, this government is the only government in the G20 that made a decision as part of our economic action plan not to cut, not to maintain, but to increase funding for arts and culture. We have created two new national museums. We have created the Canada media fund. We have increased our support to the Canada Council for the Arts by 20% to their record level.

Our government has delivered for arts and culture in a way that no other government in the world can say that it has.

\* \* \*

**EMPLOYMENT**

**Mr. James Rajotte (Edmonton—Leduc, CPC):** Mr. Speaker, our government has a proven track record when it comes to creating jobs and economic growth.

In fact, since 2006, this government has helped hard-working families and businesses create more jobs for Canadians by reducing their taxes. Unfortunately, there are those on the other side of the House who continue to advocate for higher taxes, taxes that would kill jobs and kill economic growth.

Can the Parliamentary Secretary to the Minister of Finance, the very hard-working member for Saint Boniface, tell this House how our low-tax plan will continue to create jobs and economic growth, and long-term prosperity for all Canadians?

•(1500)

**Mrs. Shelly Glover (Parliamentary Secretary to the Minister of Finance, CPC):** Mr. Speaker, as members know, we are very much focused on jobs and economic growth. However we are not focused on tax hikes like the NDP. Since July 2009, our economy has created 610,000 new jobs, and 90% of those are full-time jobs.

That is the best jobs record in the entire G7. While we are pleased that Canadians are working, we know that more needs to be done. We know that the global economy remains fragile and more Canadians are looking for work. That is why economic action plan 2012 is going to focus, once again, on job creation and economic growth.

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#### INTERNATIONAL CO-OPERATION

**Hon. Mark Eyking (Sydney—Victoria, Lib.):** Mr. Speaker, aid groups and poor countries are being let down by the Conservative government.

Last year it canned KAIROS. This year, 53 aid organizations in Quebec are getting only 11% of their funding. Now we have just found out that the Development and Peace program of the Catholic church, which helps 20 countries, is getting cut and losing \$35 million.

Now that the Conservatives have targeted the Catholics, who are they going to get next?

**Hon. Bev Oda (Minister of International Cooperation, CPC):** Mr. Speaker, our government is committed to making sure its international assistance is making a difference for those in developing countries.

That is why we are focused on targeting the countries we work in. This is not about organizations. This is about getting more kids in school, more mothers to health clinics, more nutrition, more healthy infants at birth, more text books and more qualified teachers. This is getting results and making a difference.

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#### VETERANS AFFAIRS

**Mr. Peter Stoffer (Sackville—Eastern Shore, NDP):** Mr. Speaker, before I start my question, I just want to say what a delight and honour it is to have the member for Charleswood—St. James—Assiniboia back in the House of Commons.

My question is for the Minister of Veterans Affairs. I would remind him that the breaches of privacy only happened when the Conservatives took power. Tom Hoppe, Sylvain Chartrand, Louise Richard, Sean Bruyey, Dennis Manuge and many other people like Harold Leduc have had their privacy breached by the Conservative government and the Department of Veterans Affairs.

No one at the department has been fired for breaking the law. No one that we know of has been disciplined. Can the minister now tell us who has been fired from the department, and who is ultimately responsible for disgracing the reputation of the heroes of our country?

**Hon. Steven Blaney (Minister of Veterans Affairs, CPC):** Mr. Speaker, if the member had listened, he would have gotten the answer. More than two years ago, my great predecessors, minister Jean-Pierre Blackburn and then minister Greg Thompson, took action. Privacy framework, procedures and guidelines, setting up a team of investigators.

#### Oral Questions

Come on, red kindergarten, listen. In-depth training, awareness program, assessment, access and control. We are taking privacy breaches seriously. We are taking action and we will keep on.

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#### INTERNATIONAL TRADE

**Mr. Ed Holder (London West, CPC):** Mr. Speaker, members of this House know that one in five Canadian jobs is generated by trade. They also know that our government is committed to opening new markets and opportunities for Canadian businesses. We are pursuing an ambitious free trade plan with the aim of deepening our trade and investment ties with high-growth markets around the world, like Panama.

Would the Minister of International Trade please share with the House how our free trade agreement with Panama will create jobs and prosperity for workers and their families in London and across this country?

**Hon. Ed Fast (Minister of International Trade and Minister for the Asia-Pacific Gateway, CPC):** Mr. Speaker, I thank the member for London West for his good work on the trade committee.

Canada is committed to playing a bigger role in the Americas, fostering closer economic ties to promote trade, investment and prosperity. Panama is a gateway to Latin America. This free trade agreement is a key part of our job-creating, pro-trade plan. I encourage all members to pass this legislation quickly so businesses, workers and their families can take advantage of the opportunities we are pursuing in the Americas.

\* \* \*

[Translation]

#### HEALTH

**Ms. Anne Minh-Thu Quach (Beauharnois—Salaberry, NDP):** Mr. Speaker, the Conservatives are not doing anything to end the drug shortage. They ignored all warnings. Between 2006 and 2010, the number of shortages increased. It quadrupled. That is really serious.

Since then, the Conservatives have not done anything to find solutions. Patients are concerned about their health, and they are suffering. Experts, pharmacists, anesthetists, physicians, the Competition Bureau and the provinces are unanimous: they are asking the federal government to help.

Will the Minister of Health finally do her job, or does she think, as her colleague from Simcoe—Grey said in committee this morning, that the federal government has no responsibility regarding this issue?

● (1505)

[English]

**Hon. Leona Aglukkaq (Minister of Health and Minister of the Canadian Northern Economic Development Agency, CPC):** Mr. Speaker, it is unfortunate that the NDP is choosing to play politics on this important subject.

*Points of Order*

A couple of days ago, the NDP issued a press release that was blatantly wrong. It said that our government had not taken into account feedback from the Canadian Pharmacists Association about drug shortages. The reality is that since last spring the Canadian Pharmacists Association has been part of the Health Canada working group dealing with this issue.

The NDP can play politics all it wants but we are taking real action.

\* \* \*

**FOREIGN INVESTMENT**

**Ms. Elizabeth May (Saanich—Gulf Islands, GP):** Mr. Speaker, in 2009 the Prime Minister ignored the advice of experts that we needed “national security” defined in the Investment Canada Act and a series of tests to be placed there.

Today's press includes the news that PetroChina wants to build the pipeline to bring bitumen crude to tankers. Even the Canadian Council of Chief Executives has the report now by Professor Moran from Georgetown University, saying Canada needs clear tests of national security in the Investment Canada Act. When will we get them?

**Hon. Joe Oliver (Minister of Natural Resources, CPC):** Mr. Speaker, we do not have any such information. However, we can generate hundreds of thousands of jobs and trillions of dollars in economic activity and at the same time protect the environment. We can do that by modernizing the regulatory system to the requirements of the 21st century so that jobs are created in the next two or three years and not the next fifteen or twenty years.

**ROYAL ASSENT**

[*English*]

**The Speaker:** I have the honour to inform the House that a communication has been received as follows:

Rideau Hall  
Ottawa

March 29, 2012

Mr. Speaker:

I have the honour to inform you that the Right Honourable David Johnston, Governor General of Canada, signified royal assent by written declaration to the bills listed in the Schedule to this letter on the 29th day of March, 2012, at 2:06 p.m.

Yours sincerely,

Stephen Wallace,  
Secretary to the Governor General

The bills assented to are: Bill C-34, An Act for granting to Her Majesty certain sums of money for the federal public administration for the financial year ending March 31, 2012; Bill C-35, An Act for granting to Her Majesty certain sums of money for the federal public administration for the financial year ending March 31, 2013; and Bill S-5, An Act to amend the law governing financial institutions and to provide for related and consequential matters.

**POINTS OF ORDER**

## ORAL QUESTIONS

**Mr. Garry Breitkreuz (Yorkton—Melville, CPC):** Mr. Speaker, the member for Random—Burin—St. George's alleged that I made a statement something like this: “All young people should be carrying guns”.

This is completely unfounded. It is to the point of absurdity. It is totally without foundation. I would invite the member to apologize and withdraw her statement right now.

**The Speaker:** Order, please. The hon. member for Toronto—Danforth.

## STATEMENTS BY MEMBERS

**Mr. Craig Scott (Toronto—Danforth, NDP):** Mr. Speaker, I regret that I have to rise on my first day as a sitting member of this House on a point of order arising from statements by members.

I have been here for an hour and I already appear to know more about the rules of order of the House than the member from Mississauga—

**Some hon. members:** Oh, oh!

**The Speaker:** Order, please. I would like to hear the member's point.

**Mr. Craig Scott:** In the time provided for statements under Standing Order 31, the member levelled a personal attack against me.

Mr. Speaker, you would know that your predecessor, Speaker Milliken, in his rulings of June 14, 2010, and December 14, 2010, with respect to statements, expressed his concern with the “unsettling trend towards using members' statements as a vehicle to criticize other members”.

According to the book that Ms. O'Brien gave me this morning at my swearing in, statements are meant to cover “virtually any matter of international, national, provincial or local concern”. The intent of the passage, I submit, is not for one member to raise concerns over another member's character or integrity. The book also states that personal attacks, insults and obscenities are not in order.

I believe that all members of this Parliament would benefit from a heightened level of order and decorum, particularly in relation to statements by members. As has been accurately pointed out by O'Brien and Bosc in this book, the proceedings of the House are based on a long-standing tradition of respect for the integrity of its members.

However, mostly I am disappointed. I have been so inspired by the words, the message and the example of my predecessor, the hon. Jack Layton—

• (1510)

**The Speaker:** Order, please. I think the member is making a point about the content of the statement of the member. I think I have the gist of what he is bringing to the chair's attention.

The hon. member for Mississauga—Brampton South is rising to address this point.



**Ms. Eve Adams (Parliamentary Secretary to the Minister of Veterans Affairs, CPC):** Mr. Speaker, through you, first allow me to welcome the member on his very first day on the job. Happy first day.

Certainly there was no smear intended in my S. O. 31. If the hon. member somehow is trying to run from his comments or no longer feels as though he can abide by those comments, perhaps he should stand and apologize.

There is absolutely nothing wrong with using an S. O. 31 to highlight his party's hug-a-thug attitude towards criminals and our—

**The Speaker:** Order, please. The hon. member for Random—Burin—St. George's is also rising.

#### ORAL QUESTIONS

**Ms. Judy Foote (Random—Burin—St. George's, Lib.):** Mr. Speaker, in response to the hon. member for Yorkton—Melville, I have here in my hands a copy of a letter, which I am quite prepared to table, written by the parent of a young student who was actually in the school when the member spoke and advocated what I said in my question.

I would be prepared to table the letter for all to see. In fact, the letter was written to the Minister of Public Safety.

**The Speaker:** Does the hon. member have the unanimous consent of the House to table this letter?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**Mr. Glenn Thibeault:** Mr. Speaker, I would like to give the Minister of Health the opportunity to correct the record. In a laundry list of untrue things we voted against, the minister quoted—

**The Speaker:** I am sorry but it is well past 3:00 now, almost 3:15 p.m. We have had this before where members try to use points of order to correct the record. Previous Speakers have ruled that it is not the proper use of raising a point of order so we will move on.

If the member takes issue with anything that was said, he can have a supplementary on a future day and make the point then, but not through points of order well after question period.

The hon. member for Humber—St. Barbe—Baie Verte, I hope, has a point of order.

**Hon. Gerry Byrne:** Mr. Speaker, I am sure all members will agree that when it comes to matters of decorum in the House, where there is an opportunity to receive information to clarify exactly what the intentions were of any hon. member, that members would uphold the values and conventions of the House—

**Some hon. members:** Oh, oh!

**The Speaker:** Order, please. The hon. member for Trinity—Spadina is rising on a point of order.

•(1515)

**Ms. Olivia Chow:** Mr. Speaker, what do you plan to do with the point of order raised by the new hon. member for Toronto—Danforth?

#### *Business of the House*

**The Speaker:** I will look at what was said. I did not hear anything at the time but I will certainly come back to the House if necessary.

\* \* \*

#### BUSINESS OF THE HOUSE

**Mr. Joe Comartin (Windsor—Tecumseh, NDP):** Mr. Speaker, before I go to the question, I have a point to make. As we know, we will have the budget later today. What we have seen repeatedly is a breach of the long-standing tradition of the Westminster Parliament of not putting out in advance information that is in the budget. However, we have seen it repeatedly done by the government, not just in this budget but in prior ones.

My first question for the government House leader is whether that will be a continued practice and, if it is, why do the Conservatives not just do away with the sham of any confidentiality around the budget.

My next question is this. Could the government House leader confirm which four days will be dedicated to debate the budget? We have had various indications from him. If he could, we would ask that he be more specific at this time, assuming that it will start tomorrow.

[*Translation*]

Also, the government should accept the fact, as expressed by all Canadians, that Bill C-31 would dismantle our immigration and refugee protection policies and that the minister obviously does not understand the impact of that legislation.

Can the hon. member opposite confirm that the government is dropping that bill, yes or no?

[*English*]

We also have Bill C-30 outstanding, which is the so-called lawful access bill. It was up for debate at some point but it seems to have disappeared off the radar, along with Bill C-4. Both of them are quite misguided pieces of legislation. I am wondering if the House leader can tell us if the government will go ahead with these bills or come to its senses and either send them back for rewriting or just drop them completely.

Finally, there is a motion, which all parties in this Parliament accepted, with regard to the voter suppression scandal and it calls on the government to rapidly look at amendments to various pieces of legislation that would prevent that type of scandal and abuse of the democratic process from happening in the future. Is the government proceeding with any legislation and, if so, when will we see it?

**Hon. Peter Van Loan (Leader of the Government in the House of Commons, CPC):** Mr. Speaker, as we all know, in a little more than 40 minutes, the Minister of Finance will table this year's budget and I am sure all members are looking forward to that event.

Economic action plan 2012 will be a very strong, low tax, low debt plan that will include measures to create and secure jobs, economic growth and, most important, long-term prosperity for all Canadians.

*Government Orders*

In recognition of how important this budget will be, we have decided that we will schedule debate to follow immediately on the four following days: Friday and Monday, Tuesday and Wednesday of next week.

[*Translation*]

There may not be the same level of suspense around this vote as in previous years, but on Wednesday, all members will have the opportunity to vote for jobs, growth and long-term prosperity and support our budget. Once the opposition has seen the budget, I am confident that their constituents will expect them to do just that.

On Thursday, we will continue debate on Bill S-4, the Safer Railways Act. If we have time, we will resume debate on Bill C-15, the Strengthening Military Justice in the Defence of Canada Act.

[*English*]

The opposition House leader had a long list of bills on which he inquired about their status. Insofar as our legislation to improve Canada's immigration and refugee system, that has been debated now some five days in this House and we look forward to it being debated further. It is a very important bill, not just for the strength of our immigration system but also for our economy. We will continue to take steps to ensure our immigration system meets the security, safety and economic needs of Canada.

In terms of Bill C-30, I think he is well familiar that it is our intention to have that debated and sent to committee before second reading and, in so doing, being able to allow a broad ambit for the committee to consider amendments of all types. I think that responds to the particular concerns that he raised on that.

In the case of Bill C-30, Bill C-4 and the immigration bill, we can see from the program I have read that there will not be an opportunity, barring some dramatic progress on other legislation on the final day, to deal with those bills before the Easter break, so we will have to wait until after that.

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## GOVERNMENT ORDERS

• (1520)

[*English*]

### STRENGTHENING MILITARY JUSTICE IN THE DEFENCE OF CANADA ACT

The House resumed from November 4, 2011 consideration of the motion that Bill C-15, An Act to amend the National Defence Act and to make consequential amendments to other Acts, be read the second time and referred to a committee.

**Mr. Jack Harris (St. John's East, NDP):** Mr. Speaker, I am pleased to have an opportunity to speak to Bill C-15 at second reading. This is a law that has to do with military justice. It is an act to amend the National Defence Act in order to strengthen military justice.

First, I need to make some general remarks about the whole notion of military justice in our law. As some members know, I served as defence critic in Parliament prior to October of last year. We had Bill

C-41 before us in the last Parliament, which was intended to bring some changes into the military justice regime in Canada.

It is important that we have a good look at our whole military justice structure because there are a number of problems that need to be resolved. Military justice needs to fit in with our entire justice system. We need to ensure there is conformity between the kinds of laws we have in relation to military justice, as well as our general justice system, certainly in terms of the fundamental principles of law.

We need to understand that there are differences between military law and our general legal system, and there are good reasons for that. We have a military justice system that recognizes the relationship between the justice system and discipline within the military.

There is a significant importance to discipline in the military. I will quote an expert in military law, retired Colonel Michel Drapeau, who is a lawyer in private practice and has considerable experience in the military. In fact, he is the author of the only significant military legal text in Canada used in law schools and has an annotated book on the military aspects of the Department of National Defence Act. It is quite a useful source of knowledge. This is what he says in relation to the importance of discipline in military law:

Few professions are as dependent on discipline as is the military. Discipline is fundamental to military efficiency, cohesion, esprit-de-corps permitting commanders to control the use of violence so that the right amount and type of force can be applied in exactly the right circumstances, the right time and the right place. At the personal level, discipline ensures that at all times of great danger and risk, the soldier can and will carry out orders even if his natural instinct for self-preservation and fear tells him otherwise. Likewise, group and individual discipline ensures adherence to laws, standards, customs and values of civilian society, even during combat operations.

He went on to say, "Therefore, discipline is integral not only to the maintaining of an efficient armed forces, but also ensuring that the rule of law predominates within the military, particularly when engaged in great peril and danger in combat".

We see that it is as important for two reasons, not only for maintaining discipline so that when someone violates the law there is quick action and a speedy response to breaches of discipline but also that there may well need to be procedural differences available in the military context. However, it is also extremely important that when engaged in combat there always be an adherence to the rule of law.

Our country certainly wants a military force and troops who are capable of carrying out their use of force in a lawful manner, regardless of the circumstances of great peril that others take. Therefore, we say that not only the military justice system exists to punish wrongdoers, it is also a central part of command discipline and morale.

• (1525)

We have a voluntary military and the military justice system must be seen as equitable and fair. Otherwise, we will not only have a justice problem but could also have an operational and recruitment problem. We must recognize that people who volunteer for military service must know that they have to be treated fairly. Therefore, we must also emphasize the justice side as well as the military side. We want, expect and need a high level of morale in our system among our troops and we demand loyalty, but that is a two-way street and the system must be seen as fair.

*Government Orders*

When Bill C-41 was before the House, we brought it to the defence committee where our party sought to do two things. First, we sought to ensure that the procedures in the military justice system were effective, insofar as it was possible and consistent with the need for speedy resolution of disciplinary matters in some cases. Moreover, we also sought the protections, as far as possible, of the Charter of Rights and Freedoms. In other words, we did not want the fact that we needed efficient military justice to take the place of fundamental principles of justice for people just because they happened to be in the military.

Therefore, we focused on making changes to the proposed legislation that would see the summary trials provision conform as much as possible to the existing law for civilians. Where that could not be done, we recognized that we would use this procedure, which could involve people going to detention for up to 30 days or having substantial fines levied against them and, under our current system, result in a criminal offence, even without the protections of the charter, without the right to counsel, to make full answer in defence or having an impartial tribunal. These ought not to be regarded as criminal offences, which after service would require a person to go through the parole board and seek what was then available, a pardon. It is not available any more, because the members opposite have decided that pardons are no longer available through the parole board. That is all the more reason we have to make sure this is done right.

We did take some measures. We introduced a series of amendments in committee. Some of them were accepted. In fact, some those accepted were even proposed by the Judge Advocate General and his advisers. Bill C-41 did not pass but died on the order paper when the election was called last year. We had gone through first and second reading, committee and third reading, but it did not get passed in the dying days of the last Parliament.

Therefore, we are back at it again with a new bill, Bill C-15. However, a number of amendments that were accepted by the committee and would have ameliorated some of these problems do not appear. They are gone, out the door. So we are back to square one now with respect to a number of provisions that were in Bill C-41 that were fixed and improved, and some that were even proposed by the Judge Advocate General as a compromise to fix the system in an acceptable way, taking some of the offences and adding some more offences, in fact, back to the list of those that would not result in a criminal record. However, these offences are back in again.

I do not know why we are doing this. Is there any respect for this Parliament by the government? Are the Conservatives saying that now they have a majority they can do what they want? Never mind what they did last time or what they agreed to last time, never mind the compromises and the proposals that came from the Judge Advocate General's office, they are going to go back to square one and not do it.

• (1530)

These are important matters because we are not talking about simple changes to legislation. We are talking about people's fundamental rights, and when I am talking about rights I am talking about the Charter of Rights. When section 11 of the Charter of

Rights states that a person charged with an offence has the right to be presumed innocent until proven guilty in accordance with law, in a fair and public hearing, by an independent and impartial tribunal, it means just that. However, if their commanding officer who knows them, knows all of the witnesses and everyone else, has the file and is not even telling the accused what is in the file, that is not a fair and impartial tribunal.

I am not saying we cannot accept that if we are dealing with an administrative disciplinary system, but we should not add the extra piece of saying that it would result in a criminal record, which he or she would have to deal with that later on and pay \$600 to the parole board, hope for the best and maybe get what is called a record suspension. These are serious matters.

Some would say that the Charter of Rights should not apply to the military. When the Charter of Rights and Freedoms was being drafted and adopted as a fundamental part of our Constitution in 1983, the drafters contemplated whether or not the military justice system should or should not apply. It was thought about because there is one section, for example, were the right to a trial by jury is being discussed in the Charter of Rights. For anyone who is interested, it is paragraph 11(f) of the Charter, which talks about when one can have a trial by jury, and states:

except in the case of an offence under military law tried before a military tribunal, to the benefit of trial by jury where the maximum punishment for the offence is imprisonment for five years or a more severe punishment.

It is equating a military tribunal in a court martial to a jury. Therefore, they thought about military law when they were crafting the Constitution. There is no exception for a fair trial before an impartial tribunal. There is an exception for a jury trial because a trial by a military tribunal is considered to be equivalent in the charter to a jury.

Why are we doing this? It is beyond me to understand why a government that takes such great pride, we hear, in our troops and looking after our service men and women and military personnel who volunteer for service and risk their lives and, in some cases, sadly, give their lives in defence of their country and in doing their country's work, does not treat them and give them the same rights that the Charter of Rights provides for citizens of this country.

We tried to fix that. It is a fundamental problem in military justice. It does not just affect a few people. I do not have the latest statistics but I cited the statistics for 2007-08 and 2008-09. There were over 2,600 offences in 2007-08, and 2,600 in 2008-09, the vast majority of which were dealt with by what is called a summary procedure, a procedure that does not have those protections. Someone would be tried by his or her commanding officer and, in most cases, would end up with a criminal record if found guilty.

*Government Orders*

These are essentially a lot of discipline offences having to do with going AWOL, et cetera. I will not bore members with a list of the number of offences for each one, but we have things like conduct to the prejudice of good order and discipline. These are there to try to keep everyone in line and to keep morale up. There are offences such as being AWOL, which could be as much as being 10 minutes late after a night out on leave. In fact, 29% of the offences are absences without leave. However, these are offences against the National Defence Act. Drunkenness is another one, accounting for 6% of the offences. For soldiers, it is amazing that only 6% of the 2,600 offences we are talking about here from five years ago relate to drinking. Soldiers are supposed to be famous for going to bars and drinking, but obviously we have very disciplined soldiers in our Canadian Forces, of which we are very proud.

Nonetheless, we are talking here about fundamental justice and the need to ensure that our military justice has the same respect for fundamental justice as does our regular legal system.

I am hoping that we are not going to hear from the other side that, "This is the NDP going on again. It loves criminals. It even loves criminals when they're in the military". Instead, I am hoping that we will hear from the other side that they have enough respect for our military that they want to ensure that even when military personnel act in a manner that gets them into trouble with their commanding officer, they will respect the rights of these personnel, they will recognize that they need to maintain morale, that they need to maintain discipline but that they also need to ensure that they are not saddling someone with a criminal record when that person does not have the protection of the fundamental rights, the fundamental justice, contained in our Charter of Rights and Freedoms, that very constitution that we are asking our soldiers, our men and women in uniform, to go and fight for and defend. They are being denied the protection of that in a fundamental way.

What we are trying to do and what we have tried to do in the committee in the past is as I said.

● (1535)

Here I see the parliamentary secretary who, unfortunately, was not part of that committee the last time. He was not even in this Parliament. When this comes before the committee again, maybe I will join him to talk about the motions we passed the last time and the sections we changed. I have a list, which I can give him, of the ones that were actually passed, amending the bill and ensuring there was better protection for our soldiers, sailors and air men and women, and are now missing from the bill. The member was not there when they were passed.

If this is just an error, a mistake, or they just went to back to the drawing board and produced the same bill we had before, I hope he will willingly accept those changes. I am looking for some signal to that effect from the member when he speaks to this legislation.

We do have an important task at hand, and that is to ensure that our soldiers, sailors and airmen are treated with respect and dignity and given the protections under the Charter of Rights and Freedoms.

There is another aspect of this bill, which I will touch briefly on. It is the issue of grievances. There is a significant problem with the grievance procedure within the military. This legislation deals with

it, but not well enough. We did amend clause 6 of the National Defence Act in that regard. There was a series of amendments that were important, giving the Chief of the Defence Staff the power to settle a grievance. It passed the committee, but I do not know if the Chief of the Defence Staff wants it. The government does not seem to want to give it to him.

He is the person who makes the final decision, but he cannot say to people who were denied overtime or a certain special pay, which cost them \$1,500, that they would get the \$1,500. He cannot decide that. It has to go to some legal people in the Department of Justice. It does not go to the Judge Advocate General.

The CDS cannot say "Give that man the \$1,500 that he was denied", whether it be for work or moving expenses or whatever. That has to go to somebody in the Department of Justice part of DND who can say "Well, we do not think it is really appropriate to give money in this case". Then that person cannot get his grievance resolved.

We made changes that ensured the CDS could resolve that problem, being the final voice and being able to settle a grievance. That is something that is necessary and desirable. I hope we are able to get that change made once again.

We also wanted to ensure that are some timelines on grievances that need to take place. There was also a series of amendments with respect to oversight by civilians, a whole series, including the amendments we made to clause 11, which would enforce and allow the grievance committee to deal with grievances in a proper manner, with civilians rather than just military people.

There are a number of changes that have to be made. Unfortunately, the Conservatives did not accept in their new bill the changes that were already made.

● (1540)

**Mr. Chris Alexander (Parliamentary Secretary to the Minister of National Defence, CPC):** Mr. Speaker, I want to thank my hon. friend, the member for St. John's East for his very learned speech on this important issue.

The member asked for a signal from our side. I am not sure, but I think Signal Hill is in his riding. I am not absolutely sure of that. It is close to it, so I am not surprised by the request. The signal is given that we on this side are looking forward to consideration of this bill in committee, consideration of his arguments, and we hope to see him there as we have seen him in previous Parliaments on these important issues.

My question for the hon. member is the following. Given the urgency of this bill, given the fact that some of these changes have been pending since the Lamer report in 2003, given the fact that this Parliament and previous Parliaments have considered this bill in different forms three times, Bill C-7 in the 39th Parliament, Bill C-45 in the 38th Parliament, Bill C-41 in the 40th Parliament, and now Bill C-15, would the member not agree with us, and this is really an appeal to his common sense and his sense of duty to do right by our men and women in uniform, that the best place to discuss the details he has proposed, the very technical aspects of this bill that deserve discussion, is in committee and that we as members of Parliament have a duty to get it to committee as soon as possible?

*Government Orders*

**Mr. Jack Harris:** Mr. Speaker, I was very proud to represent the district of Signal Hill-Quidi Vidi in the Newfoundland and Labrador House of Assembly for many years. Signal Hill itself used to be part of St. John's East. It is not now and may be again after the new boundary changes. The signal I am looking for is the signal that the government is prepared to respect the fundamental rights of military personnel.

If that were the case, I would have expected to see that we would get the bill back this time, that the improvements that had already been made would still be there and that they would be willing to seek more improvements. Not all the things New Democrats wanted in committee in the last Parliament were taken. Yes, some things are technical, but the real issue that should be debated in the House is whether the government is going to respect that the men and women in the uniform of this country are entitled to the protection of the Charter of Rights and Freedoms, the fundamental rights we are asking them to serve and fight for.

[*Translation*]

**Mr. Dany Morin (Chicoutimi—Le Fjord, NDP):** Mr. Speaker, since the Bagotville military base is located in my riding, I am well aware that the brave men and women who are serving their country in the Canadian Forces must comply with extremely high standards of discipline. In return, they deserve a justice system that also meets similar standards.

We know that a criminal record can make post-military life very difficult. Criminal records complicate everything when the time comes to find a job, to rent an apartment and to travel.

I wonder if my colleague could tell us what the NDP has found lacking in this bill that would otherwise have allowed our party to support it?

[*English*]

**Mr. Jack Harris:** Mr. Speaker, one of the concerns we have is that when service men and women actually leave the service, they have the challenge of adjusting to civilian life and getting jobs. We do not want them to have the baggage of a criminal record. We are talking about 2,600 a year and if we add that up year over year, we see that a large percentage of members get involved in some sort of disciplinary matters, which make it more difficult to integrate into civilian life. We want to remove that barrier. They are entitled to have the service record, yes, but the service record can be dealt with as an administrative thing. Criminal law is something employers look at to see whether people have criminal records, which are barriers to employment. If they do not have the rights and protections, it is going to make it a lot harder after they leave the military.

• (1545)

**Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC):** Mr. Speaker, the member opposite does not want soldiers who go before military tribunals to have criminal records. The member knows full well that there are incidents that occur on military bases that involve domestic violence. These incidents can be brought before military tribunals. My question is this. Why does the member opposite not want soldiers who have been convicted of beating their spouses to have criminal records?

**Mr. Jack Harris:** Mr. Speaker, the member is bringing up something that is one of the details that my colleague opposite was talking about. Not every offence under the act would fall into that category. We are talking about summary conviction offences. There is a protocol and this was discussed with the Judge Advocate General. There are certain cases that in fact should not be dealt with under military tribunals and should be dealt with by civilian courts. A sexual assault on a spouse, or circumstances like that, is one of them. That is not a military offence. It does not involve their job but may be incidental and, therefore, should be dealt with by a civilian court. In a civilian court, military personnel would have all of the protections, civilian laws and the Charter of Rights and Freedoms. We are talking about two different things, but I understand the member's point.

[*Translation*]

**Mr. Raymond Côté (Beauport—Limoilou, NDP):** Mr. Speaker, I commend the hon. member for St. John's East for explaining our party's concerns about this legislation so clearly and in such detail.

Summary trials are among the issues that I am very concerned about. Indeed, and unfortunately for Canadian Forces members, a large number of minor offences result in a criminal record. This is very important because it is a well-known fact that, in a way, members of the Canadian armed forces are marginalized. Indeed, when they quit the forces they must reintegrate into society, and this can be a major challenge.

Given the incredibly long list of minor offences that can result in a criminal record, can the hon. member tell us whether, instead of introducing this bill in such a hurry, it would have been better to introduce it in a much improved fashion after consulting with the other parties?

[*English*]

**Mr. Jack Harris:** Mr. Speaker, obviously this issue is extremely important, but we would have hoped that the bill as it was passed the last time would have been presented and then we could seek to make improvements to that.

The reality is that more than 90%, I think some 97%, of offences are tried in the summary conviction manner, and the military tribunal that the previous speaker talked about is actually the court martial, which is a different place. In the court martial, individuals have all the protections of right to counsel, full answer and defence and a criminal record attaching to that. We do not have a problem with that.

It is the summary trials, which do not have the legal protections that are available if one is before a provincial court in any of the provinces of Canada and one is a civilian. This is the area we need to work on and fix, and I do not hear at this point yet the signal from the government that it is prepared to fully explore that and try to find out what is the best way of achieving that goal and still maintain the importance of military justice for the purposes of efficiency, operational efficiency, morale and discipline that is essential to a military force of any kind.

*Government Orders*

● (1550)

[*Translation*]

**Mr. Dany Morin (Chicoutimi—Le Fjord, NDP):** Mr. Speaker, the NDP believes that the bill is a step in the right direction to bring the military justice system more in line with the civilian justice system. However, the bill does not at all answer the key questions about reforming the summary trial and grievance systems and about strengthening the Military Police Complaints Commission.

My NDP colleague asked the hon. member for St. John's East to provide specifics about summary trials. I would ask him to also tell us more about what the NDP did not see regarding the complaints commission and to talk about the mistakes related to the grievance system.

[*English*]

**Mr. Jack Harris:** Mr. Speaker, I understand I have a short time to respond.

There are a number of problems with the grievance system, the principal one being the length of time it would take to have grievances processed. Some work has been done on it and it has been shortened, but it has become militarized to a large extent. This is not the case with other countries.

We have a grievance system. Most of the grievances actually have to do with the terms and conditions of employment, with benefits and entitlements and that sort of thing, human resources matters.

We believe there should be civilian predominance in the grievance system. In fact, I think 60-40 was what was passed in the committee in the last Parliament. That has been stripped out of the bill and we do not have that, so we have to make all those arguments again, bring all those witnesses again and have that discussion again. It is a bit unfortunate, but it has to be done.

**Hon. Wayne Easter (Malpeque, Lib.):** Mr. Speaker, I am pleased to speak to Bill C-15, An Act to amend the National Defence Act and to make consequential amendments to other Acts.

I understand that members' minds do not seem to be on this bill at the moment. The budget will be tabled in 10 minutes, and I understand where people are coming from.

My colleague, the hon. member for Scarborough—Guildwood, has outlined in previous debate in quite a comprehensive way the Liberal Party's thoughts on this bill. There are three key messages that I would leave with members.

The Liberal Party understands the need to reform the Canadian court martial system to ensure that it remains effective, fair and transparent. We believe that Canadian citizens who decide to join the Canadian Forces should not thereby lose part of their rights before the courts. In part this bill is about ensuring there is some balance between the military courts and the criminal justice courts.

As well, the Liberal Party believes that the addition of new sentences, including absolute discharge, intermittent sentence, and restitution, are important if we are to have that fair system I talked about a moment ago.

There are a number of disparities between the military and civilian justice systems that should be narrowed as much as possible. Bill C-15 has been introduced as a way of addressing these differences.

As it currently stands, sentencing in military law is much harsher than in the civil justice system, and it is very much less flexible. Provisions in Bill C-15 that would amend the National Defence Act are critical to ensuring that our military justice system is fair, efficient, transparent and consistent with Canadian values and legal standards.

My colleague, the hon. member for St. John's East, spoke a moment ago about how important it is that it should be under the Canadian Charter of Rights and Freedoms. We certainly agree with his point.

However, there are a few minor provisions within this legislation that we have substantial concerns with. One would be proposed subsection 18.5(3). We are very concerned about this subsection. It really concerns the ability of the Vice Chief of the Defence Staff to issue instructions or guidelines in writing in respect of a particular investigation. There have been a number of witnesses and a number of submissions before the committee on this particular issue. I will refer to a couple of them.

This clause is very problematic because it goes above and beyond the ability of the Vice Chief of the Defence Staff to provide general supervision, instructions or guidelines to the Canadian Forces Provost Marshal, and potentially challenges to the validity and integrity of investigations by giving a very high-ranking member of the military explicit statutory powers to interfere with a police investigation.

As members well know, personalities become involved. If there is interference in a police investigation, it becomes a very serious matter. For that reason, the Liberal Party would like to see that proposed subsection removed.

I want to emphasize what others have to say about that proposed subsection. Mr. Glenn Stannard, the chair of the Military Police Complaints Commission, MPCC, had this to say on this proposed subsection:

In summary, in the view of the MPCC, the proposed authority in s. 18.5(3) for directions by the VCDS, in particular MP [military police] law enforcement investigations should be deleted from Bill C-41 for the following reasons.

It was Bill C-41 then; it is Bill C-15 now.

● (1555)

It is contrary to Canadian law and traditions on the independence of police investigations from the executive, which is an underpinning of the rule of law.

It is without precedent in Canadian policing legislation.

It is based on an erroneous analogy by the drafters between the relationship of the VCDS and CFPM with that of the JAG and the Director of Military Prosecutions.

It represents a significant step back from efforts since the 1990s to enhance and safeguard the independence of military police investigations....

It does not respond to any recommendation of the Lamer Report or to any other public study on military justice or military policing.

*The Budget*

Those are the complaints outlined by the chairperson of the Military Police Complaints Commission. We would certainly hope when this bill gets to committee that that subsection would be removed.

To add further evidence, Professor Kent Roach of the University of Toronto prepared a report on police independence relating to the military police, in which it is stated:

The author concludes that s. 18.5(1) and (2)...recognizing the Vice Chief of Defence Staff's (VCDS's) general supervision of the Canadian Forces Provost Marshal (CFPM) and allowing the former to issue general and public instructions or guidelines to the latter which is consistent with the balance that must be struck between military police independence and accountability, policy guidance and the management responsibilities of the general command. At the same time, however, the author concludes that s. 18.5(3) violates core concepts of police independence as recognized in Campbell and Shirose by allowing the VCDS to issue instructions and guidelines in specific cases that can interfere with military police investigations. He also notes that this section would be inconsistent with the 1998 accountability framework between the VCDS and the CFPM and if enacted might result in various legal challenges.

To sum up, the bill has a lot of good points. It needs to be moved forward. It needs to go to committee. However, there is a major problem backed by fairly substantive evidence that subsection 18.5 (3) violates the principles of police investigations, and as a member said previously, could be in violation of the Charter of Rights and Freedoms.

We support the bill moving forward to committee. We recommend that the proposed subsection be removed.

● (1600)

**Mr. Chris Alexander (Parliamentary Secretary to the Minister of National Defence, CPC):** Mr. Speaker, on this important matter of military justice, there is obvious urgency given that four successive Parliaments now have considered this issue and the bill in different forms.

Would the member opposite agree it is absolutely high time the bill be moved to committee? Then we could discuss the amendments he has proposed. We could discuss the composition of courts martial, limitations on sentencing and other issues addressed by this bill. Would the hon. member agree that moving this bill to committee expeditiously would be the best course of action?

**Hon. Wayne Easter:** Mr. Speaker, I certainly pointed that out in my remarks. It is absolutely essential to get this bill to committee to deal with it and implement it into law.

The member said there were three previous incarnations of the bill, but I would remind him that the bill has never gotten as far as we would like it to go, partly because of the actions of the previous minority government and the proroguing of Parliament. Otherwise, this legislation may have been implemented long ago.

The other point I would like to make is the same point the member for St. John's East made, which is that in the drafting of this bill, some of the recommendations that were agreed to previously at committee were not incorporated into this bill. They should be.

**Mr. Peter Stoffer (Sackville—Eastern Shore, NDP):** Mr. Speaker, since the hon. member from Prince Edward Island raised the issue of prorogation, I wonder if he could elaborate a bit more for all of us in the House and those who are listening across the country

as to why, when the Conservatives seem so interested in this bill, they themselves would try to defeat it through the act of prorogation?

**The Speaker:** It being 4 p.m., the House will now proceed to the consideration of Ways and Means Proceedings No. 7, concerning the budget presentation.

\* \* \*

[*Translation*]

**THE BUDGET**

FINANCIAL STATEMENT OF MINISTER OF FINANCE

**Hon. Jim Flaherty (Minister of Finance, CPC)** moved:

That this House approve in general the budgetary policy of the government.

He said: Mr. Speaker, I wish to table the budget documents for 2012, including notices of ways and means motions.

[*English*]

The details of the measures are contained in these documents. I am asking that an order of the day be designated for consideration of these motions. I also wish to announce that the government will introduce legislation to implement the measures in this budget.

Today we present economic action plan 2012. It is Canada's plan for jobs, growth and long-term prosperity.

● (1605)

Looking ahead, Canadians have every reason to be confident. Other western countries face the risk of long-term economic decline. We have a rare opportunity to position our country for sustainable long-term growth. Others have little room to manoeuvre.

We are free to choose our future. We have made our choice. Our government chooses prosperity for all Canadians. We will take decisive action to ensure our economy will create good jobs and sustain a higher quality of life for our children and grandchildren.

In this budget, our government is looking ahead not only over the next few years, but over the next generation. We are taking major steps forward to build on the strong foundation we have laid since 2006. We are avoiding foreseeable problems while seizing new opportunities in the global economy. The reforms we present today are substantial, responsible and necessary. They will ensure we are focused on enabling and sustaining Canada's long-term economic growth.

[*Translation*]

Our goal is to strengthen the financial security of Canadian workers and families, to help create good jobs and long-term prosperity in every region of the country. Still, it is not enough simply to maintain Canada's advantage among the major advanced economies. We must also position Canada to compete successfully with the world's large and dynamic emerging economies. In a changing global economy we must aim higher. We must avoid falling behind. We must realize the enormous potential of our great country.

*The Budget**[English]*

Sir George Foster wrote of that potential a century ago. He helped to shape it over crucial generations, from serving as minister of finance under Sir John A. Macdonald to attending the Paris Peace Conference with Sir Robert Borden.

His words are more compelling now than he could have imagined. He said:

There is especial need just now for long vision and the fine courage of statesmanship, and the warm fires of national imagination. Let us summon them all to our aid. We should not be thinking overmuch of what we are now, but more of what we may be fifty or a hundred years hence. Let us climb the heights and take the long forward look.

Since 2006, our government has taken that long forward look. We have acted consistently to help create jobs and economic growth. Our plan is founded on the understanding that keeping taxes low helps hard-working families and supports the businesses that create jobs for Canadians.

In the past few years of global economic recession and instability, we have seen the wisdom of that plan. It has enabled us to meet an historic challenge. It has positioned us to seize an historic opportunity. It has protected and strengthened our country.

*[Translation]*

Let us review the record. Our government reduced personal income taxes and cut the GST. We allowed seniors to split their pension. We established the working income tax benefit for low-income working people. We removed more than a million low-income Canadians from the federal income tax rolls altogether.

We established the registered disability savings plan and the tax-free savings account—the most important personal savings vehicle since the RRSP. Altogether, we have saved the average family of four more than \$3,100 per year in lower taxes.

At the same time, we reduced taxes on the businesses that create jobs for Canadians.

*[Disturbance in the gallery]*

• (1610)

**The Speaker:** Order, please. The hon. Minister of Finance.

**Hon. Jim Flaherty:** Mr. Speaker, Canada now has the lowest overall tax rate on new business investment among major advanced economies. This is a significant advantage for Canada in the global economy. It is helping to create and preserve jobs in communities across the country, now and for the long term.

*[English]*

Because we made responsible choices, when the global economic recession hit we were able to respond decisively. We implemented one of the largest and most effective economic stimulus plans among the nations of the G20. We made historic investments in infrastructure. We encouraged businesses to invest and helped them to avoid layoffs. We made substantial new investments in skills training. We extended support for workers who lost their jobs. We did all of this without creating permanent new bureaucracies. We did it without taking on the massive debts and long-term deficits now faced by many other countries. We did it without raising taxes.

As a result, in these difficult years Canada has outperformed most other industrialized countries. But still, we remain concerned about the number of Canadians out of work. In response, this budget contains measures to create new, high quality jobs.

Still, it is important to remember that Canada is one of only two G7 countries to have recouped all of the jobs lost during the global recession. In fact, since July 2009, our economy has created more than 610,000 net new jobs.

The World Economic Forum says our banks are the soundest in the world. *Forbes* magazine ranks Canada as the best place in the world for businesses to grow and create jobs. Our net debt-to-GDP ratio remains the lowest in the G7, and the lowest by far. The OECD and the IMF predict our economy will be among the leaders of the industrialized world over the next two years.

Canadians appreciate the fact that our country is outperforming our peers. They also understand that the global economy remains fragile. They know that our traditional trading partners face serious long-term economic challenges. In addition, Canadians are aware that our country faces challenges of its own. We need to promote innovation more effectively, to keep creating good quality jobs. We need to plan for the rapid aging of our population to secure our long-term prosperity.

Many Canadians are concerned about whether they will have enough money for their retirement. They wonder whether our social programs will be there when they need them. They ask whether there will be good jobs and a higher quality of life for themselves and for their children.

In response to these concerns, there are some who would raise taxes, increase government spending and shun new trading opportunities. These short-sighted, irresponsible and dangerous policies would kill jobs, impose crushing deficits and cripple our economy. They would squander Canada's advantage. Eventually they would make our social programs unsustainable.

We see it in the very difficult circumstances in which Greece and some other European countries now find themselves. These policies would turn us away from long-term prosperity, down a path of long-term decline.

Our government will not allow that to happen. We will stay on course, to keep creating high quality jobs and long-term economic growth for Canadians. We will not raise taxes. We will maintain our consistent, pragmatic and responsible approach to the economy. We will take the necessary next steps to build confidence in our future.



*The Budget*

● (1615)

*[Translation]*

Canadians need to be confident in our prospects for economic growth. This is the key not only to creating good jobs but also to sustaining our social programs and improving our quality of life. Canadians also need to know that their government will be able to respond boldly to any future economic crises originating outside our borders. To provide this confidence, we must ensure that Canada's finances are sustainable over the long term. To that end, we will fulfill the commitment we made in the economic action plan budget of 2009, to return to balanced budgets in the medium term.

*[English]*

We are on track. In less than two years, we have already cut the deficit in half. We did it by ending our targeted and temporary stimulus measures and by controlling the rate of growth of new spending.

Now in this budget, we will take the next step. We will implement moderate restraints in government spending. The vast majority of the savings will come from eliminating waste in the internal operations of government, making it leaner and more efficient.

For example, our government will do what everyone agrees should have been done long ago, we will eliminate the penny.

**Some hon. members:** Oh, oh!

**The Speaker:** Order, please. I am sure the minister appreciates hearing your two cents, but we will let him finish his speech.

The hon. Minister of Finance.

● (1620)

**Hon. Jim Flaherty:** Mr. Speaker, even the opposition members know that pennies take up too much space on our dressers at home. They take up far too much time for small businesses trying to grow and create jobs. It costs taxpayers a penny and a half every time we produce a penny. We will therefore stop making pennies. Canadians might wonder why this was not done earlier.

Canadians might also wonder why public servants are sometimes asked to travel when a video conference would be easier for them and cheaper for taxpayers.

Canadians also might also be surprised to learn that some of the most massive documents the government produces are still printed on paper, when everyone now uses these documents online.

If so, Canadians will be glad to learn that we are putting a stop to these and other wasteful practices in every corner of government.

Because of our government's responsible choices, we can eliminate the deficit through common sense moderate restraint. We have no need to resort to the drastic cuts being forced upon some other developed countries today. We have no need to undertake the radical austerity measures imposed by the federal government in the 1990s. In fact, our government will return to balanced budgets, while continuing sustainable increases in transfers for social programs.

The savings we have identified are moderate. They will amount to less than 2% of federal program spending overall.

*[Translation]*

Our government has always acted responsibly to ensure the social programs Canadians count on will be there when they need them. As mentioned, we are increasing support for health care, education, and pensions at a sustainable level. Today we are also taking action to ensure the sustainability of Canada's retirement income system.

*[English]*

Changes were made years ago to the Canada pension plan to ensure it would be sustainable. As a result, it is sustainable. It is sound and fully funded. Today it is clear that we must take action to ensure the sustainability of the old age security program, which is the largest spending program of the federal government.

The old age security program was designed for a much different demographic future than Canada faces today. In the 1970s there were seven workers for every one person over the age of 65. In 20 years there will only be two. In 1970, life expectancy was age 69 for men and 76 for women. Today, it is 79 for men and 83 for women. At the same time, Canada's birth rate is falling. The result is that Canadians are living longer and healthier but there are fewer workers to take their place when they retire. Canada has changed. Old age security must change with it to serve the purpose it was intended to serve.

We will make gradual adjustments to the old age security program to ensure the next generation can count on it. These adjustments will not affect current recipients or those close to retirement. Starting in 2023 and ending in 2029, we will gradually increase the age of eligibility from age 65 to 67. This gradual approach will enable younger Canadians to plan ahead with confidence. We will also make the program more flexible for those approaching retirement. As of July 1, 2013, Canadians who prefer to keep working will be given the option to defer the start of benefits. This voluntary option will enable them to receive higher benefits as a result.

*[Translation]*

Beyond this, we will also ensure that government employee pension plans are sustainable and financially responsible. We will adjust these pension plans to be more in line with those available to Canadians working in the private sector. We will also increase the cost-share ratio for the pension plan for members of Parliament and senators, effective January 1, 2013.

*The Budget*

Our government has already announced increases in transfers to the provinces, to put health care funding on a stable, sustainable path for the long term. Together with our adjustments to old age security, we are ensuring that these crucial programs and services will be there for Canadians over the next generation.

• (1625)

[English]

Our focus in this budget is the long-term prosperity of our country. Still, as always, we are also responding to the immediate needs of our fellow Canadians. To create jobs now, we will extend by one year the hiring credit for small business, a practical, proven measure that encourages businesses to hire more workers. We will provide new funding to improve border infrastructure. We will make new investments in local infrastructure through Canada's regional development agencies. We will also renew the fleet of the Canadian Coast Guard, now celebrating its 50th anniversary.

While creating jobs now, our government will provide new opportunities for Canadians to gain access to the labour market. We will keep helping older workers in transition to find good new jobs. We will increase funding for skills training and career experiences for young Canadians and for Canadians with disabilities.

Canada's reservists make extraordinary sacrifices to keep our country safe but potential long absences and added costs mean that employers will not hire them. These brave Canadians should not be disadvantaged. Our government, working with Canadian companies, will help remove barriers to hiring reservists.

[Translation]

We will also take action to modernize Canada's employment insurance program. We will make it much easier for Canadians who are out of work to identify new opportunities, and for employers to find the workers they need. For EI recipients in areas of sporadic employment, we will initiate modest changes to the program to better focus our support for Canadians who are eager to work. We will also provide new incentives and opportunities for members of first nations living on reserve, to participate fully in our economy and to gain greater self-sufficiency.

Our government will also take action to build a new legislated framework, in response to the national panel on first nation education. As initial steps, we will make new investments to build and renovate schools on reserves. We will increase support for early literacy programming. We will work with first nations to build partnerships with provinces and other stakeholders to unlock the potential of Canada's first nations children. We will also invest in a long-term strategy to improve water quality in first nations communities.

• (1630)

[English]

In addition, our government will reform Canada's immigration system to make it faster and more efficient. We will ensure it is designed, above all, to strengthen Canada's economy. As a result, we will be better able to fill gaps in our labour force. We will attract more of the entrepreneurs we need to create good jobs and long-term economic growth.

[Translation]

As part of our plan for jobs and growth, our government has made very substantial investments in science and technology. Such investments are necessary to help sustain a modern, competitive economy. They encourage innovation—new ideas, which lead to new products and services, and ultimately to new, highly skilled, well-paying jobs. The key is to leverage private sector investment in research and development. In spite of our efforts so far, Canada is not keeping up with other advanced economies on this crucial front.

[English]

In response to the Jenkins report on innovation, we will provide substantial new funding to make it easier for entrepreneurs to access venture capital. We will extend our efforts to promote small business innovation through government procurement contracts. We will provide new investments to support innovation and market development in the forestry sector. We will double our investments through the industrial research assistance program.

We will provide new support for partnerships between businesses and universities. We will make new investments in advanced research infrastructure in our college and university campuses. We will streamline and improve the tax incentive program for business innovation and reinvest the savings in direct support. We will also review the government's science and technology organizations to make them more effective in translating ideas from the lab to the marketplace.

The result will be to position Canada to succeed in the knowledge economy of the 21st century. We will be able to build more globally competitive companies. These companies will create more well paying jobs and a greater quality of life for all Canadians.

As the 21st century unfolds, it is increasingly clear that Canada's energy and natural resources are massive assets to our country in the global economy. The oil and gas, mining and forestry sectors directly employ more than 750,000 Canadians. They are driving economic growth across the country. They are creating good jobs, not only directly but indirectly in manufacturing, clerical work, skilled trades and financial services.

*The Budget*

[*Translation*]

Canada's resource industries offer huge potential to create even more jobs and growth, now and over the next generation. This potential exists in every region of the country—natural gas in British Columbia, oil and minerals on the Prairies, the Ring of Fire in Ontario, Plan Nord in Quebec, hydro power in Atlantic Canada, and mining in Canada's North.

[*English*]

Recently it has become clear that we must develop new export markets for Canada's energy and natural resources to reduce our dependence on markets in the United States. The booming economies of the Asia-Pacific region are a huge and increasing source of demand but Canada is not the only country to which they can turn. If we fail to act now, this historic window of opportunity will close.

We will implement responsible resource development and smart regulation for major economic projects, respecting provincial jurisdiction and maintaining the highest standards of environmental protection. We will streamline the review process for such projects according to the following principle: one project, one review, completed in a clearly defined time period. We will ensure that Canada has the infrastructure we need to move our exports to new markets.

Beyond this, we will build on our very effective partnership with the Canadian Federation of Independent Business and continue reducing red tape across government. Our goal is to allow businesses to focus on what they do best, creating jobs and opportunity from coast to coast to coast.

● (1635)

[*Translation*]

Finally, as a key part of our plan for long-term prosperity, our government is undertaking the most ambitious trade expansion plan in Canadian history. Experience has shown that opening new export markets provides an enormous long-term benefit to Canada. It creates new opportunities for Canadian businesses and good new jobs for Canadian workers. On a level playing field, Canadians have shown we can compete successfully with the best in the world.

[*English*]

For that reason, our government has worked hard to open new markets for Canadian exports. Before 2006, Canada signed only three new trade agreements in 13 years. Since then, our government has signed new trade agreements with nine countries, and we are in negotiations with many more. Just yesterday, the Prime Minister returned from another trip to Asia, launching negotiations on new trade agreements with Thailand and Japan.

The United States will remain our largest and most important trading partner. Still, recent events and long-term trends indicate clearly that we need to diversify Canada's export markets. We need to open new export markets in the world's emerging major economies while strengthening and expanding our existing trade relationships.

We will continue working with the United States to implement our joint beyond the border plan to strengthen and deepen the economic

and security links between our two countries. At the same time, we will harmonize our duty and tax exemptions for 24 and 48 hour trips to match levels for U.S. citizens. This measure will ease congestion at our borders.

[*Translation*]

We will conclude negotiations on new trade agreements with the European Union and with India. We will also begin entry talks with the trans-Pacific partnership, and continue building our growing trade relationship with China. By gaining greater access to these vast and growing markets, we will strengthen the financial security of all Canadians. We will create good jobs and long-term growth in every region of the country.

[*English*]

Since we were first elected in 2006, our government has been focused on creating jobs and economic growth. Ultimately our goal is to ensure long-term prosperity for all Canadians.

We are "looking a little ahead", as Sir John A. Macdonald advised. We can see in the distance every reason to hope.

We see young Canadians, confident in their future; retired Canadians, secure in their senior years; aboriginal Canadians, realizing their vast potential; new Canadians, strengthening our country as they have done in every generation.

We see every region of the country more prosperous than ever in our history. We see Canadian businesses and universities coming up with things no one has thought of before, leading to new opportunities and a better life for Canadians and for people around the world.

We see Canada going from strength to strength in the 21st century. We see Canada at the centre of the world, with a great and friendly market to the south, a continent of opportunity across the Atlantic and a world of growth across the Pacific. We see Canada whose wealth, while immense, will be measured ultimately in the greater happiness and security of its people.

We see Canada for what it is and what it can be: a great, good nation, on top of the world, the true north strong and free. Our government has been inspired by this vision from the beginning.

Today, we step forward boldly, to realize it fully: hope for our children and grandchildren; opportunity for all Canadians; a prosperous future for our beloved country.

● (1640)

**Mr. Peter Julian (Burnaby—New Westminster, NDP):** Mr. Speaker, all we can say is that this is a penny-wise and a pound foolish budget.

*The Budget*

[Translation]

When people look ahead, they will remember the words that this Prime Minister spoke before and after May 2, including when he said in this House last June that he would not make any cuts to health care, that he would not make any cuts to old age security for seniors across the country and future seniors, and that he would not make any cuts to services. This budget and the government's actions are targeting these three things. Canadians and families deserve better.

The worst part is that even the government expects an increase in unemployment over the next year. This same government is unable to create the prosperity that so many Canadians need.

[English]

When we look at the cuts in health care, when we look at the cuts to retirement security and when we look at the cuts in services, what we see are broken promises. Why the broken promises?

**Hon. Jim Flaherty:** Mr. Speaker, I am not sure where the member has been.

[Translation]

I would like to thank the hon. member for his question. We are not going to make cuts to health care.

[English]

The reality is that we have not reduced transfers for health. In fact, if the member wants to pay attention to what is going on in this country, he can look at the budgets of New Brunswick, Ontario, British Columbia and others that have been released in the past few weeks. He will see that every one of the provinces are planning spending increases for health care of less than 6% and, unbelievably, 2.1%, and it really is unbelievable because the province will be unable to do it, in Ontario.

We are increasing, until 2016, the federal portion of health care spending by 6%.

• (1645)

**Hon. Judy Sgro (York West, Lib.):** Mr. Speaker, this is a sad day for Canadians who join in a country that had social programs that benefited people so they could plan to retire, start a second career. Now they will have to work an extra two years.

I know the Minister of Finance has a very cushy job. He clearly is out of touch with Canadians if he thinks all Canadians have that same kind of cushy job. However, many of them cannot get beyond to 67 years, no matter if it is today or tomorrow.

You have money for jets and jails, but when it comes to really protecting people, you are attacking the most vulnerable in society. Shame on you.

**The Speaker:** Order, please. I would remind the hon. member to address her comments to the Chair and not directly at her colleagues.

The hon. Finance Minister.

**Hon. Jim Flaherty:** Mr. Speaker, I appreciate the question from the member of the third party, the Liberal Party, who has the nerve to purport to care about health care, education and social services.

It was in 1995 that the Liberal Party brought forth a budget in the House that cut transfers for health care, for education and for social services to the provinces and territories. Shame is right. Shame it was. The consequences were felt by Canadians coast to coast to coast. The Liberals did not care then and they do not care now.

**Ms. Roxanne James (Scarborough Centre, CPC):** Mr. Speaker, on behalf of the people of Scarborough Centre, I also thank the Minister of Finance for economic action plan 2012 and its pro-jobs and pro-economic growth focus and especially for keeping our taxes low. With today's positive plan, Canada will continue its strong record of leading the G7 in job creation and economic growth for today and well into the future.

I was particularly pleased by economic action plan 2012's new investment to improve community infrastructure across Canada. Could the Minister of Finance give the House more details about this new program and how it would benefit our communities?

**Hon. Jim Flaherty:** Mr. Speaker, I thank the people of Scarborough Centre for sending such a great new member. I thank all the people in the GTA for sending such a strong contingent of government members to the House of Commons.

We have been working on infrastructure and working with the Federation of Canadian Municipalities. The Minister of Transport, Infrastructure and Communities has been consulting with it. Our \$33 billion Canada building plan continues until 2014.

We are introducing a new plan for the next year with respect to community centres, infrastructure and improvements and renovations. That will be important for small community-based facilities across Canada. We are also continuing with the gas tax sharing, which we have made permanent for municipalities.

[Translation]

**Ms. Lysane Blanchette-Lamothe (Pierrefonds—Dollard, NDP):** Mr. Speaker, we heard rumours in Switzerland, and two months or a little more later, the government finally deigns to give Canadians answers. Yes, the age of eligibility for old age security will be increased to 67 in the not too distant future.

I would like to know what the minister has to say to people who are concerned, who work full time, who live below the poverty line and who are unable to save for retirement. What does he have to say to people who cannot work longer because their bodies will not allow them to or because they are laid off at age 50 or 55? What does he have to say to people who are concerned about their private pensions, which were established based on the fact that they would be eligible for old age security at age 65? What does he have to say to all these people? A cut to old age security is a direct attack on the middle class and on people living below the poverty line.

*The Budget*

I could even ask the minister what he has to say to the provinces, which, as a result of these cuts to old age security, are once again going to get stuck with the bill.

[English]

**Hon. Jim Flaherty:** Mr. Speaker, the member opposite, of course, has a point. There will be consequences in moving the age from 65 to 67. It is far away. It is not very soon, 2023, not to me.

I realize members opposite have not had a chance to review the budget in detail. They will see that there is a commitment to permitting the option of people delaying receiving OAS for up to five years and therefore receiving higher benefits. There is also a recognition that there will be some consequences for the provinces. The government will compensate the provinces for that.

• (1650)

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Mr. Speaker, the Minister of Finance tries to justify increasing the age from 65 to 67, saying that it is okay because it is far away.

Canadians do have a very strong message that they want to give to this Prime Minister and to this Minister of Finance, and that it is the principle of the OAS and the principle of pensions. It may be far away in his mind but there are many 50-year-olds and others who are looking forward to being able to retire when they hit 65.

My question is to the Minister of Finance. Why is he giving up on one of the treasures that Canadians believe in, our pension program? Pension programs were brought into place by former Liberal administrations. This Conservative government is giving up on pension programs. Why?

**The Speaker:** The hon. Minister of Finance.

**Hon. Jim Flaherty:** Mr. Speaker, it is time, perhaps, for the application of some common sense.

Times have changed. People are living much longer and healthier lives. This is actually a good thing. This is something we should celebrate. This is a joyful thing. On average Canadians are able to work longer if they choose to work longer. We need to use common sense and adjust for the times.

I would just remind the Liberal member that the reforms to the Canada pension plan were done by his party in the 1990s. Perhaps he ought to remember that even the Liberal Party historically, from time to time, has recognized factual realities.

Having said that—

**The Speaker:** Order. The hon. member for Sackville—Eastern Shore.

**Mr. Peter Stoffer:** Mr. Speaker, I know I speak for everyone in the House of Commons when we say there is not one of us who would not support our men and women in uniform. With that, I was

wondering if I could have the unanimous consent of the House to ask the hon. Minister of Finance a very short question?

**Some hon. members:** Oh, oh!

**The Speaker:** There does not seem to be unanimous consent to extend a question.

I do not hear that consent, so we will move on. Resuming debate. The hon. member for Burnaby—New Westminster.

**Mr. Peter Julian (Burnaby—New Westminster, NDP):** Mr. Speaker, what we have seen tonight is a broken promise to Canadian people. We saw the commitments that were made prior to May 2. We saw the commitments made by this Prime Minister to our former leader, the hon. Jack Layton. He said that there would be no cuts to services to Canadian families.

When we look through the budget document tonight, what we see thoroughly and regularly are cuts to services to Canadian families. We have already seen the government in Victoria cut back long-term health care funding. The Minister of Finance and the Prime Minister know that full well.

Starting in just a few years, the dismal decades under the Conservatives, we will see an increase in the retirement age, which will mean more seniors living in poverty. More seniors are living longer.

Canadian families deserve better than the budget that has been tabled tonight. They deserve better than the cuts in services, cuts we have already seen from the government in long-term health care funding, and now cuts to retirement security and cuts to services that Canadian families depend on every day.

Mr. Speaker, you know and we all know in the NDP caucus, 102 strong, that the Canadian public is going to take a very dim view of the dismal decades that the government has in store for it in the coming years.

There is no doubt we are going to have a very thorough debate on the floor of this House of Commons around this budget. New Democrats will be standing up for Canadian families. That debate will be starting tomorrow.

For tonight, I move:

That the debate be now adjourned.

(Motion agreed to)

• (1655)

**The Speaker:** Pursuant to Standing Order 83(2), the motion is deemed to have been adopted and the House stands adjourned until tomorrow at 10 a.m.

(The House adjourned at 4:55 p.m.)



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