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Monday, June 9, 2003

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Monday, June 9, 2003

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

●(1100)

[*English*]

FREE TRADE AGREEMENTS

The House resumed from April 3 consideration of the motion.

Mr. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, maintaining and enhancing a strong investment flow is important to a strong and vibrant Canadian economy. Capital flows worldwide have grown rapidly in recent years. Global outward foreign direct investment has increased more than tenfold over the past two decades, from U.S. \$568 billion in 1982 to U.S. \$6.55 trillion in 2001.

[*Translation*]

Canada is an active and strong player in this global economy. For example, Canadian direct investment abroad has more than quadrupled, from \$98 billion in 1990 to \$432 billion in 2002, and since 1996 has surpassed foreign direct investment in Canada.

[*English*]

Canadian investment abroad spurs the growth of Canadian companies and innovation and technology which in turn creates jobs in Canada. In fact, an OECD study estimated that each \$1 of outward investment generated \$2 worth of additional exports. Over the same period of time, the stock of foreign direct investment in Canada more than doubled, from \$131 billion to \$349 billion in 2002.

●(1105)

Foreign investment in Canada is an important source for Canadian jobs, especially high skilled jobs. It also brings advantages in research and development, new ideas and technologies, and talented people. These spinoffs have all made lasting and real contributions to our economic and social well-being.

Investment also provides Canadians with access to the capital and expertise that makes our country stronger and contributes to the quality of life of every citizen.

It also should be noted that yet another benefit of foreign investment is that a large proportion of profits from new investments

is reinvested in Canada, contributing to a higher growth rate and a rise in Canadian living standards. Clearly, maintaining and enhancing a strong flow of investment is vital to the health of the Canadian economy. As such, our government policy needs to support a secure and predictable business environment that provides Canada with the principal means of attracting investment to our communities and provides Canadian investors with the protection they need to expand into new markets.

Achieving a fair, open and secure environment for international investment both at home and abroad is key to increasing our productivity and our prosperity. Canada has long been a supporter of a rules based approach to international trade and investment where agreed rules regulate the flow of goods, services and investment. These rules help to bring the investment regimes in other countries to Canada's level of openness.

●(1110)

[*Translation*]

Investors are looking for a commitment to a stable and predictable environment and Canadian investors are requesting their government to pursue internationally-agreed rules of a high standard which ensure a level and transparent playing field, including recourse to an impartial dispute settlement mechanism.

[*English*]

Because Canada now invests more abroad than it receives in foreign investment at home, such protections are all the more important to Canadians. We can see clearly on trade issues what happens when rules based systems are not in place or not respected. The way that Canada's softwood lumber industry has been harassed by the U.S. industry over the last two decades is a tragic case in point.

Lumber I, as it is now affectionately referred to, was launched in 1982 and ended in 1983 with the U.S. department of commerce concluding that stumpage did not confer a countervailable subsidy. Lumber II began in 1986 and ended with a memorandum of understanding between Canada and the U.S., which provided for the levy of a 15% lumber export tax by Canada. This charge was subsequently eliminated.

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In 1991 lumber III began, leading to a ruling by the U.S. department of commerce in 1992 that stumpage and log export restrictions were not countervailable subsidies. In 1996, in the search for trade peace, Canada and the U.S.A. finalized an agreement on softwood lumber covering the five year period to March 31, 2001. Essentially, this agreement called for managed trade in softwood lumber, limiting exports from Canada through quotas. Here we are again with lumber IV to which has been added an anti-dumping duty.

The reality is that even though Canada succeeds in its arguments, a new countervailing duty process could be launched the very next day producing lumber V and an unlimited number beyond that.

Despite winning the battles, we are losing the war, so it should be no surprise to any of us that rules can be broken, but does that mean that we should give up on trade and investment rules? No, it does not because it is in our best interest to have them. I have introduced a motion into the House of Commons which will be debated this fall that addresses many of these concerns, but I do not have time to get into that today.

Trade and investment rules promote values that are important to Canadians. They reflect the principles upon which our governments already operate; that while mindful of public well-being, one must act in an even-handed and non-discriminatory manner. While freer trade drives our economic growth, Canada does not negotiate trade agreements at any price. We obtain benefits that are in the interests of Canadians. Despite outward interests, we remain alert to the implications for all areas of domestic policy. These rules do not restrict the rights of governments at any level from legitimately regulating or legislating, nor could a government be forced to remove or amend an existing regulation or legislation.

In addition, Canada's investment agreements contain a broad range of exceptions and reservations for social services, such as health, public education and social welfare, and sensitive sectors, such as culture, transportation, fisheries and telecommunications. They also contain specific exemptions which affirm the ability of countries to adopt and enforce measures that they consider appropriate to ensure that investments are undertaken in a manner sensitive to environmental concerns.

Canada implemented its first foreign investment protection agreement in 1990. Since then we have negotiated 22 further agreements and have included investment components in the NAFTA and the Canada-Chile free trade agreements.

Canada is currently negotiating the free trade area of the Americas, better known as the FTAA, the central America four, the CA4, and the Singapore free trade agreements. The Americas region represents Canada's most important market and strengthening our economic ties with this region is a high trade priority for the government. We are also holding preliminary discussions toward free trade with members of the Caribbean community and the five Andean countries.

[Translation]

Although the set of investment rules contained in NAFTA Chapter 11 has worked relatively well, there is always room for improvement.

As such, the government is not advocating the replication of the NAFTA dispute settlement rules in the FTAA.

•(1115)

[English]

While the government is committed to providing our investors with recourse to impartial dispute settlement, we are equally committed to ensuring that the experience gained through the operation of NAFTA chapter 11 is reflected in the FTAA and Canada's CA4 negotiations and in any future agreements. As part of this work, the government is studying the operation and provisions of chapter 11 and consulting widely on its operation.

Both today and before today we have heard arguments that chapter 11 works for U.S. corporations but we do not hear much about how it can work for Canadian corporations. I should note here that a major forest products company in Canada, Canfor Corporation, recently invoked the provisions of chapter 11 of NAFTA, claiming compensation from the U.S. administration for unfairly diminishing the value of its corporate assets as a result of the unjust and unfair countervailing duty and dumping charges on its softwood lumber to the United States, and there may be others. Chapter 11 does work both ways.

The government has several mechanisms in place to facilitate consultations on chapter 11 of NAFTA: regular federal-provincial consultations, a federal-municipal working group, and ongoing consultations with key stakeholders such as the business, academic, legal and NGO communities. In addition, Canada is actively engaged, with our NAFTA partners, in a thorough review of chapter 11 with the objective of clarifying the provisions if required.

[Translation]

In conclusion, the Canadian government is determined to provide the best protection possible to Canadian investments abroad. It has also made a commitment to put into place an investment structure that is stable, predictable and transparent, this being essential if we are to attract foreign investment to Canada.

[English]

We do not and will not, however, negotiate this at any price. Canada's position on this is very clear. We will use the knowledge gained from the operation and analysis of chapter 11 and we will continue to safeguard Canada's fundamental values, including our legislative and regulatory framework, to protect the health, safety and environment of Canadians.

Mr. Deepak Obhrai (Calgary East, Canadian Alliance): Mr. Speaker, I am pleased to speak to Motion No. 391 brought forward by the member for Joliette. It reads:

That, in the opinion of this House, any free trade agreement entered into by Canada, whether bilateral or multilateral, must include rules for the protection of foreign investments which do not violate the ability of parliamentary and government institutions to act, particularly on behalf of the common good, and must exclude any investor-state redress provisions and consequently, the Canadian government must enter into negotiations with its American and Mexican partners with a view to bringing the North American Free Trade Agreement, NAFTA, in line with the aforementioned principles.

Two or three weeks ago at the Tory convention, NAFTA seemed to be popping up again. NAFTA has had a major impact on Canada and its policies and is one of those driving forces that is now recognized by everyone for its tremendous benefits, which have come to Canada, the United States and Mexico. Of course there need to be adjustments and there have been adjustments.

When I was in Mexico, the people there needed adjustments as well and had some concerns, but overall, in speaking with people in Mexico, with officials in Mexico and with officials in Canada and in the U.S.A., I would say there is no denial of the fact that NAFTA has worked for the benefit of all three countries.

We need a rules based system because we are a small country with a small population but big resources. It is critically important for our size, for our values, that we have a rules based system where we can trade freely. The softwood lumber and other trade disputes taking place and the GMO issue with the European Union all indicate that larger economies do have the clout that can force smaller economies to the side if we do not have a rules based system, hence the desire of all these countries around the world, approximately 180 of them, to be members of the WTO. They want a rules based system that will protect their economies and give them the advantage, now proven, that freer trade provides as it assists economies, assists people and assists countries in coming out of their poverty. Let us look at what has happened to the economies of China and India after they came into the world market.

NAFTA is one of those agreements which has shown that a free trade agreement can work to the benefit of countries. What is chapter 11? Chapter 11 is basically about national treatment which mandates that foreign based companies should be treated the same as domestic companies unless compensated. That is the bottom line. That gives assurances to foreign investors that if they come here, yes, they will be treated as Canadian companies. What is wrong with them being treated as a Canadian company? I do not understand why we cannot treat foreign companies as Canadian companies.

I have here a letter from the Canadian Labour Congress, which opposes this. In reading this, I cannot really understand all the points except for the fact that the congress is against globalization and for protectionism. Being a labour congress, it wants to protect its labour interests. Nevertheless, it cannot convince me as to why it is against chapter 11.

● (1120)

It is interesting to look at Africa, where countries now want foreign investment where there was nationalization, where foreign investment companies were taken over. The president of Uganda has come out with a proposal asking that insurance companies insure investments in the country so that should something happen due to civil war or anything and foreign investors were to lose their investments, insurance companies would now compensate. That is

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one way of giving confidence to foreign investors: telling them that their investment going into the country is protected in the same way we in Canada want protection for our companies.

Canadian companies have taken tremendous advantage of NAFTA and have done extremely well, both in NAFTA as well as in going out. It has benefited all of us. This foreign investment provision also applies equally, as my Liberal colleague just mentioned, to Canadian companies when they invest overseas. It is not only what is coming in that we are worried about; it is also foreign investment going out, with Canadian companies investing outside of Canada. They also need foreign protection.

Henceforth it becomes pretty difficult to see this argument against NAFTA, against this investment provision. We saw what happened in the Tory convention. It is a party that proudly credits itself for bringing in free trade, considering that Mr. Mulroney at one time was opposed. He saw the merit of it, though, being a businessman, and did it. He did it and the Tories take credit for it. Of course the Liberals opposed it, but once in government they saw the merits of it. Now of course, as we heard, they are big proponents of NAFTA because it has proven to be a very successful trade agreement. Sure, there can be little ifs, ands, or buts here and there, but they easily can be taken care of.

In this letter I got from the Canadian Labour Congress, it says, interestingly, that up to now only eight times has Canada been taken on in this issue. We do business worth billions of dollars a day. According to the congress, it was also on environmental regulations, but the issue is that those regulations that should apply to foreign based countries apply equally to the Canadian companies. It is not that foreign based companies are being given some special treatment. No, they have to follow the same rules.

So where does the problem lie here? The problem does not lie in chapter 11. The problem lies in how the government handled that issue. It mishandled it and will end up paying for it. Why should chapter 11 be made the scapegoat for it? We do billions of dollars worth of business every day, and what we are talking about is a minuscule amount. I would not say it should be disregarded, but the government must see how it has mishandled all these cases and must not do it next time. As for the balance, where payments were given up, such as on the MMT case and so on, responsibility lies with how the government handled it. This provision just provides protection to foreign investors as well as Canadians.

Again I must say there is no argument that NAFTA is one of those agreements that everybody looks upon and says it has worked very successfully. And as for free trade, countries are working very hard on their foreign policies to ensure that they benefit from free trade. In conclusion, I must say that it is very difficult for the Canadian Alliance to support this motion.

● (1125)

[*Translation*]

Ms. Francine Lalonde (Mercier, BQ): Mr. Speaker, I am extremely pleased to have this opportunity to express my great enthusiasm for the motion by my colleague from Joliette. I congratulate him on having the initiative to bring this motion before the House of Commons.

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I would point out that he has extremely strong support, not only in Quebec, but also from various groups in Canada. The support in Quebec comes from a number of major organizations, among them the labour movement and all those involved in regional development and development in general.

It seems to me that the colleagues who have just spoken have not really grasped the point of my colleague's motion. He is not saying that investments do not need to be protected, but rather that investors must not be given the same right to act as international stakeholders as states are, and that rules for the protection of foreign investments developed and used by the Canadian government with satisfactory results prior to NAFTA must be preserved.

I heard the hon. member across the way say that we have signed a number of agreements since 1990. It is true that we think signing some of these agreements was a good idea. Beginning with NAFTA, the right of investors to make complaints directly against governments was recognized. At that point, the approach to complaints took a ridiculous turn internationally.

I want to say this very clearly and I will repeat it because it is bending the truth to say that we do not want to protect investments. We do, however, want to protect the government's rights.

What is it about NAFTA that we do not like? What is it about NAFTA's investment protection provisions that we object to? Several things have become obvious, and some affect Canada.

First of all, there is the definition of "expropriation", which is much too broad. As an answer for my hon. colleague on this side, I can say that we recognize—as the OECD rules recognize—that in cases of expropriation, compensation should be at fair market value.

Under NAFTA, expropriation now means the evaluation of potential losses. This interpretation has given rise to some high-dollar complaints. Imagine what this means when complaints are lodged against governments, in particular against underdeveloped countries. Just one complaint could cause the government to refuse to protect the environment, for example. Thus, this is an extremely damaging provision.

The second point is that not only are the investors protected, but their backers are protected as well. Even if an investor decided to accept the legislation passed by a government, a bank in another country could decide to sue. That is excessive.

The third and most important point for us is the famous investor-state redress provisions, which enable foreign companies to take their case before special tribunals. I am speaking specifically of foreign companies, because native companies do not have this right of recourse. It is completely disproportionate to give economic parties—which may be quite large—the status of international parties because they are acting under trade treaties, which is true, but treaties nonetheless.

Under this provision, governments can be attacked directly for any measures they may take that would deprive companies of potential profit.

● (1130)

Consider our position in terms of overall globalization and the size of investments. These investments are quite significant: \$4,000 billion in one year, with over \$430 billion for Canada alone.

These investments go from developed countries to underdeveloped countries that want them, but if these investments come with similar strings attached, there are constraints for the governments of developed countries, but there are significant restraints for the governments of underdeveloped countries, even without waiting for a final ruling from a special tribunal. A single complaint, along with astronomical profit losses, might mean that a government that had improved its environmental record, for example, would regress.

I want to tell the Chair that the Standing Committee on Foreign Affairs and International Trade heard many witnesses prior to the free trade of the Americas negotiations. In fact, the FTAA contains what we object to in NAFTA, and we want this removed, but we have read the FTAA documents and they are identical to NAFTA. This is unacceptable, and we will continue to fight this.

In the Standing Committee on Foreign Affairs and International Trade, all the witnesses disagreed with the NAFTA provisions, except for one person who worked for a big legal firm, so this is understandable.

For those who were strongly opposed to the MAI, the multilateral agreement on investment, which the OECD dropped, I would like to point out that the MAI also uses the same terms as NAFTA.

It is not a matter of not protecting private company investment, but rather of protecting the right, the power of governments to use the measures, policies and decisions available to them to protect the public good and not allowing foreign companies—I stress this because native companies do not have recourse to these mechanisms—to complain about one of these decisions which could possibly cause them to lose money and which they would be entitled to complain about before a special NAFTA tribunal if it applied to NAFTA, or an FTAA tribunal if it related to FTAA, or whatever.

I would also like to point out that Canada, which signed investment protection agreements with 22 countries, adopted OECD rules until 1994 without complaint. However, with the implementation of NAFTA it adopted NAFTA rules and in all these agreements with developing countries, companies which invest are given the right to challenge the legislation of the governments of developing countries.

Canada and the United States were not alone in adopting these provisions. All the other countries, in their bilateral agreements with other countries, retained the initial OECD rules and those in effect at the WTO, rules such as respect for the right of ownership regardless of the nationality of the owner; no nationalization without fair financial compensation; ban on treating assets within a country differently depending on whether they are domestically or foreign owned; free movement of capital resulting from an operation and the disposition of investments.

I hope my colleagues in this House will take advantage of this opportunity to speak to this extremely important issue.

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•(1135)

I am talking about the future ability of governments to fulfil their responsibilities vis-à-vis increasingly large investors with increasingly large assets, whose primary concern is not the common good. This is a vote to protect the right of governments, large or small, to defend the common good.

[English]

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, the member for Joliette ought to be congratulated for his motion, which deserves to be supported fully. In light of what has been said so far, it is necessary and worthwhile to put on record some facts as to how this chapter has affected in reality the three countries involved.

Fact number one: the case of Ethyl Corporation has affected Canada. The amount claimed by Ethyl Corporation was \$250 million. The settlement, which was paid by the taxpayers of Canada, was \$18 million, with an apology on the part of the Government of Canada for having passed the legislation which was intended to protect the health of Canadians by banning manganese from gasoline as an additive.

Second, S.D. Myers Inc., an other American corporation, has claimed an amount under NAFTA of \$20 million. It was awarded \$5 million plus interest and damages.

Third, Sun Belt Water Inc. is an American water firm that is challenging British Columbia's water protection legislation and its moratorium on the export of bulk water. How much is it asking? It is asking for \$10.5 billion under NAFTA. Imagine that. This matter is still undecided, thank God.

The next item is from Pope & Talbot Inc., a U.S. lumber company. It claimed the amount of \$508 million. The tribunal ruled that Canada violated the NAFTA article, and Canada was ordered to pay \$460,000 U.S. plus damages, plus interest, plus legal costs, for a total of \$915,000.

These are the effects, and I am glad to see that the member for Etobicoke Centre, for whom I have the greatest respect, is listening to this because a few moments ago he said that so far it was damaging all three partners. That is not so. It has damaged Canada and Mexico but it has not yet damaged the U.S. Is that not strange?

What are we facing here with these facts? What is the situation? What is the reality? The treatment of foreign investors, under NAFTA, has to be better than our national investors. In other words, we have to give special treatment. We have a promotion of corporate rights which do not really make any sense.

It is claimed by previous speakers, including the parliamentary secretary in the last debate, that the NAFTA and this whole approach is for the promotion of prosperity, so is big business seeing the promotion of prosperity? There is no evidence to the fact that NAFTA has promoted prosperity in terms of reducing the gap between rich and poor, for instance.

A study by the Environment Commission in Montreal recently on this very subject came to the conclusion that there was been no impact one way or the other 10 years after NAFTA. In other words, it has had no impact on improving the condition of the lower incomes in relation to the higher incomes. It is neutral, so to say, and it is a

document which is a public document available to everybody. This damages not only the Canadians and the Mexicans by virtue of the figures I mentioned earlier, but it also damages the significance of Parliament.

Some of us at least have been asking for some time for an interpretive statement to improve or to modify the way this chapter is interpreted. We have been told by the earlier negotiators that it has not been intended to be interpreted the way it has been interpreted in recent times.

•(1140)

We do not seem to be getting anywhere despite the assurance given by the former parliamentary secretary when he spoke in the House on the adjournment proceeding a couple of months ago.

The fact is that the NAFTA tribunals are not open to the public. The tribunals conduct their proceedings in secret. They grant investors a powerful new set of rights in their business dealings when they go abroad. However, they assign no new responsibilities. The net result is that NAFTA increases the powers of the corporate side and it diminishes the powers of government. We see democratically elected governments becoming less relevant and losing power to corporations. Is that what we want? I certainly do not think that we want that.

The signing of international trade agreements should not lead to a reduction of the state role in protecting the public good. This is what is happening at the moment. Imagine the case that I mentioned earlier by Sun Belt Water suing the government of British Columbia for \$10.5 billion. God knows what it will be given in the settlement and imagine the impact.

There is plenty of evidence that this particular chapter needs to be interpreted in a new manner. However, that does not seem to get anywhere because we need the consent of all three international trade ministers to do that. If one disagrees, then the matter is not put on the agenda.

When we put this in other terms, what NAFTA does here is it allows corporations to make profits which corporations would not be able to make under national laws. However, under international laws, namely NAFTA, they can make a profit as Ethyl did. It claimed \$250 million. Imagine the nerve of claiming \$250 million because of a piece of legislation passed by the House of Commons and supported by the federal government. This was in 1999 and as I mentioned earlier, the company received \$18 million in compensation in the end as a result of a piece of legislation passed by Parliament.

It is a perverse reversal of democratically adopted rules by a tribunal which acts in secrecy, is not democratically chosen, and acts on the strength of an international agreement about which we ourselves have profound doubts. However, we do not seem to be able to do anything about it. That is the essence of this issue.

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I wish to compliment and salute the member for Joliette for bringing the motion forward. It deserves the support of anyone who believes that foreign investors should have access only to the complaint mechanisms that domestic investors have, unlike the Canadian Council of Chief Executives of course, which produced these two pages of nonsense. That would be the right approach and I submit it for your consideration.

● (1145)

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, I am pleased to speak to this private member's motion today. Perhaps the member understands my interest in this after what the Progressive Conservative Party went through last week at its convention. A proposal was made indicating that the free trade agreement should be reviewed and it seemed to catch the attention of the media.

I have taken stock here today and I note that there are four parties in the House who are taking this issue even further than we suggested at our convention. We suggested the free trade agreement should be reviewed by a blue ribbon committee, but at least four parties in the House have said it should be renegotiated, far more than the Conservative Party ever considered. I hope the media, who was critical of our position on this issue, is watching this today.

Motion No. 391 points out aspects of the free trade agreement that need to be reviewed. Questions in the last two weeks have focused on international trade with the United States which again points out problems with the NAFTA agreement. Nobody is suggesting that it be thrown out or backed up or redone.

I listened to members from three parties on this issue. I understand the NDP supports this motion which calls for a renegotiation of NAFTA. The Progressive Conservative Party is not going that far. We think it should be reviewed. On the other hand, however, there are examples of why it should be reviewed. Softwood lumber, the potato issue, steel, and durum wheat are good reasons why the agreement should be reviewed.

These are some of the problems with regard to free trade with the United States. This gives me reason to believe that maybe some things could be improved in the agreement. This is a timely debate for me. It was interesting to hear that four parties out of five, and I am not sure about the fifth party, agree with my party that the free trade agreement should at least be reviewed.

The Progressive Conservative Party brought in free trade and the benefits for Canada have been huge. Each province has benefited from free trade. My own province of Nova Scotia has experienced a 211% increase in trade with the U.S. between 1988 and 2002, and it continues to grow. Ontario has experienced an increase of 200%; Manitoba 335%; and Alberta 380% since free trade came in. These are huge increases and they are reflected in an enormous number of new jobs. Imagine what it would be like if we did not have these increases because of free trade.

However, nothing is perfect. As the international trade critic, I know that things are not perfect with the free trade agreement, but hopefully they can be improved. After 10 or 12 years the agreement should be reviewed, and the Progressive Conservative Party fully intends to do that and hopefully come back to the House with some

recommendations that will enhance it. Perhaps the government will adopt those recommendations.

Today's proposal deals with one of the most controversial aspects of free trade which is the investment side of it. From my own personal experience and my contacts with people across the country, this aspect raises more concern than anything.

We welcome the opportunity to participate in the debate. As I said, the Progressive Conservative Party would make this a part of our overall review of the free trade agreement which will be announced shortly. The troublesome aspect of the investment part, the lack of transparency, and the unfair treatment from country to country will be addressed.

The Progressive Conservative Party endorses this motion as well as an extended review.

● (1150)

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I am pleased to reiterate the strong support of the New Democratic Party caucus in terms of this motion and to congratulate the member for Joliette for his initiative in this regard.

The NDP is the only party that has been consistent on this matter and on the need to rid our free trade agreement of the chapter 11 investor-state provision. There is absolutely no doubt in our minds that this provision is not rules based, as the Alliance would have us believe. It is not a positive addition to our decision making process, as the Liberals would have us believe. In fact, it is a tool to deny Parliament the right to make decisions on the basis of what is best for Canada on the basis of our sovereignty.

Let us be absolutely clear what chapter 11 does regarding the investor-state dispute resolution system. There is no question that this provision is alone among the world's trade treaties that gives foreign investors and corporations the right to sue governments directly. All other pacts are state to state. This arrangement is unique and it has devastating consequences for Canada's ability to determine its own future.

Let us apply that specifically to the case of health care and our ability as a nation to preserve the medicare model. There is no question, by all accounts, that chapter 11 may deny Canada the ability to preserve medicare in the face of threats from investors in the United States and from large private health care corporations who want a piece of our health care market. We may be on precarious ground in terms of holding back that kind of invasion of our health care system and preserving a non-profit and non investor-owned system. That has been reiterated time and time again. It was part of the Roy Romanow commission report and must be taken seriously by the government.

Jon Johnson of the Toronto law firm of Goodmans LLP was one of the contributors to the Roy Romanow report. He said:

The potential effect of the NAFTA investment provisions is compounded by the private rights of action conferred by NAFTA on U.S. and Mexican investors. However, there are no private rights of action under the GATS or under any other agreement under the World Trade Organization.

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NAFTA's Chapter 11 nationalization expropriation provisions and accompanying threats of investor lawsuits demanding vast sums in compensation could stop governments from expanding universal medicare into areas now covered by the private market such as dental care, home care and pharmacare.

Substantial interference could occur in the health context in Canada if the public component of the system were expanded in a way that increased the exclusion of private firms.

We can see that it is chapter 11 that poses the greatest threat to our ability as a nation to preserve medicare. Contrary to what the Alliance said today, this is not a rules based approach to trade. Canadians support a rules based approach to trade. They support fair trade, however, they do not support a free trade agreement that gives corporations and other national entities control over our destiny as a nation.

We have a right as members of Parliament, as Canadians, to create and put in place programs that are in our best interests and consistent with our values. There is no way this country should be party to an agreement that takes away that right of sovereignty.

• (1155)

Today we stand here in absolute support of the motion. We have noted the difficult position of the Conservatives in the House today, following their leadership convention where there are two dynamics at play. Clearly the likes of David Orchard, if he were in the House today, would be standing up and saying yes to the motion and no to investor state dispute settlement systems. This is a dilemma for the Conservatives that we hope will be clarified as the days proceed.

Obviously the Liberals have yet to see the errors of their ways. The member for Etobicoke North stood up and claimed this to be a most important aspect of free trade and one that perhaps would be reviewed, but that it has had great benefits to Canada while ignoring all the facts in terms of the Ethyl Corporation, Metalclad, the postal service, the serious threat to health care and other publicly delivered national social programs.

We should stand together in the House and support the motion to ensure we rid our country of such a sell-out of Canadian sovereignty and get back to working on fair trade and rules based trade that is in the best interest of all Canadians.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I am happy to use a couple of minutes to add my support to the motion put forward by the member for Joliette. While we in the New Democratic Party support fair trade, we believe that some of the free trade agreements that our country has entered into on our behalf were badly negotiated, have left this country vulnerable and have actually jeopardized the whole issue of Canadian sovereignty.

My hon. colleague from Winnipeg North Centre has made the point that when we lose our economic sovereignty, we eventually lose our national sovereignty altogether.

The most galling aspect of the free trade agreements that we cite today and the one we believe was the most badly negotiated on our behalf was the chapter 11 aspect that gave corporations essentially the right to sue. It gives corporations nation state status in the sense that they can sue the nation state of Canada for lost opportunity. One of the examples that we predict will be a big issue is water. As soon as water becomes a marketable commodity, if an American corporation or any foreign corporation with which we have a free

trade deal with the chapter 11 clause feel they should have a right to get into that marketplace and to deal in the marketing of fresh water and we denied them that right, we could be sued for lost opportunity.

Most Canadians would find that to be an absurd situation, to make us so vulnerable and to put us in a vulnerable position of that nature, but that is exactly what the negotiators of the free trade agreement have done. We have examples where in our country we saw fit to ban the gasoline additive MMT because we felt it was not healthy for our children to be breathing this gasoline additive. The American manufacturer of that additive said that we were interfering with its rights or opportunities to sell that commodity. It sued Canada for lost opportunity and Canada paid. This will become a mini industry by itself. If corporations were smart they would enter into this type of thing deliberately and find something that Canada is opposed to on principle and then sue it for lost opportunity. Why would we do that?

I have made that argument before. I believe that the people we sent down to negotiate the FTA and NAFTA were like *Jack and the Beanstalk* going to the market and trading the family cow for three beans, none of which has yet actually sprouted. In other words, we either settled too soon or we left glaring omissions in the deal where we should have taken steps to protect Canadian sovereignty.

The member's motion makes it clear that Canada, as we enter into free trade agreements with our trading partners around the world, should never again have a clause in a free trade agreement, such as chapter 11, that leaves Canada vulnerable and is a disservice to all Canadians in the interest of expanding trade. It compromises and surrenders Canadian sovereignty, as the member for Halifax so eloquently pointed out.

I support the motion. I urge all members of the House, even in their zeal to support freer trade, to take this cautionary note put forward by the member for Joliette to not have Canada enter into any trade agreements that would so fundamentally jeopardize our Canadian sovereignty.

• (1200)

[Translation]

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, allow me to reread the motion, because that will show that it in no way impedes the liberalization of trade. Nor does it hinder the protection of investments; it puts the common good above trade liberalization and investment protection.

It seems to me that for parliamentarians, it is common sense. We are here to represent the people of Canada and Quebec. We are not here to represent the interests of multinational corporations in Canada first. So, this motion, which I am about to read, just makes good sense.

Speaker's Ruling

That, in the opinion of this House, any freetrade agreement entered into by Canada, whether bilateral or multilateral, must include rules for the protection of foreign investments which do not violate the ability of parliamentary and government institutions to act, particularly on behalf of the common good, and must exclude any investor-state redress provisions and consequently, the Canadian government must enter into negotiations with its American and Mexican partners with a view to bringing the North American Free Trade Agreement (NAFTA) in line with the aforementioned principles.

I have trouble understanding why anyone would vote against this motion. I have received more than 300 messages of support from throughout Canada and Quebec that I will be forwarding to the Minister for International Trade tomorrow to get him to reflect before the vote. I hope that the Liberal Party of Canada will change the position announced by the parliamentary secretary, because I believe that it would be inconsistent with a number of statements the Minister for International Trade has made in the past.

Some of the major organizations that have supported my motion include the Canadian Labour Congress, the Union des artistes, the Quebec Federation of Labour (FTQ) and many of its affiliated unions, the CNTU and many of its affiliated unions and federations, the Centrale des syndicats du Québec and many of its unions and federations, Oxfam Quebec, the Syndicat de la fonction publique du Québec, Option-consommateurs, the Fédération étudiante collégiale du Québec, the Union des producteurs agricoles de Lanaudière, the Fédération des femmes du Québec, Carrefour Tiers-Monde, members of the Centre international de solidarité ouvrière, members of ATTAC-Québec, Équiterre, the North American Forum on Integration, the Syndicat de l'enseignement de l'ouest de Montréal, the Conseil régional de l'environnement de Montréal, Plan Nagua, the Grey Sisters of the Immaculate Conception, Maison provinciale des Ursulines, and the Regroupement national des conseils régionaux de l'environnement du Québec.

So, we can see that it has broad support from unions, women, young people, environmentalists and cultural activists. The party in power ought to be aware of this support, particularly because it seems to me that, if one is opposed to the presence of the equivalent to chapter 11 in the WTO and the FTAA—and that is the position of the Minister of International Trade—if we are going to be consistent, we must also be opposed to this in the bilateral agreements that Canada signs, especially with third world countries that do not have the means to defend themselves.

More than 20 suits have been launched under chapter 11. Half of these requested the lifting of environmental standards. The Kyoto accord is coming into effect. The Americans have not signed that agreement. There will be many more suits under chapter 11 against the Canadian government as soon as the Kyoto protocol, which we have just signed, is implemented, and it is going to be very costly.

What we are asking for is investment protection and that the governments represent the companies instead of the companies representing themselves at the special tribunals, which is precisely what is happening in the case of softwood lumber. Contrary to what the Liberal member said earlier in the case of softwood lumber, it is not the companies who are appearing before the special tribunals, but the Canadian and American governments which are defending themselves.

For all these reasons, I feel that in this House we should vote for Motion No.391, standing in my name, in the interests of the common

good, democracy, international solidarity and plain good sense. I am asking all members to think again because voting against this motion is like giving foreign multinational companies the exact same status as the Government of Canada in terms of investment protection.

I feel this is not the right impression to give the Canadian public and foreign countries. This would mean that the interests of a handful of multinational companies would come before the common good of our own companies. I would like to point out that under international rules there is a standard called national treatment by which companies are not to be discriminated against. In the case of Chapter 11, Canadian and Quebec companies are being discriminated against to the benefit of American and Mexican companies. Everything is completely upside down.

Let common sense prevail. I am calling on all members to vote in favour of Motion No.391 standing in my name.

• (1205)

The Acting Speaker (Mr. Bélair): It being 12:07 p.m., the time provided for the debate has expired.

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Bélair): All those in favour of the motion will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

The Acting Speaker (Mr. Bélair): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Bélair): Pursuant to Standing Order 93, the recorded division stands deferred until Wednesday, June 11, at the end of government orders.

GOVERNMENT ORDERS

CANADA ELECTIONS ACT

The House proceeded to the consideration of Bill C-24, an act to amend the Canada Elections Act and the Income Tax Act (political financing), as reported (with amendment) from the committee.

[English]

SPEAKER'S RULING

The Acting Speaker (Mr. Bélair): There are 15 motions in amendment standing on the Notice Paper for the report stage of Bill C-24.

Government Orders

[Translation]

The Chair will not select Motions Nos. 5 to 7 since they require a royal recommendation.

The Chair will not select Motions Nos. 1 to 3, and 15 because they could have been presented in committee.

[English]

All remaining motions have been examined and the Chair is satisfied that they meet the guidelines expressed in the note to Standing Order 76.1(5) regarding the selection of motions in amendment at the report stage.

The motions will be grouped for debate as follows:

Group No. 1 will include Motions Nos. 4, 8, 9, 13 and 14.

Group No. 2 will include Motion No. 11 only.

Group No. 3 will include Motion No. 12 only.

[Translation]

The voting patterns for the motions within each group are available at the table. The Chair will remind the House of each pattern at the time of voting.

[English]

I shall now propose Motions Nos. 4, 8, 9, 13 and 14 in Group No. 1 to the House.

• (1210)

[Translation]

MOTIONS IN AMENDMENT

Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.) moved:

That Bill C-24, in Clause 40, be amended by replacing lines 21 to 24 on page 41 with the following:

“(2) An allowance fund for a quarter is the product of

(a) \$0.4375 multiplied by the number of valid votes cast in the election referred to in subsection (1), and

(b) the inflation adjustment factor determined under subsection 405.1(1) that is in effect for that quarter.”

That Bill C-24, in Clause 48, be amended by adding after line 22 on page 64 the following:

“(3) The portion of subsection 464(3) of the Act before paragraph (a) is replaced by the following:

(3) An official agent of a candidate shall without delay return to the Receiver General any amount received by him or her under subsection (2) that is more than 60% of the total of”

That Bill C-24, in Clause 49, be amended by adding after line 34 on page 64 the following:

“(2.1) Paragraphs 465(2) (a) and (b) of the Act, as amended by subsections (1) and (2), are replaced by the following:

(a) 60% of the sum of the candidate's paid election expenses and paid personal expenses, less the partial reimbursement made under section 464, and

(b) 60% of the election expenses limit provided for in section 440, less the partial reimbursement made under section 464.”

That Bill C-24, in Clause 72, be amended

(a) by replacing line 43 on page 101 with the following:

“72. (1) For the quarter during which this”

(b) by adding after line 49 on page 101 the following:

“(2) The allowance payable to a registered party under section 435.02 of the Canada Elections Act, as enacted by section 40 of this Act, for the quarter during which this section comes into force and for any remaining quarters of the year during which it comes into force shall be estimated on the basis of the most recent general election preceding the coming into force of this section and paid within 30 days after its coming into force. Subsection 435.02(2) of the Canada Elections Act, as enacted by this Act, applies to that payment with any modifications that may be required.

(3) In the application of sections 435.01 and 435.02 of the Canada Elections Act, as enacted by this Act, any amount paid under subsection (2) in relation to a quarter shall be taken into account. A registered party that received an amount under subsection (2) for a quarter that is in excess of the amount to which it is entitled under those sections for that quarter shall without delay return to the Receiver General the amount of that excess. The Receiver General may reduce any other amount payable to the party by the amount of that excess.”

That Bill C-24 be amended by adding after line 49 on page 101 the following new clause:

“72.1 For the first general election after the coming into force of this section, the reference to “50%” in subsection 435(1) of the Canada Elections Act, as enacted by this Act, shall be read as a reference to “60%.”

He said: Mr. Speaker, I want to take just two minutes to make a general comment about the first amendment, and, at the same time, thank all the members for their work in committee. I would like to thank, in particular, those members who made recommendations to the government, thereby permitting me to move motions at report stage. I want to thank those members.

Since there are now very few motions at report stage, I am therefore asking all my hon. colleagues in this House to pass them very quickly, so that third reading can take place soon.

I also want to take this opportunity to thank the hon. member for Peterborough for doing an excellent job as chair of the standing committee responsible for considering these motions that will be debated shortly.

I also want to thank the committee for having provided me with a draft of the recommendations to be tabled later this afternoon. This draft enabled me, over the past few days, to amend and improve the bill. This institution called the House of Commons of Canada means a great deal to us, as does the process whereby we represent our constituents here.

I will have an opportunity to go into greater detail during third reading. For now, those are all my comments. I ask all my hon. colleagues, given the very small number of amendments at report stage, to pass them very quickly so that we can conclude consideration of this bill, which is truly a step in the right direction, one which the Right Hon. Prime Minister took with his speech of last June, and, of course, which will ensure the best governance of our country.

[English]

Mr. Ted White (North Vancouver, Canadian Alliance): Mr. Speaker, I am not surprised that the minister only took a couple of minutes. I guess he wants to minimize the exposure to criticism about this bill because it is a huge invasion on the public treasury. He said, also, that he wants to adopt this stage rapidly so we can move on to third reading and get this thing pushed through the House, presumably so he can go home on Friday. However we can just tell by his demeanour that he cannot wait to get his shovel into the public treasury and start loading the cash into the Liberal coffers so the Liberals can pay for their day to day operations.

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It is outrageous that the bill is all about paying for the day to day operations of the Liberal Party of Canada, using other people's money. That is what it comes down to. It is so easy to spend other people's money in this place and that is exactly what is happening here. It is a rape and pillage of the public treasury to provide hundreds of millions of dollars a year to political parties that should be raising the money they need from the people they claim to support or to represent. That is what should be happening; not a big shovel into the public treasury to load other people's money into our treasury.

This bill does not even fix the problems it was supposedly produced to address. Even the president of the Liberal Party, Stephen LeDrew, said that this bill would increase cynicism. At committee hearings, when we had witnesses before the committee on the bill, he said that it would increase the cynicism among voters.

The party on this side of the House, the Canadian Alliance, agrees with that interpretation.

My colleague from South Surrey—White Rock—Langley did a survey in her riding and I have done a casual survey in mine, hers was more formal, asking people what they thought of the idea of taxpayer money being used to subsidize the day to day operations of political parties. The results were 95% to 96% of the people are opposed. They would rather have that \$1 or \$2, or whatever it is, in their pockets to help support their families and to spend wisely on the economy of the country rather than giving it to the Liberal Party of Canada, the Canadian Alliance, the PCs and the NDP.

My party, the Canadian Alliance, has done a good job of raising the money we need from individual supporters over all the years, and we would have been happy to stay with the status quo.

It is not too late for the government to abandon this exercise of attack on the public treasury. It could abandon it at this point. I certainly hope the Liberals see the light.

Also, I would like to mention that the number of amendments which have come through on the bill illustrate how badly it has been put together. It is full of extremely complicated wording. We found many errors during the committee hearings that the government was constantly introducing technical amendments to fix problems it had discovered. I identified two problems for the minister, not because I supported the intent of the bill but because if there were to be a bill passed in this place, it may as well be correct. They continue to find problems. One of the motions before us for debate, I am not sure if it is in this first group, again is to fix a technical problem.

The government has not done due diligence on this bill. It was rushed into this place because the Prime Minister wanted it, before there had been proper research.

During the weekend, I noticed a CP Newswire item that said the Prime Minister won the dubious honour of being the stupidest person in Canada. Members might ask "What does that have to do with this bill?" I actually disagree with the voters who made that decision during the weekend because I do not think that the Prime Minister is stupid, but I think he is very crafty. I think he introduced this bill to diffuse a big problem that was in this place, and that was the problem that we were finding the huge donations from supporters of the Liberal Party of Canada, and those donors subsequently were

rewarded with money from the public treasury in the form of very lucrative contracts.

I know that when my colleagues get up to speak on this bill, some of them will be using examples of those types of huge contracts that were awarded to people who had been generous donors to the Liberal Party. I will give them the chance to do that because I would like to move on to some of the other things that the bill fails to do and fails to do even in this latest batch of motions we are debating right now.

● (1215)

First, Bill C-24 fails to fix the underlying problem of the awarding of government grants, government contracts and loans, most of which end up being forgivable to supporters of the party in power. If anything, Bill C-24 will make it more difficult to uncover such behaviour because now huge corporations, like Bombardier, which have traditionally supported the Liberal Party to get contracts, will not even have to front up with any money. They will still get the contracts, they will still get the favours and we will not have any way of tracking it down unless we go through a very complex reporting procedure investigating whether individuals have used their ability to donate individually to try to influence the government.

Bill C-24 also fails to correct the 50 candidate rule. That 50 candidate rule, which was struck down, was put in place by this government. It required small or emerging parties to run 50 candidates in an election to be recognized as a party and have tax receipt status. We felt it was wrong. We have tried for years to get the government to agree to make it 12 candidates, which is the same as the number required for party recognition in the House. All the small parties out there in the other world agree with 12 being a reasonable number. The courts have struck down 50 as unreasonable. In fact in the court case in Ontario, which struck down the 50 candidate rule, the judge said that two people were a party.

That minister has a history of bringing bills to this place that end up costing taxpayers tens of millions of dollars in legal fees because of charter challenges. When I get the opportunity to speak at third reading, I will highlight some weaknesses in the bill that will open it to court challenges. However that minister has a history of introducing such bills. It is very problematic.

Here again, we have a problem that the Liberals could have fixed. It is being court challenged. Because of his failure to change the 50 candidate rule to 12, when he had the opportunity while we were amending the Elections Act, I believe the courts will prevail and we will be forced to accept two as the number. It was very foolish of the minister. He should have dealt with it while we were dealing with Bill C-24.

The bill fails to end patronage appointments to positions in Elections Canada. Since I first came here in 1993, and when I joined the Reform Party back in 1988, it has been a policy of this party to try to get the government to allow Elections Canada to select its own returning officers in a non-partisan way based on skill. Instead, the government insists on a system of political patronage appointments to Elections Canada. Returning officers are selected by the Prime Minister, and when they do not do their job, the Chief Elections Officer cannot get rid of them. In fact he mentioned during committee hearings that he presently had 11 returning officers who were not doing their job. He cannot fire them because he has to get the Prime Minister to agree.

The Bloc introduced an amendment in committee which was defeated, so unfortunately, I cannot do it here in the House at this stage. The amendment was to get the government to move to a system of proper appointments of these people, and not being political patronage appointments.

I realize I do not have much time. What I need to do now is express my frustration in a very meaningful manner, by moving an amendment. I move:

That Motion No. 4 be amended by replacing the amount \$0.4375 with the amount \$0.01.

• (1220)

The Acting Speaker (Mr. Bélair): I am advised by the Clerk that it should be taken into deliberation with a ruling in the next few minutes or so.

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, I thank you for allowing me to speak in this debate on the political party financing bill.

My first reaction to this bill is, "Finally". Finally Canada will catch up to Quebec, in part at least, when it comes to political party financing. The bill will clarify many things and allow for corporations to contribute to democracy in an active and independent manner. That is what this bill and the amendments resulting from consultations contain.

I also feel that we must vote on this bill as soon as possible, because the member for LaSalle—Émard, who may be the next Prime Minister, seems to take an approach that is much closer to that of the Canadian Alliance. He has tried all kinds of ways, via members who support him, to slow down passage of this bill and to find ways that would allow corporations to continue to finance parties. We know that he himself comes from a business background, and he is probably not happy with the fact that this bill takes away from the influence that business has.

I think that it is important to realize that this bill and its amendments will help prevent the types of abuse that occurred in the past. We can be sure that there will be one less way to exercise undue influence over government activities.

Let us remember the scandals at Human Resources Development Canada, the sponsorship scandal. It is still making the news: today *The Globe and Mail* reported that Canada's ambassador to Denmark, Mr. Gagliano—who used to be the Minister of Public Works and Government Services—had managed to set up a system of measures

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and activities that allowed the Liberal Party of Canada to dole out patronage.

This type of problem flourishes when the environment allows it. I think we need to try to change this environment, and this bill before us allows for this to happen, at least partially, and it will improve democracy across Canada.

I think that this is interesting. Instead of having a process that leads to a question in the House or a newspaper article that sheds light on unacceptable and inadequate behaviour that frequently borders on dishonesty, the government, after a few days of questions, refers these matters to the RCMP. Probably, it is conducting these investigations in good faith but, ultimately, it is used like a sleeping pill to try to calm things down.

Obviously, in the HRDC and the sponsorship scandals, there are still dozens of incomplete investigations, which have not been thorough enough. Nothing is being done to complete these investigations. Consequently, the government has often used the RCMP to put out fires and avoid questions in this House.

With regard to the political party financing legislation, as I keep telling all Quebeckers, Quebec passed similar legislation some 25 years ago now, which restored order to political party financing, as well as overall democracy and the way in which governments are influenced.

I hope the bill on which we are voting today will have the same kind of influence on the federal government to avoid the repetition of such scandals. This can be accomplished by means of this bill, but possibly also by other means, which must continue to be developed, and particularly by means of the fundamental honesty by which parliamentarians must place the public interest before their own interests.

With the passage of this bill, I believe we will have an opportunity in future to avoid a repetition of scandals like those involving Human Resources Development, the sponsorships, and all the business of people close to members or to the party in power being able to benefit from government actions.

We had very clear and definite examples of this only weeks ago. There was a direct correlation between the amount donated to the party in power and the amounts received in contracts; the amounts were virtually the same. Let us hope this sort of situation will be remedied. At least peoples' desire to do this kind of thing will be done away with by tightening up the rules on corporate funding. I think this is a step in the right direction.

• (1225)

I also hope this legislation will be implemented promptly. There are no reasons left for delaying it. We may be a year away from the next election campaign. We must ensure that this improvement to electoral mores is in place for the next campaign. Otherwise, it will be nothing more than smoke and mirrors and hoping to gain some time.

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As for the amendment proposed by a member who directly supports the member for LaSalle—Émard, I hope it will be rejected by this House and that at the end of the day we will have a bill that can be passed as soon as possible. Thus we will be able to assure the population that we have at least plugged some of the loopholes that jeopardized the transparency necessary to the work of a government.

This bill would be a kind of cornerstone, which is why I hope it will go quickly through report stage.

[*English*]

The Acting Speaker (Mr. Bélair): I am ready to rule on the tabling of the first amendment, the amendment to Motion No. 4. The Chair finds the amendment acceptable.

● (1230)

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, I think the final debate on and analysis of the election financing bill, Bill C-24, will prove to be an interesting one. Certainly I do not think there is a lot of disagreement among the political parties in the House of Commons on the fact that the election financing system needs to be revised and reformed, but I do think there is a lot of disagreement on exactly how that should occur.

I would like to thank my colleague, the member for Brandon—Souris, for all the work he has done on the bill. He, rather than I, has really had carriage of Bill C-24 so really I stand today to speak on behalf of the member for Brandon—Souris.

As we know, Bill C-24 was introduced at the beginning of the year as part of the Prime Minister's eight point action plan on ethics. Supposedly the bill was introduced to help address the lack of trust in which Canadians hold not necessarily only this institution but the political system itself. It was supposed to do something to combat the low voter turnout we are seeing in elections and hopefully improve the fairness and transparency of the electoral system.

The Progressive Conservative Party believes that the bill does not address the issue of low voter turnout and does the opposite of creating fairness and addressing transparency. However, I think there will be further and more in-depth debate on this issue.

Let us look at the whole point of having an election financing bill and the Prime Minister's seeming insistence on ramming it through the House at late sitting in June. I think Canadians need to ask themselves a few questions. The first question would be this one: Why would a government that has been in power for 10 years bring in an election financing bill now? Also, what advantage does it give to the government that it maybe does not give to other political parties?

Having come to the bill only recently and really just having had the opportunity to look at it in depth, the first question I ask is not the question of whether perhaps there is room in the system for public financing of elections, because I think possibly with the right type of system, with the correct system and a proper analysis of the situation as it exists now, we could have public financing of elections and actually do a pretty good job of it.

However, if we really want to do something to react to low voter turnout and if we want the electorate to have faith and trust in the system, then here is what I would suggest to the government. I made

the amendment at committee, which was not accepted. I tried to make it again at this reading of the bill and again it was not accepted. Rather than change the system as the Liberals and the majority on committee did, the bill should come into effect on January 1, 2006, not even January 1, 2005. As the bill exists now, it will come into effect on January 1, 2004.

I do not think there is a breathing and thinking Canadian who does not believe that we will have another election after that date, so really what the Liberal government has done here is get rid of its debt, and it has done that by just putting it over onto the backs of the taxpayers. The taxpayers of Canada will collect the tab for the next election. We have a big majority government. If we do it on the results of the last campaign, it only benefits the parties as they are established in the House of Commons now.

● (1235)

The reason I suggested that the bill should come into effect after January 1, 2006 is that we would be guaranteed that it would be after the next election.

I understand the need to base the election financing on some statistics, on some group of numbers. I would say that from my knowledge the committee worked very hard to be as fair as possible. However, by moving the date forward instead of backward, it showed a serious bias toward the establishment, the government and the numbers as they existed in 2000, not as they may exist after another election.

The bill is all about incumbency. It is all about supporting the government that is there now, supporting the parties that have the majority of the numbers. It is not about fairness. There is very little fairness in the bill.

Supposedly, we are taking away the ability of corporations to donate to political parties. However we have not taken away the ability of wealthy individuals to donate to political parties. In particular, and I think even more galling for me, is the fact members of Parliament would be able to donate to their own campaigns to the tune of \$5,000 per year. What a slap in the face to ordinary Canadians who do not have that kind of money to put into a political campaign. However what a big assistance to the incumbent, especially the wealthy incumbent who may not have the public support to run an election campaign but who has the personal and private support to finance his or her own election campaign.

I think it is time Canadians took a look at the bill for exactly what it is. Again, it is all about incumbency. It is all about assisting the wealthy who may happen to be in politics already. It is a long way from transparency and fairness. I think the government has it wrong.

If we examine the fairness issue and look at the public funding of parties based on the number of votes received in the previous election, how can this possibly be viewed as fair? The governing party gets to start an election at least five paces ahead of every other party based on the platform it ran on three, four or five years earlier. The public financing does not address the changing views of Canadians during the term of this government or of any other government.

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The government needs to look at a method of core funding for political parties and reasonable and equal limits for corporate and individual donations.

There is no balance to the legislation as it exists. The reporting requirements of the legislation should be a burden carried by cabinet, the Prime Minister's Office and members of Parliament. Instead, it is placed on our volunteer organizations that are already stretched to the max. It will discourage rather than encourage participation in the political process.

The government is beginning a process of micromanaging political parties, including the very structure of political parties, and the management of disclosed funds that are transferred within the party structure.

Due to the Prime Minister's supposed legacy agenda, we have had a very short time to examine the bill. It seems that very little thought and substance has gone into the bill. I will say again that I think the committee has tried to do what it could with the bill. A lot of discussions have taken place and a lot of hard work has gone into the bill but it has not been enough.

When there is a Liberal majority on the committee, at the end of the day the Prime Minister gets exactly what he wants. If what he wants is to put this in place now to pay off the \$8 million debt of the Liberals, then that is exactly what Canadians will get.

I think there are some real issues with this particular legislation that have not yet been addressed, and certainly the issue of fairness is one of them.

• (1240)

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, I assume we are speaking technically against the amendment introduced by the member from the Alliance, that the amount be reduced to \$0.01 from \$0.4375. I certainly am speaking against that amendment, but I am also speaking against the increase from \$0.375 that was originally proposed by the government House leader when he introduced this legislation.

The price of democracy has risen over the course of the weekend. What was to be \$1.50 per vote per year to each of the political parties has now, according to the amendments that are in front of us in Group No.1 of this section, risen to \$1.75.

I recall well the government House leader, when he was before the Standing Committee on Procedure and House Affairs and when he introduced this bill, saying that the government officials had looked very closely at the returns over the past several years of all the political parties as to the total global amounts of money they received from trade unions, corporations and other associations by way of donations and that he was quite confident in what he reported to the committee on that occasion, that at \$1.50 per vote per year, no political party would suffer financial injury as a result of that.

What has transpired in the last three months that now we come back at report stage and the \$1.50 has climbed 25¢ to \$1.75?

I have only been around here for six years. I do not recall one occasion when an organization or a request for money has come to the government that the government actually has turned around and given more than was ever requested. I find it passing strange that on

this occasion the \$1.50 becomes \$1.75. I can only assume, as we have heard throughout this, that there has been a lot of in-fighting in the Liberal Party. The president of the party, Mr. LeDrew, has said that this whole idea was as dumb as a bag of hammers. We know, as has been alluded to by other speakers ahead of me today, that the Liberal Party has a significant debt, and so to extract another 25¢ from the taxpayer is no big deal, except that the members opposite ought to be hanging their heads in shame.

The other part of this, which I do not think anyone has touched upon so far, is that of course this money will all be, what they call in labour management negotiations, front-end loaded for the first go around. In other words, when the \$1.75, on which we will be voting at some point, comes into effect for the purpose of the first go around on the legislation, when the bill comes into effect on January 1, 2004, all the political parties will receive \$1.75 in a lump sum payment, as opposed to quarterly payments of 43¢ which would represent \$1.75 in four annual instalments. Each of the political parties will receive their full allotment based upon how well, or less well, they performed in the 2000 election campaign. The Liberals already would have received over \$8 million, and at \$1.50, we can do the math and figure out what that will mean for them. It will certainly mean more money and it will be the termination of the Liberal debt as it heads into an election, which we undoubtedly will have within the next 12 months.

Those are real concerns. I want to make it clear that this party supports Bill C-24, the election financing act, in principle. We believe there are many good features in the bill. We think it could be a lot better. It does not need to be test driven to find out where some of the flaws are going to be.

• (1245)

For example, we believe and have said repeatedly that there should be no opportunity for trade union or corporate financing in this legislation. The only group of people who should be able to donate to politics are those who will be or are eligible to vote. We think that is a good principle.

We fought the notion of allowing any donations from trade unions, corporations and associations. We note that the amounts are relatively small, \$1,000 per year, and none of that money can go to a political party. It all has to go to a candidate or a riding association from corporations, trade unions and associations.

However a very unlevel playing field has been allowed to occur. We tried to address it with our motions but they were ruled out of order. We tried it at clause by clause. The issue is the definition of how corporations and trade unions are defined.

As I said, our first preference was to eliminate all of that money. However if we are going to have, admittedly, modest amounts of money, then we believe that trade union locals should be able to donate \$1,000 per year. They have their own bylaws and elect their own officers. They have money at their disposal and ought to be part of the electoral process, just like a Tim Hortons franchise or a General Motors franchise could and would be allowed to do.

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When we look at the facts and figures, there are about 16,600 union locals in Canada, but when we look at the number of incorporated businesses in Canada, there are more than one million of them. As I said, this is a very unlevel playing field. We have tried without success to have the government see this, to have the government even take the general definition of a trade union under the Canada Labour Code. If it applied that definition to this legislation, then the locals would indeed be able to participate in the electoral process, just the same as a doughnut franchise or a DaimlerChrysler dealership.

However the government has taken a very narrow definition where it lumps all the locals together. This to us is very unfortunate and I think it points out a fundamental flaw. As I say, the bill does not need to be test driven to find out where the flaws are. They stick out like a sore thumb.

Another area for which we feel very strongly is the whole area of trust funds. In the course of clause by clause analysis, clause 71 of Bill C-24 was deleted. This, in effect, would have allowed those members of Parliament who have trust funds now, some of which are very sizeable, to simply launder that money into their riding association over the next six months with no questions asked. Therefore, on January 1, 2004, when the legislation takes effect, none of the sources of this money will have to be disclosed. We find that extremely unfortunate. We believe that clause 71 should have remained intact and that those funds, which have been held by perhaps half a dozen or 10 members of Parliament who have trust funds that we are aware of through public knowledge and public information, should have been in the bill and should have had to have been reported prior to January 1, 2004. That will not happen. It is another shortcoming of the bill.

On the positive side, reducing the amount that an individual can contribute from \$10,000 to \$5,000, is good on balance, although I would concur with my colleague from the Conservatives where we have allowed wealthier candidates to be able to put in \$10,000 if they are running for office.

• (1250)

We will be speaking more about these as we get into report stage further, but those are our initial observations.

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am pleased to rise on debate in report stage of Bill C-24 to discuss the amendments in Group No. 1.

I want to deal with some of the amendments themselves. For instance, Motion No. 4 amends paragraph 435.1(2) to, first, increase the bases for the allowance from \$1.50 to \$1.75 and second, to allow for the indexation of the allocation.

The idea of this is the amendments would ultimately ensure that the changes to the political financing rules brought by Bill C-24 would not result in revenue losses for any of the parties. It was discovered, during the committee stage discussion, that the intention of the government was the bill be revenue neutral. It became clear that it was not quite revenue neutral, so this change was made to ensure it was. Also having indexation will ensure that it remains so for the future.

These proposed adjustments result from revisions made to the estimate of losses to parties that would result from the new restrictions of contributions by individuals, corporations and unions. That is the idea behind those amounts.

[*Translation*]

Regarding Motions Nos. 8 and 9, they amend subsections 464(3) and 465(3) of the Canada Elections Act to increase from 50% to 60% the percentage of election expenses for candidates that will be reimbursed.

The reason is that this premature change to reduce the financial impact felt by candidates would result in new restrictions on contributions by individuals, corporations and unions.

[*English*]

Concerning Motion No. 13, which deals with the early payment of quarterly allowances for 2004, the motion would add a transitory provision to provide that the quarterly allowance to parties for 2004 would exceptionally be paid in a single instalment at the beginning of the year when the act came into force.

The idea here is there is a need for transition because we have a new bill and a new procedure coming in. It was felt this would help with that transition for the political parties. It would also provide the possibility of subsequent adjustments to the allowance during that year, if there were to be an election in 2004, resulting in a change to the amount that a party is normally entitled to receive.

For example, in the case of an increased allowance following an election in 2004, additional instalments to the party would be made on a quarterly basis. On the other hand of course, in the case of where a party received an amount at the beginning of the year that was greater than that to which it would be entitled based upon the results of the votes from that election, let us say it was next year, any amount paid in excess of what it would be entitled to would have to be paid back to the coffers of the government.

For 2005 and subsequent years, the allowance would be paid on a quarterly basis, as provided for in the bill originally. Again, this is a transition measure to help the parties adjust to the new procedure.

[*Translation*]

Motion No. 14 would allow for reimbursements for election expenses for parties incurred in the first general election following the coming into force of the act to be set at 60% instead of 50%, as a one-time exception.

Subsequently, parties would receive a 50% reimbursement for election expenses, as set out in the bill. Once again, this is a transitional measure to help parties adjust to the new system.

[*English*]

Those are the positions of the government on the various motions, and I look forward to hearing the views of other members of the House.

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Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, I am in favour of the subamendment to Bill C-24 moved by my colleague, not only because I seconded it but because it is a very good idea. That subamendment would reduce the amount of money payable from the taxpayer, via the government, to political parties to a fraction of what has been proposed in Bill C-24. If I had my way, I would have amended the amount to zero and save all the bookkeeping.

Bill C-24 is an amazingly stupid bill, and I mean that in the best sense of a description in the English language. The bill makes as much sense as the bag of hammers mentioned by the president of the Liberal Party. It really is nonsensical in that it does not make sense. It is detrimental to the democratic process. It basically entrenches the financing ability of parties in the House to the exclusion of any other party.

Back in 1988, the Reform Party would have found it extremely difficult to have come into being under the rules of this legislation. Perhaps this is the motivation of the Liberal government. Maybe it thought of the guys who came here first as reformers and who tried to get together with like-minded, Conservative-minded people in the country with the formation of the united alternative leading to the Canadian Alliance. Unfortunately our dance partner did not come. We have had amazing input to the process.

Members may remember that before we came here, it was politically incorrect to talk about balancing the budget. The government spent to its heart content and did not worry about whether there was enough money. The Liberals did not want to tax people to death because they would rebel, but they did tax them to the max, just short of that line, and spent the money as a government. Probably our primary message when we came to this place was that it was not right to future generations to put the country into such debt that it would probably face bankruptcy.

The party I have been with for almost 10 years has provided a very important function in this place. Under Bill C-24, the Canadian Alliance probably would not have made it here. This is just another huge hurdle to cross before we can criticize the government.

Centuries ago a law was passed granting freedom of speech to all individuals. The reason for it was to permit citizens to criticize their government without fear of losing their heads. Nowadays that is considered a good move. Democracies flourish when governments are held to account. Democracies flourish when individuals, parties, groups, including lobby groups and associations can mount an objection to something the government does. This government wants to free wheel it and does not want anybody to ever say anything against it. The government knows it cannot put people in jail so it sets up a rule preventing certain parties from getting any money and thereby they cannot exist.

Under Bill C-24, the amount of money a party would get would be based on how many votes it received in the previous election. A new party could receive very few votes. Therefore, not being able to raise money directly and not having access to public funds is not an improvement of democracy but rather a detriment to democracy. It means a new party will not likely ever again come on to the Canadian scene. The Liberals should be ashamed of their name because Liberal is supposed to mean freedom to liberate. It is a Latin

word, *libere*, meaning freedom, to free. What they are doing is saying, "No. Unless we are in control here, it can't be". What they are doing is controlling, even now with the criticism of their party.

•(1255)

I would like to go another step. There is something in a democracy that is fundamentally offensive when it says that I have to part with some of my money through the avenue of coercive taxation when that money is used for purposes with which I disagree. This bill does exactly that.

I know the people over on the other side and the minister of state particularly, love to get up and say that this is totally democratic, that it is based on the number of votes a party gets, therefore when our tax money goes to fund these political parties to think of it as our money going to our party because it is in proportion to the votes the party got.

I just reference back again. If I am working for a party that is just starting up, will I now be exempt from taxation to that degree? No, I am not. I will still have to pay whether I am supporting a brand new party. For those individuals, it is very offensive.

It just happens right now it is not personally offensive in the sense that we had enough votes last time, so this really is not a bad deal financially for us. However we cannot argue a principle based on whether it feels good for us at the present time. That is a very weak argument.

I remember when I was an instructor at the Northern Alberta Institute of Technology many years ago. We were forced members of AUPE, and I used that word forced. It was a condition of employment that we belonged to the union. Later on, when we had an opportunity to break out of that union and to form our own professional association, we did it. As I have told members before, my colleagues honoured me by asking me to be the first president of that association. We did very well as an individual association in comparison to how we did under the Alberta Union of Provincial Employees. I am not, by this, saying there is no room for unions. There is indeed. However this union was very coercive in its nature, and I found it very offensive. That is one reason why we broke away from it.

One thing it did was make a huge donation every year to the NDPs, both federally and provincially, and I objected. I wrote a letter to say that I objected to my dues money, which was substantial, being taken to support a political party with which I disagreed. The union said that the decision was taken democratically. It had a convention and somebody put forward a motion that the union support the NDP and it passed democratically. Therefore my money, even though I did not agree with it personally, went to party.

Unions are wrong when they do this. They should poll their members, see what proportion each of them are and then give the money to each party in that proportion. They did not do that and I was offended by it.

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By the same token now, each of us will be required to fund political parties and political activities with which we disagree, and that is true for every citizen in the country. Not one of us says that this year we will donate \$100 to political parties and therefore we will give \$50 to the Liberals, \$30 to the Canadian Alliance, \$20 to the other parties, and our money is gone. I will not do that. I choose which party best represents my idea of what this country should be, and then all my money goes to that party.

We are wrong when we coerce Canadian taxpayers from coast to coast to support a party other than the one they really do support. That is a wrong assumption, and I would strongly urge members of the House, now that the opportunity will be before us, to reject totally the bill when it comes to final vote.

● (1300)

The amendments that are being put forward are meant to improve the bill in the short term. We cannot improve in the short term that which is wrong fundamentally for the long term. We must be against this legislation on principle, not because it is politically expedient at the present time.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am pleased to rise on the report stage motions in Group No. 1 on Bill C-24, a bill which has garnered an awful lot of attention, particularly because as a totality, it brings forward to the House the principle that there is a public perception that the business community has an undue influence on those in political life. I believe all members would agree with that sentiment.

To change the rules regarding donations, a number of questions have been raised. I am going to do what I can to explain some of the changes that have been made and are proposed in the bill. In Group No. 1, Motion No. 4 introduces an inflation factor regarding the amounts payable to political parties based on the number of votes that they get.

The inflation factor is understandable, however I must find out whether the last election is reflective of the participation of each of those parties in terms of corporate and union donations. It may be an aberration. I do not know whether or not there has been enough study done to ensure that the last election is within the range of a reasonable breakdown of the corporate and union support.

Motion No. 8 deals with the amount to be subsidized for a candidate's election expenses. It would increase from 50% to 60% as an adjustment to assist candidates in an election. Individual candidates in a riding would not be able to rely on corporate donations other than the limit allowed which, in a large number of cases, would be a substantial reduction in their ability to raise funds. It is certainly going to shift the onus to a greater participation by individuals. I am not sure whether there is more to the 50% to 60% as a transitional provision. It would appear that it is not a transitional provision, but, in fact, a permanent provision and I am not sure whether that was the intent of the original proposal when the bill was first brought to this place.

The last item deals with advancing a full year amount in the first year and has to do with cash flow issues. I think I can understand that and would be supportive with an implementation date of January 1, 2004. Having said that, the fundamental issue goes right back to

the principle which is being presented and strongly recommended to the House by the Prime Minister.

We must address the issue concerning the integrity of people in public life. There should be no allusion that a simple change in fundraising issues could deal effectively with the full scope of the problem. It has taken a long time for people in public life to get this reputation. It is going to take a long time before the public at large feels more comfortable vis-à-vis the people or organizations who influence Parliament.

Having said that, I would question the principle that corporate donations should be restricted to \$1,000 across the country. That \$1,000 actually gives the corporate donor or a union the full maximum tax credit allowed under the Income Tax Act, namely \$500 of benefit. It peaks out below \$1,000 so that the direct cost to the taxpayer in terms of the tax expenditure or the reduction of taxes otherwise payable is unchanged by the bill.

● (1305)

The fact that we continue to have corporate donations to a certain extent means that the administrative and mechanics of the system of donations for political purposes continues to be fully in place. Although there is a cap now, there will probably be even more work to determine whether or not compliance with the act has been met by companies. I can see a tremendous amount of cost.

I would argue that the total elimination of all corporate and union donations would be a savings to taxpayers because we would not have the administrative costs. It would be a more streamlined process. Having run in four federal elections, I know how complex the returns are for members when they have to audit their election expenses as well as others who administer fundraising activities in off-election years.

I raise these in good faith because I fundamentally believe in the principle underlying the bill. By addressing this issue the integrity of parliamentarians, of people in public office, will be improved in terms of public perception. I will support the bill on that basis. We are now at a point where members are discussing certain changes. I hope, as a consequence of considering some of the mechanics,—and I can only believe that the committee has touched on some of the points that I raised—that I will be satisfied that these changes being proposed in Group No. 1 would improve the bill and enhance the public perception of the credibility of the bill and its intent.

In conclusion, I support the bill at this point on the main principle. I look forward to following the debate and to participate further with other groups to ensure that when we finish, and have our votes, that we have the best bill possible. Should there be other items that could be dealt with, I trust that all those who have that opportunity to further improve the bill will in fact take that opportunity.

● (1310)

Mr. Gerry Ritz (Battlefords—Lloydminster, Canadian Alliance): Mr. Speaker, it is a pleasure to join the debate on Bill C-24, the new fundraising bill for political expenses that will again be incurred by the taxpayers of the country. We seem to see a common thread here.

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The concern from the Canadian Alliance standpoint is that this again misses the target. We see a lot of different bills come to this place that, politically, look like they would be a good thing but when we skin that animal out we realize that it does not go anywhere near what needs to be done.

We have seen a huge problem here. The Prime Minister himself was quoted in the *Toronto Star*. He said there is a perception that money can unduly influence the political process. He said in the House earlier that there is a perception that corporate and union contributions buy influence.

It is not the donation to a political party that in and of itself is the problem. The problem is when we see things like the sponsorship fiasco that rocked the government a year ago or when donations follow a political package to a friend of someone.

The bill in no way addresses the types of political patronage and the abuse of power by mostly frontbench cabinet members. They have the discretionary funding. We have also seen the Prime Minister being a good little MP and making phone calls to folks who are outside of Treasury Board rules and guidelines. We saw the public works minister and one after another as they fell by the wayside rocked by these scandals. We saw the government struggle to come up with more rules. What is the good of having all these extra rules if nobody follows the damn things anyway? We keep rewriting the rule book, but everybody throws it aside and does their own thing.

Again, we see that in Bill C-24. The relevance of this does not remove the underlying problem of kickbacks, handouts, and donations to the Liberal Party. It is almost proceeds of crime. I am sure that if the RCMP were to dig to the bottom of all of this it would find out the percentage that was required back. It is almost a tithing system the way this was done. Money went to certain parties to perform jobs that were questionable, whether they needed to be done or were done, and then the money was back in Liberal coffers. It is a terrible way to run a government, but that is what is done.

The bill in no way addresses the patronage and kickback problems or even these huge trust funds that certain MPs have developed over the years. It does not address any of those types of situations.

There has been a myriad of articles written on this and I know we stand alone as a political party in saying this is not the right thing to do. We have the Secretary of State for Amateur Sport over there yammering away, but he does not understand what is happening outside the Ottawa bubble. We give these guys a bigger job, a car and driver, and they forget what their folks at home are saying. They will pay the price in the next election. We saw it in the byelection just a short time ago.

Professor Ken Carty is Canada's leading academic analyst to party leadership and electoral process. He said:

Freeing parties from the resources of their members and their supporters will leave them as instruments for professional politicians to mobilize and control voters rather than tools for citizens to direct their public life.

He has some major concerns and I think he hits it right on the head with that statement. This is all about long term political control. These fellows are very good at that as has been demonstrated in the years that they have controlled the country. They have waited for the

long term spin to be to their benefit. They are more than happy to take a little short term pain in order to gain some long term control. We have seen that time and time again.

There are a lot of special interest groups out there and a lot of them put pressure on MPs, but mostly cabinet ministers, because they have the resources to change any sort of legislation that comes down here. As backbenchers or opposition members, we do not have a lot of influence in what a final bill will look like. We see that time and again. Members from all sides of the House do great work in committees, and when a report finally gets here, where does it go? It goes into a dustbin. It is gone. Nobody ever picks up some of the amendments and they are good amendments. Some come from this side and some actually come from Liberal backbenchers. These are good, solid, and sound amendments that would make legislation better. However, we see them tossed aside because cabinet ministers have a certain idea where they want to go and they will not deviate from that. They will not rewrite a clause or change a thing in those bills. That is a real frustration.

We have other folks like Errol Mendes, who is a law professor at the University of Ottawa. He is an expert in ethics and human rights. He is troubled by the bill and he is speaking out too.

● (1315)

Professor Mendes has a lot of education along these lines and has sound logic and good thinking. He is saying that there are violations of the Canadian Charter of Rights and Freedoms right here in this piece of legislation. We had the House leader rise and say he does not believe any of that, that it is all hooey and it will end up in the courts and the lawyers will sort it out. There we go again: a piece of legislation that will make a lot of work for lawyers and the courts, and we are already overburdened with courts.

Professor Mendes is the editor-in-chief of Canada's leading constitutional law journal, the *National Journal of Constitutional Law*. He has written numerous articles about this and has some major concerns, none of which are even close to being addressed by a couple of the amendments that have squeaked through. The problem with those amendments is it makes this package richer, not more accountable. He is saying that this is being ratcheted up.

As a constitutional lawyer, Professor Mendes has some grave concerns. He said that this "subsidy scheme" violates the charter. That is what he calls it, a subsidy scheme, and that is more or less what it is. It is taxpayers' money being subsidized back into political parties which they may or may not support.

Government Orders

Professor Mendes says that under section 15 of the charter, which is designed to protect minorities who have traditionally been blocked out of the system, this goes even further and blocks them some more. The bill does not address the 50 seat rule that we have and so on. Anyone trying to start a political party or maintain a smaller political party will have a terrible time under this bill. Again this is part of the long term benefits the Liberals are looking for. The government House leader writes it all away. Part of his quote was that it may keep a lawyer busy, but it is not going to convince him that it is not good. That is a sad situation and a sad commentary from the House leader, who is more intent on ramming the legislation through as part of the existing Prime Minister's legacy than anything that deals with common sense.

There are a lot of other things that come up in our day to day work here and one I have always questioned is these trade missions, team Canada, led by our all star Prime Minister. In fact, I saw a newspaper headline a while ago, a dated issue that showed the leaders of China and Britain at the time, Bill Clinton from the United States and our illustrious Prime Minister. They are all standing in a row in China. The newspaper article identified the first three, but said when it came to our Prime Minister "man at right unidentified". That was our Prime Minister, who has been a great friend of China and supports that country every way he can. The paper did not even know who he was and he was there on a trade mission.

There are a lot of questions about that. In fact, when we study it, with the exception of China, for every other country to which we have had a team Canada trade mission, our trade has gone down, not up. And for the one country that we do the majority of our trade with, we did not send trade delegations there and our trade went up. So we have to question the validity of some of these trade delegations.

In the study that was done, the findings were that one-third of the businesses on trade missions donated to the Liberals. The author raises his eyebrows and says it was either a hand picked delegation or they were converted on the road to Damascus and started to make donations to the Liberal Party after they were included in one of these trade delegations. There is some huge lobbying that can go on there and there can be contributions back to a governing party outside of anything this law covers. There are grants and contributions and all sorts of good things that go on. It is a huge double standard.

Another thing that speaks to this is that the government now will review the freebie ticket policy. We had the Ottawa Senators go another step up toward their goal of the Stanley Cup this year. Unfortunately the team did not make it, but they did play well, and lot of folks from this House got free tickets. That does not show up on anyone's list because it is under a certain value and so on, but that is preferential treatment. The Prime Minister can even golf with Tiger Woods and that is supposedly worth \$50,000. The Prime Minister's lapdog, the ethics counsellor, said it was just a great thing that the Prime Minister was able to talk to Tiger about American and Canadian relations, but the Prime Minister will not even talk to the president, so I do not think he will get very far through the back door with a golfer like Tiger Woods. In fact, Tiger Woods' comment was that the Prime Minister does some creative accounting when he is keeping his own score.

There are these tickets that slip under the wire and there are these trade missions that slip under the wire, and the Bill C-24 legislation is a terrible way to try to slam the door on this. It does not address the fundamental problem. It is the back door deals we have a concern with, not this.

● (1320)

There is talk from the other side that we on this side will take the money and be hypocrites, but this is called the law of the land. We have no choice once it is in legislation like this, and as much as we detest it we are going to have to live with it. All the extra bookkeeping that is going to be required for our constituency associations and all of that is going to be a terrible workload. A lot of people will throw up their hands. There will less people voting in the next election because they are just walking away from this type of legislation.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, I am very pleased today to have the opportunity to participate in this debate on Bill C-24.

I listened carefully to the government House leader when he introduced the debate that is now underway. He congratulated members for introducing amendments that would improve the bill and basically urged that we get through report stage reading in a great big hurry so we can go to third reading with haste and get this bill over and done with.

I have to say, "Not quite so fast, Mr. Government House Leader". It seems to me we have a situation here where a bill that is overwhelmingly supported by Canadians in terms of its stated purpose is failing spectacularly to live up to what that stated purpose is supposed to be. Let me make it very clear that the New Democratic Party from the outset has endorsed the stated intent of the bill, which is to remove big money from undue influence in the political process, to level the playing field as it relates to the financial base of political parties and specifically to rule out the contribution of political party funds and election contributions from corporations and unions. So far so good: It is a principle that I think is endorsed overwhelmingly by Canadians.

The problem I have as a member who supports that principle, one with which my party is struggling, is the shortfall we now see in what the government clearly has decided is the final version of the bill that it wishes to rush through and implement as the law of the land.

Let me use a couple of examples, one referring to a situation in Nova Scotia that perhaps best illustrates the problem we have with some very uneven treatment in this bill as it relates to contributions from corporations versus contributions from unions. My colleague, the member from Saskatoon, who spoke earlier, already has expressed concern about this. My colleague from Winnipeg Centre also has expressed concerns about this. Let me just for the record say that it is surely a contradiction of the fundamental principle that this bill, which the government wishes to pass in this form, reflecting the amendments from government members, is saying absolutely no to contributions from any trade unions of any kind while it basically leaves the door very open to corporations' contributions to election financing.

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That is just a statement of fact. That is not a point of argument or a point of disagreement. The reality is that what has been provided in this bill is that corporations are free, admittedly, to donate less money than they did in the past. The reality is that the Liberal Party in particular has been bankrolled overwhelmingly by corporate donations, so I will acknowledge that the restrictions placed on corporate donations mean that the Liberal Party is scrambling to figure out how to make up the shortfall from that massive source of corporate funding of their election campaigns and their political party in the past.

But by what possible principle of even-handedness does the government feel that disallowing contributions, for example, from trade union locals, while it gives completely open door treatment to business franchises, is the way to go? By what possible logic or principle of fairness has the government made the decision that this is the way to go?

• (1325)

Let me give an example. I know this was referred to briefly by my colleague who spoke before me. We have in this country today 1,201,383 incorporated businesses. We also have in this country today 886 trade unions. I do not want to suggest that every single incorporated business in the country is going to give to one political party or to one particular political party, but based on the legislation before us, we have the potential for 1,201,383 businesses to donate \$1,000 each to candidates in every riding across this country. We have no such openness even to the far fewer numbers of trade union locals in the country. We have 16,601 trade union locals in the country. In fact, that is a ratio of 1,355 to 1 as between business and trade union locals, yet we have in this legislation a total disallowance of any trade union locals from making modest contributions to election candidates.

It makes no sense, not if the stated purpose was in fact the intention of this legislation. It simply falls short of the stated purpose, which is to level the playing field and to remove big corporate and big trade union money from election campaigns. Even in the way in which it has been described, there is a severe distortion. There is a deception in creating the impression that money from trade union donors comes anywhere close to matching the massive bankrolling of the Liberal Party in particular.

This is all a matter of public record. This is not a matter of conjecture. Those facts and figures are known, because the New Democratic Party in the early 1970s as a condition of maintaining a minority Liberal government demanded the full disclosure of sources and amounts of political party contributions. The facts are a matter of public record.

But what we have here is a situation, for example, where every single GM dealership, and I am not picking on GM but simply picking out one car dealership in the country, in fact can donate \$1,000 to the campaign of the political candidate of its choice. However, no local representing auto workers anywhere in the country, no matter how many thousands of auto workers there are, is permitted to donate \$1,000 out of its own auto workers' pockets and paycheques and deposit it through a check-off system which they sign on to. Where is the even-handedness in that? Where is the level playing field? We have made it clear that we are opposed both to

union and to corporate funds, but what we are absolutely not in favour of is that kind of discriminatory treatment, that kind of contradictory situation.

The second concern, which I will have an opportunity to speak about at a later date, is really the complete farce of allowing for trust funds that are already in existence, with who knows how many dollars from what sources, to continue to bankroll political party campaigns.

Let me say in closing, because I know my time is up, that I come from Nova Scotia and millions and millions of dollars were obtained by the Liberal Party of Nova Scotia and deposited in trust funds through extortion, through influence peddling and through bribery, of which Liberal Party officials were convicted in the courts. In fact, there were cases of imprisonment related to that. To this day, the Liberal Party bankrolls its campaigns with those illegal trust funds. The legislation has been permitting it.

• (1330)

We now have a situation where we have no idea what is in those trust funds because there is no requirement to disclose the sources of those trust funds. They will be permitted to continue to finance political party campaigns where they are in existence.

One has to say, at the very least, that the bill falls far short of fairness, of any reasonable level of the playing field and of any full disclosure of the sources and amounts of political party contributions, which surely are three major characteristics that one would look for in the bill before being able to wholeheartedly support it.

Ms. Val Meredith (South Surrey—White Rock—Langley, Canadian Alliance): Mr. Speaker, I am delighted to speak to the bill that is before the House, Bill C-24.

I should say that it does not surprise me, the route that the government is taking on this.

I sit on the public accounts committee and, as members are aware, the Auditor General of Canada, an independent person who reports directly to the House of Commons as opposed to the government, has pointed out some of the travesties that have occurred in government sponsorship programs.

It is constantly being publicized and brought to the public's attention the accountability of how the government has these kinds of offhand situations where companies are directly benefiting from the fact that they donate to the Liberal Party of Canada, or it might even be in the reverse, where people donate to the Liberal Party of Canada and then they benefit, as a company, from government contracts.

The one thing that has made it possible, not only for the Auditor General but for those of us in opposition whose job it is to hold the government to account, has been the ability to connect, through access to information or just the public accounts, those who get government contracts with those who donate to various political parties, namely, the governing party. We have, through that process, been able to make those connections.

Government Orders

Now, as I understand it, with the new legislation the government is trying to give Canadians the impression that all of that questionable behaviour will cease and desist, and that because of the taxpayer funding parties and elections, this kind of thing will not happen.

A person would have to be awfully naive to think that will be the end result. All that will happen is that rather than a corporation, which might receive a government contract, being upfront with its donation, perhaps 10 individuals of that corporation will be donating the money which would be equal or more than what that corporation might have donated in the first place, but the connections will be much harder to put together.

I think it will just create more confusion in trying to make those connections, therefore giving the governing party an opportunity to not be quite so accountable and upfront with who is getting what contracts and who is donating to the Liberal Party of Canada, or it might be some other party at the time.

I think it is also unfair to establish the public subsidization of political parties based on past performance. It was not that many years ago that I was a recipient of a feeling of the people of Canada that they were tired of the government of the day and wanted to replace it.

If this bill had been in place, it would not recognize that turn of support of the Canadian people. Where a party would have had substantial contributions from the public purse, it came to this House with only two people. Somehow there is a disconnect.

I would suggest that the legislation is very dangerous to democracy in Canada because it would fund the party that has perhaps given poor government by the people of Canada when they do not support that party, and that is unfair. It is undemocratic rather than being unfair for a government to insist that taxpayers have to fund political parties that they do not support.

Political parties should be funded by the people who support them, by the people who want to see them elected and elected in enough numbers to replace the government of the day or, simply put, it is the democratic principle of individuals to support the party that represents their viewpoints.

● (1335)

I do not think all taxpayers want to be supporting parties that they do not like, do not believe in and do not believe in what they stand for, and keep them in power, if that be the case. When we look at the number of dollars that the bill would give to political parties, it is astounding.

I think taxpayers are already concerned with the fact that if individuals who run an election receive more than 15% of the votes they will get back half the money they spent. The legislation says that individuals who get 10% of the popular vote would get back half the money they spent.

If taxpayers really stopped to think about it I think they would be horrified to know to what extent they will be funding this electoral process. I am not saying that there should not be a connect between the voter and the process, but I think that should be the decision by the person who is voting and paying the bill, as to how much connected they want to be to the process.

The two things with which I have real difficulty are that it will be less transparent, I believe, and that it will take away the democratic right of voters to support the party of their choice.

In looking at the fine print I am also very concerned with the reporting mechanisms for smaller amounts of money. I do not know how other people operate but my constituency organization has all volunteers. They are good people who give of their time to their country in the way they have chosen to by helping the electoral process, but they are not CGAs. They are not people who can go through an accounting process that, quite frankly, is done at election time, and rightly so, but I cannot see where it will be of benefit to Elections Canada to have all this paperwork flowing in. It will not be to the benefit of the constituency organizations that will have to put out money to hire accountants and auditors to audit the books for, at some times, minimal amounts of money.

When large sums of money are raised it is generally at election time which is when the reporting mechanisms have to be very stringent. I am not saying that there should not be any reporting mechanisms but the way it is outlined in the book it will be almost impossible for smaller volunteer organizations like our constituency associations to meet the requirements. I think it is an inappropriate way of handling this.

The other area that causes me great concern is the way the bill does not even deal with one of the greatest concerns that the Chief Electoral Officer has, and that is the patronage postings of returning officers. The comments from the Chief Electoral Officer of Canada is that he would not take our Canadian system and push it in third world countries where they are trying to establish democratic election processes. It is a sad state of affairs when he cannot even use our process as an example of how he would do things. The biggest concern he has is with this business of the Prime Minister of Canada appointing returning officers.

When are we going to have a truly neutral election process? As long as the Prime Minister is in a position of picking and choosing political hacks who support his policy and his party's position, how will we ever get neutral people running elections?

It goes further than the returning officers. It goes down into the people who they pick. There is no way, in a democracy like Canada, that our election process should be tainted by patronage appointments. It is a sad day when the major overhaul of our elections act does not remedy that failure.

As I said, when the Chief Electoral Officer promotes democratic elections around the world to developing and emerging democracies but cannot use our own example, something is wrong with that. The bill fails to address some of those very serious issues.

I will end by saying that I had great hopes that this would have allowed more transparent election spending or contributions but it does not. I had hoped that it would have made the process more democratic but it does not. The bill has failed to address some of the serious concerns that taxpayers, voters, Canadians have with our electoral process.

Government Orders

●(1340)

Hon. Paul DeVillers (Secretary of State (Amateur Sport) and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, we have heard various speakers this morning say that there is broad support for the principles behind the legislation but then they seem to drift off into tangents of quite partisan attacks on the motivation of the government, et cetera.

However I think there is broad support, not only from parties in the House but from Canadians generally. When I discussed the issue in my riding, it received broad support. Canadians are concerned with the appearance of influence that is obtained when larger corporations make larger donations to political parties. They are concerned when the labour movement makes contributions to political parties and the influence that could have.

In my riding I see broad support for the principles. Sometimes the devils are in the details, which is what we are in the process of discussing and debating. I would like to take the opportunity to congratulate the committee, ably chaired by the member for Peterborough, for the work it did in reviewing the bill and coming up with some of the amendments that are before the House at the present time.

The important part to bear in mind is that we need to come up with legislation that is true to the principles and the intent, and that is to have greater transparency and greater openness so Canadians can feel that our electoral system is indeed free and independent. That it is somewhat taxpayer subsidized now cannot be denied. Currently, when corporations make their contributions to political parties they do obtain quite significant tax credits or tax deductions, so there is a considerable amount of taxpayer money being invested in our system now.

We are trying to avoid a system similar to other countries where it takes tremendous amounts of money to become elected. It takes it outside the ability of many ordinary citizens to become elected to the houses of representation in their respective countries. A very strong plus for our electoral system is that we currently have spending limits and that the legislation will be an improvement on that system.

We have heard comments here this morning to the effect that it is a denial of democracy. Some of the amendments or provisions are for taxpayer funds to be reimbursed directly to political parties dependent upon the result of elections. There is nothing that prevents individual Canadians from making direct contributions. They would still receive tax credits for the contributions to the parties of their choice. We are not making an exclusive change that would prohibit that.

I think some of the comments may have been a little bit overstated to the effect that we will be denying democracy here by putting in changes that will provide for taxpayer funds to be reimbursed directly to parties, because that is done indirectly now through the tax credits. Also, we currently have rebates to individual campaigns. I believe Motions Nos. 8 and 9, combined, would have the effect of increasing that from a 50% rebate to a 60% rebate for individual campaigns.

●(1345)

One has to bear that in mind. It is a very onerous task, that each individual candidate for election to the House of Commons continually, term after term, has to go through a process of amassing enough funds in his or her individual riding association coffers to finance those campaigns. This is an amendment, the effect of which will be to increase that rebate by 10%. I am sorry if I missed the point but that does not appear to be an attack on democracy from my perspective. It is just something that will assist all campaigns to amass the funds they require prepare for the next election.

We were talking about the amendments in Group No. 1. They are all reasonable amendments that could be supported by members of the House.

Motion No. 4 is an increase for the quarterly allowance from \$1.50 per vote to \$1.75. Again, I do not think there is anything contained in the amendment that would warrant some of the very strong language that we have heard in this debate.

Motions Nos. 13 and 14 are temporary. They are transitional provisions that will be necessary because we will be switching from one system to another. It will require a cultural change provided the legislation comes into effect somewhat in the present state it is in now. There will need to be a transitional period where all parties will need time to adjust to the new culture. Those two provisions are self-explanatory and certainly warrant it.

With that I will conclude and suggest that these are amendments that warrant the support of the House.

●(1350)

Mr. Deepak Obhrai (Calgary East, Canadian Alliance): Mr. Speaker, it is a pleasure to speak to Bill C-24. This is the second time I have spoken to the bill and it is because of my great concern about it.

I was quite surprised to hear the previous speaker from the government side say that there was wide support for Bill C-24. I have not received a single phone call in my riding of Calgary East in favour of the bill. I have received numerous phone calls opposed to it.

My constituents want to know why taxpayers should finance political parties, a simple question. Hard earned taxpayer dollars will be used to finance political parties. Taxpayers work hard for their money. The government is supposed to tax them for services that improve their quality of life, not send it down. The government is not supposed to play politics with their lives. As I said already, taxpayers cannot understand why they should have to pay for political parties. I cannot answer them.

This government calls itself the natural governing party of Canada. Those Liberal are the ones who have benefited the most out of this whole political financial system. They are the ones who have created it over the years. There are some flaws and there does need to be improvements, but why transfer this burden to taxpayers?

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A phenomenon is occurring quite often these days. Somebody needs more money so the government transfers it to them, and this is called user fees. Canadians will tell us that user fees have taken off and there is no accountability. Any organization can charge a user fee and there is no stopping that. My colleague on the other side has a bill before the House, which I am supporting. It tries to bring some accountability to user fees. Bill C-24 is like a user fee.

What is stopping the government from raising the bar and having taxpayers paying money to political parties? There was a revolt in the Liberal Party, and what did the Prime Minister do to pacify those members? He raised the limit. Where does it stop? It will just keep going on and on. It is like giving a blank cheque to the government. With the government's record and when it suits it politically, it will do anything to keep an interest in that file. To Hell with ethics an to Hell with political acumen. This has been the government's record.

Does the government talk about patronage? With regard to Elections Canada, has the government brought in any reform in reference to returning officers? No, it has not. I bet most Canadians do not know that returning officers can only be appointed by the ruling party and nobody else. The government does not want to clean that up.

The government does not want to remove the 50 candidate rule because it benefits the most and it does not want any competition. It does not want to talk about secret trust funds. It also does not want to talk about third party responsibility. If Canadians came to know about that, they would demand change and more accountability. Who does it benefit? It benefits that government over there.

I was amazed to hear the last speaker say that we on this side of the House were attacking the government and that we were being partisan. We are being partisan? Look at the bill and the essence and the intent of it. What does the Prime Minister say about this bill? That it will be influenced by corporations and trade unions.

• (1355)

What does the bill do? There will be a \$5,000 limit for individuals and a \$1,000 limit for corporations. I am an elected member of Parliament. I go out and solicit campaign funds. Generally Canadians will give \$20, \$25, \$100 or \$150. The average Canadian does not give \$5,000 to political parties. Only rich Canadians and corporations can afford to give \$5,000. Because they give \$5,000, why would they not have undue influence? The Prime Minister says that he wants to eliminate that by this bill? It is the same thing. They have just twisted it around so their rich buddies can give them \$5,000. It has not changed, it will just be taken away from the corporations.

The essence of not having an influence on this is a counter-productive argument. That is why Canadians ask this simple question. Why should they pay? Why should taxpayers pay for political parties?

This bill also would create an expensive bureaucracy, as my colleague from Surrey just said. Riding associations will require a tremendous amount of reporting to fulfill their bureaucratic requirements. We will be creating a huge bureaucracy with huge reporting requirements.

The Deputy Speaker: The member will have three minutes remaining in his intervention when we get back to Bill C-24 at report stage.

We will now proceed to statements by members.

STATEMENTS BY MEMBERS

[*Translation*]

JEUX D'ÉTÉ DU QUÉBEC

Mr. Gérard Binet (Frontenac—Mégantic, Lib.): Mr. Speaker, from August 1 to 9, the Asbestos region will host the 39th finals of the Jeux du Québec-été 2003. At this event, 4,273 athletes from all over Quebec will take part in a multitude of sporting activities.

On June 2, on behalf of the Minister of Human Resources Development, I had the pleasure of announcing \$21,431 in financial support for the organizing committee. This funding comes from the summer career placements program and will make it possible to create summer jobs for seven students.

Whether they work in preparing for the games, or ensuring later that they run smoothly, having a summer job helps these young people develop new skills and abilities, identify career objectives and save money to pay for their education. This initiative, which will benefit the employer as much as the young people, is a fine example of the creative synergy between enthusiasm and experience; we can be very proud of this kind of program.

This summer, we invite you all to visit this beautiful region and take part in our summer games.

* * *

[*English*]

WORLD INDOOR LACROSSE CHAMPIONSHIPS

Ms. Beth Phinney (Hamilton Mountain, Lib.): Mr. Speaker, I want to pay tribute to the Canadian national team for its gold medal performance at the indoor lacrosse championships held several weekends ago in Hamilton.

Team Canada defeated the Iroquois Nationals for the gold by a score of 21 to 4. The city of Hamilton was host to teams from the United States, Scotland, Czech Republic and Australia. In total Canada outscored the opposition 148 to 42 through seven games.

The tournament was organized to promote Canadian culture to other countries. Team Canada's victory is a remarkable demonstration of why lacrosse is our summer national sport.

We are proud of all of our athletes. Please join me in congratulating the athletes of Team Canada for their victory at the 2003 world indoor lacrosse championships.

•(1400)

DATE RAPE DRUGS

Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance): Mr. Speaker, in recent years new and dangerous weapons have been used to sexually assault women at parties, on campuses and at nightclubs. The weapons are date rape drugs. Virtually undetectable, date rape drugs are tasteless, odourless and colourless. They are stealthily slipped into drinks and food and act rapidly, rendering the victim unconscious and unresponsive with little or no memory of what happens while the drug is active in the victim's system. Victims are often unaware that they have been sexually assaulted or raped, with little memory of their attacker. Worse, all traces of the drug can leave the body within 72 hours of ingestion and are not found in any routine toxicology screening or blood test.

Not long ago, a husband and wife predator team in Prince George used date rape drugs to drug children for child pornography. Last month a 32 year old woman died in Quebec after drinking beverages laced with the date rape drug.

For too long, nothing has been done to combat date rape drugs. This is why I am tabling in the House my private member's Motion No.458, which calls on the government to list identified date rape drugs as weapons in the Criminal Code and to create a national initiative to educate women on the dangers of date rape drugs.

* * *

COURT CHALLENGES PROGRAM

Ms. Anita Neville (Winnipeg South Centre, Lib.): Mr. Speaker, on June 1, I was pleased to attend a gathering hosted by the Court Challenges Program of Canada headed in Winnipeg.

The Manitoba division of the program was hosting Mary Robinson, the former president of Ireland and human rights commissioner for the United Nations.

I share this information with colleagues in the House to highlight the very important and quite singular work being undertaken by the court challenges program.

The court challenges program is a non-profit organization set up by the federal government to provide support for court cases across Canada that address language and equality rights that are guaranteed under the Canadian Constitution. The program is administered by a board of directors made up of experienced people in the areas of human rights and language rights.

I applaud the work of this organization. I urge all members to support the Court Challenges Program at every opportunity. It is a program that is distinctly Canadian and truly a model for jurisdictions worldwide.

* * *

PRIME MINISTER'S AWARD FOR TEACHING EXCELLENCE

Ms. Nancy Karetak-Lindell (Nunavut, Lib.): Mr. Speaker, I would like to congratulate Pascale Baillargeon from Kimmirut, Nunavut for receiving the Prime Minister's Award for Teaching

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Excellence on May 15. The Prime Minister's Award for Teaching Excellence was given to 16 educators from across Canada.

Pascale teaches grades 10 to 12 in fine arts, social studies, math, science, northern studies, outdoor education, computer technology, shop, life skills modules, career and life management, career planning and preparation. More important, she is a friend of the people of Kimmirut.

Pascale is originally from Quebec City and has lived in Kimmirut for the past 10 years and has become a member of the community.

On behalf of my constituents of Nunavut, let me say that we wish her well.

* * *

AMATEUR SPORT

Mr. Gerry Ritz (Battlefords—Lloydminster, Canadian Alliance): Mr. Speaker, the Minister of Public Works and Government Services announced last December that there would be no more sponsorship money for professional sports teams, but lately he and his colleague the Secretary of State for Amateur Sport inked a deal with the CFL for close to \$1 million to put Canadian flags on the league's helmets.

Last year Revenue Canada singled out Saskatchewan, claiming that teenage hockey players on volunteer-run teams must pay taxes. The Secretary of State for Amateur Sport cannot explain why stipends to young men living away from home are income, while handouts to Olympic athletes are not.

The public works minister cannot explain why a professional football league populated by American players requires taxpayers' money, while his province of Saskatchewan is being penalized for trying to develop future Canadian hockey stars.

The secretary of state has a soiree tonight in honour of amateur sport. Maybe he will announce that Canadian youth should play under the flag of Barbados to take advantage of tax breaks like millionaire shipowners can.

To avoid the mindless greed of the Liberal government, what else can Saskatchewan hockey players do but put the flag of Barbados on their helmets?

* * *

CANADA CUSTOMS AND REVENUE AGENCY

Mr. John Maloney (Erie—Lincoln, Lib.): Mr. Speaker, congratulations to the officials of the Canada Customs and Revenue Agency's access to information directorate. Over the last few years these dedicated employees have shown continuous improvement in their compliance with the statutory time requirements of the Access to Information Act. This year the CCRA achieved a grade A, denoting ideal compliance.

In his 2002-03 annual report, the information commissioner remarked:

These results are extremely encouraging. Few departments have achieved ideal compliance with the time requirements.... The measures taken by the CCRA over the years to make improvements could be adapted by other departments seeking similar improvements.

S. O. 31

The diligent and dedicated CCRA staff completed 96.54% of access requests within the legislated timeframe for the period April 1, 2002 to November 30, 2002. It is an excellent record indeed.

* * *

• (1405)

[*Translation*]

AUNG SAN SUU KYI

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, on May 30, Aung San Suu Kyi, Nobel Peace Prize winner and activist in the fight for democracy and human rights in Burma, was arrested by the country's military authorities and placed in so-called preventive detention. Aung San Suu Kyi, who spent a number of years under house arrest, had—thanks to international pressure—finally been authorized to resume her political activities and travel around the country.

Now, the Burmese military have used clashes—provoked by the military, no doubt—between demonstrators and the militants of Aung San Suu Kyi's National Democracy League, as a pretext to jail her and shut down all of her political party's offices. The daughter of Aung San, a hero of Burmese independence who was assassinated in 1947, Aung San Suu Kyi has been struggling ceaselessly for 15 years to put an end to the military regime and institute democracy and respect for human rights in her country.

The international community must mobilize in order to force the Burmese authorities to release Aung San Suu Kyi immediately. Canada must develop a firmer stand vis-à-vis the military rulers of Burma, and speak out in all international forums to put an end to this intolerable situation.

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[*English*]

DAIRY MONTH

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, as chair of the dairy caucus I am very pleased to announce that June is Dairy Month in Canada.

The dairy industry is one of the largest agricultural sectors within Canada. In 2002 alone, over 7.6 billion litres of milk were produced, generating \$4.4 billion in cash receipts and \$9.8 billion in processor level sales. Clearly the dairy industry is one of the most vital to Canadian agriculture.

The dairy farmers also proudly sponsor our Olympic hopefuls and athletes. In fact, on June 25 in Calgary, 20 athletes will be awarded a bursary of \$10,000 as part of the Dairy Farmers of Canada's pure determination fund.

The industry continually distributes information about the nutritional aspects and healthy effects that milk products have on Canadians' daily lives. With the nation's increasing love of cheese, cream and yogourt, it is important to realize the important contributions the dairy industry has made to Canada.

In short, Canadian cheese, gotta love it.

PORTUGUESE CANADIANS

Mr. John Reynolds (West Vancouver—Sunshine Coast, Canadian Alliance): Mr. Speaker, on May 13, 1953 the first officially recognized Portuguese immigrants arrived in Halifax on pier 21. This means that 2003 marks the 50th anniversary of official immigration from Portugal to Canada. I rise today to offer congratulations to the approximately 360,000 Canadians of Portuguese origin on Portugal's national day and to commemorate this historic occasion.

Portuguese Canadians have sewn a beautiful thread through the multicultural tapestry of Canadian society. Whether it is listening to the music of famous Portuguese Canadian Nelly Furtado or witnessing the achievements of the Portuguese Canadian Coalition for Better Education, it is clear the Portuguese Canadian community is thriving. On this historic day, I am honoured and pleased to congratulate the Portuguese community for 50 years of flourishing in Canada.

Mr. Speaker, I was pleased to represent my party and our leader at the luncheon you held today for the Prime Minister of Portugal. I say to other colleagues further down to my left that they should look at his political record and his willingness to lead a centre right coalition to form the government of Portugal.

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[*Translation*]

NATURE-ACTION QUÉBEC

Ms. Yolande Thibeault (Saint-Lambert, Lib.): Mr. Speaker, today I wish to pay tribute to Nature-Action Québec, an organization located in the riding of Saint-Bruno—Saint-Hubert involved in improving the quality of life of its people and those living in neighbouring communities.

The mission of Nature-Action Québec is to act as a concrete influence on society by promoting new ways of doing things that are more harmonious with a healthy and sustainable environment, both now and in the future.

Recently, the Government of Canada awarded the organization \$149,877 to finish the shoring up of the banks of the Lamarre ditch, thus preventing flooding caused by poor irrigation practices on Chambly farmland, as well as to construct a noise barrier in a park.

Initiatives such as these have a positive impact on the environment. That is why my colleagues join with me in congratulating the Nature-Action Québec team and encouraging them to keep up the good work.

* * *

MONTREAL HOLOCAUST MEMORIAL MUSEUM

Mr. Richard Marceau (Charlesbourg—Jacques-Cartier, BQ): Mr. Speaker, yesterday in Montreal, I and a number of my colleagues had the privilege of attending the opening of the Montreal Holocaust Memorial Museum.

This museum, the first one of international scope in Canada, was opened in the presence of men and women from a variety of backgrounds and political affiliations.

Montreal is known throughout the world for the size of its Jewish community. Moreover, it is home to the third-largest number of Holocaust survivors in the world. Needless to say, the choice of Montreal as the site of such an institution is particularly appropriate. Its Jewish community is lively, extremely dynamic and closely involved in the development of Montreal and Quebec as a whole.

The museum will help teach Quebeckers, particularly our youth, as well as other visitors to Montreal about the great horrors of the Shoah, not only for the Jews, but for humanity as a whole.

The opening of the museum to the general public will provide an opportunity to harmonize the national motto of Quebec, *Je me souviens* with the lesson that must be learned from the Holocaust, "Never again".

* * *

• (1410)

[English]

MONTREAL HOLOCAUST MEMORIAL CENTRE MUSEUM

Mrs. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, I wish to bring to the attention of all my colleagues the inauguration of the Montreal Holocaust Memorial Centre Museum. I had the privilege to attend this solemn, yet hopeful, ceremony last night.

The Holocaust is perhaps the darkest and most horrific moment of humanity's long history. Millions of Jews were mercilessly sent to concentration camps to be brutally murdered for the sole crime of being Jewish. The museum will show the Holocaust through the eyes of those who have lived and experienced it.

[Translation]

If I consider this event to be a source of hope, it is because the Holocaust museum will remind future generations of the terrible cost of intolerance and hate toward others.

Here in Canada, the sad lessons of the Holocaust will not be soon forgotten. I want to congratulate all the organizers of this event and wish them the best of success for the future.

* * *

[English]

THE ECONOMY

Mr. Loyola Hearn (St. John's West, PC): Mr. Speaker, the Prime Minister has been flitting around the world bragging about our great economy. The minister of culture and the two ministers of finance have been chasing each other around the country basically expressing the same views. We can talk about cops and robbers.

If we are so well off, why is it that the beef industry in the west must be begging for assistance? Why is it that the government of Ontario and the city of Toronto have to beg for help? Why is it that the east coast fishermen have been offered a paltry \$325 a week?

Does the government want Canadians to be like Oliver Twist and ask "Please sir, could we have some more?" Remember that very soon the government will be going begging to them.

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CITIZENSHIP AND IMMIGRATION

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, the government is choosing to allow the criminalization of dissent and diversity in an increasingly brutal fashion. I join a growing number of people who are calling for an independent public inquiry into police actions against non-status Algerians on May 29, 2003.

There are allegations that the tactical unit of the RCMP used excessive force against a dozen peaceful non-status Algerians occupying the offices of citizenship and immigration simply asking for a meeting with the minister.

Canada's Algerian community and its supporters are deeply concerned with the desperate fate of individuals and families at risk of deportation. The minister lifted Canada's moratorium on returns to Algeria back in April 2002. Many fear they will face danger and persecution.

Groups such as Amnesty International and the Quebec Human Rights League have expressed alarm at the excessive use of tasers, or high voltage electroshock weapons. Many of the Algerians received serious burns, head wounds and bruises during the police raid.

We in the NDP call on the minister to review these deportations and meet the individuals involved to hear their concerns.

* * *

[Translation]

JONQUIÈRE TAXATION DATA CENTRE

Mr. André Harvey (Chicoutimi—Le Fjord, Lib.): Mr. Speaker, during celebrations to mark the 20th anniversary of the Jonquière Taxation Data Centre, Gilles Marceau, federal Liberal member over two decades ago, was honoured. Mr. Marceau will be remembered for fighting long and hard to make this project a reality.

In recognition of his contribution to this amazing achievement, the conference room was named the Salle Gilles Marceau.

Unable to attend for health reasons, Mr. Marceau was represented by his son Réjean. However, the following Wednesday, on June 4, 2003, the director, Diane Gagnon, made a presentation at his home. Mr. Marceau was very moved and honoured by this tribute in recognition of his contribution to the Jonquière Taxation Data Centre.

I also want to acknowledge all the employees of this centre for their professionalism.

* * *

• (1415)

[English]

PRIME MINISTER OF CANADA

Mr. James Rajotte (Edmonton Southwest, Canadian Alliance): Mr. Speaker, let us compare the legacies of two prime ministers, the present one and his hero Sir Wilfrid Laurier.

Oral Questions

Laurier understood the importance of allies and a strong national defence. As Prime Minister he increased defence spending and took tough stands in support of the British in the Boer War and World War I. This Prime Minister failed to stand with our British and American allies for the first time in our history and has failed to adequately equip our armed forces.

Unlike the present Prime Minister, Laurier understood that it was in Canada's best interest to have a healthy relationship with the United States and sought to expand this relationship, particularly through freer trade. Laurier understood the importance of western Canada and sought to populate it and develop its potential. This Prime Minister has never even attempted to understand the dreams and aspirations of western Canadians.

Sir Wilfrid Laurier is rightly honoured today as one of our finest prime ministers. It is truly sad that our Prime Minister, while holding up Laurier as his hero, has completely failed to emulate his courage, wisdom and national vision.

I want to move to another subject. If he is so interested in these issues, let us discuss Toronto. We have had the outbreak of SARS now for the past three months. It is devastating Toronto's economy, but the government apparently says it is not a disaster and is renegeing on its commitment to provide the Government of Ontario with emergency relief funding.

Once again, if the Prime Minister and the government are not interested in dealing with this issue, why not just leave office now?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we made some further announcements on this issue after Friday. We have done a lot of things to adjust to the situation. We face a very difficult problem and we are doing our best to solve it.

I do not think that it is advisable to try to score political points. It is difficult for the provincial government and we have to compliment the health workers in Toronto who are doing a fantastic job under extremely difficult circumstances.

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ORAL QUESTION PERIOD

[English]

AGRICULTURE

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, the Prime Minister is returning to the country in the midst of the mad cow crisis.

Before the Prime Minister left the country he could not remember if he had discussed the mad cow issue. Now, four weeks later the government still does not have a plan. Apparently it will be another two weeks before it is able to come up with any kind of compensation package to address the industry's problem.

My question is very simple. Is the Prime Minister capable of understanding that this is an emergency and if he is not interested in doing his job, why does he not just leave office now?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the Minister of Agriculture and Agri-Food has worked extremely diligently on this file. This morning we had a report by a group of international experts who reported that we have acted more diligently than any other government. They are complimenting the government for the action it has taken.

We are very happy that there was only one cow that was affected. A lot of animals had to be destroyed because of that and, of course, we have programs within the government to deal with emergencies in the agriculture sector. We are looking at whether these programs can apply. If not, we will see what can be done on top of the existing programs that very often are agreed upon with the provincial governments.

* * *

HEALTH

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, we have already said that existing programs will not cover the severity and immediacy of the crisis. While the Prime Minister is studying this, people are going bankrupt.

POLITICAL PARTY FINANCING

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, apparently the new announcement is the Rolling Stones concert. That is after the Prime Minister did the Chinese restaurant photo op. Frankly, this crisis needs more than dinner and theatre.

The Prime Minister's real priority appears to be getting more money so that the Liberals can pass Bill C-24. This seems to take precedence over the devastation that is affecting rural Canadians in the beef industry and the health care crisis that is gripping the city of Toronto and affecting its economy.

My question once again is simple. Why should Canadians want a PM who does not deal with their problems but instead needs money to buy the support of his own party?

• (1420)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I recall the last leader of the Reform Party who challenged me to call an election. I was in the House and I obliged, and with quite good results.

We have a piece of legislation that has been before the House for months. There is a committee report on the bill dealing with electoral financing that has been presented to the House. The committee made recommendations to the government and the bill will be dealt with by the House this week. It is a bill that will serve democracy very well in Canada.

Mr. Scott Reid (Lanark—Carleton, Canadian Alliance): Mr. Speaker, today the government tabled amendments to Bill C-24 that will raise the annual per vote subsidy to political parties from \$1.50 to \$1.75. The shortfall caused by banning corporate and union donations will now be entirely made up by public funds and an extra \$1.2 million in taxpayer money will go every year to the Liberal Party of Canada.

Oral Questions

Why does the Prime Minister insist on digging deeper into the pockets of Canadian taxpayers in order to line the chest of his party?

Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I think there are crocodile tears on the other side of the House when there is talk about the subsidies to political parties. As I outlined in the House last Friday, every Alliance MP elected and all of their defeated candidates who had 15% of the vote received a taxpayer subsidy last election.

Do you know, Mr. Speaker, how many of them gave it back? Zero.

Mr. Scott Reid (Lanark—Carleton, Canadian Alliance): Mr. Speaker, while the minister of self-righteousness is at it, he might offer to—

Some hon. members: Oh, oh.

The Speaker: Order, please. The hon. member for Lanark—Carleton has a supplementary question and everyone will want to hear it, particularly the government House leader who might have to answer.

Mr. Scott Reid: Mr. Speaker, while the minister of self-righteousness is at it, he might offer to give back all those terrible corporate donations that he and his Prime Minister have suddenly discovered.

The newly boosted subsidy will guarantee the Liberals a massive \$9.1 million annual subsidy, year in and year out, with the first \$9 million coming in a lump sum next January, just in time to replenish Liberal coffers drained by the leadership race.

Why are taxpayers paying for the shortfall caused by the 18 month leadership race imposed on this country by the Prime Minister and Paul Martin?

The Speaker: The hon. member knows he must refer to hon. members by their constituency name or title, and not by their names. I know they are very good friends, but it is still not appropriate to use their names.

The hon. government House leader.

Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am sorry if the hon. member has not read the bill. There is no subsidy on contributions to leadership campaigns.

* * *

[*Translation*]

GOVERNMENT CONTRACTS

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, in the sponsorship scandal, the tightly knit network of firms alluded to by Public Works Canada not only benefited advertising agencies, the Liberal Party, its cronies and their families, but we now learn that the son of Alfonso Gagliano, the minister who orchestrated the entire system, was a huge beneficiary.

Will the Prime Minister admit that there is a direct link: Alfonso Gagliano grants a contract to an intermediary, his son's employer gets the subcontract and, end result, the son collects?

[*English*]

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, as I have explained many other times in the House, the government has been proactive and conscientious in dealing with the troubled communications files. Management issues are the subject of a government-wide audit by the Auditor General. The responsibility of public servants is being pursued under the Financial Administration Act and any possibility of illegality is being examined by the RCMP.

In addition, for the future, the rules, terms and conditions pertaining to all of these programs have been substantially revised on the instructions of the Treasury Board to ensure that the situation cannot recur.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the minister was telling us that the government was proactive. In this case, it was Alfonso Gagliano who was truly proactive.

When he was a minister, Alfonso Gagliano categorically denied all allegations of conflict of interest relating to contracts granted by the government and work that these same contracts gave to his son's employer. Alfonso Gagliano stated that his son was not directly or indirectly involved.

Since Vincenzo Gagliano now admits that he benefited from this situation, will the Prime Minister recognize that there was clearly a conflict of interest, and that the very active Alfonso Gagliano deserves being investigated?

● (1425)

[*English*]

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, all dimensions of this situation are being thoroughly investigated and examined. I have indicated a number of those already. Audits are underway and the RCMP is at work when issues of illegality are raised. Administrative reviews are underway under the Financial Administration Act.

The government said, at the very beginning, that the whole situation with respect to sponsorships and advertising needed to be thoroughly ventilated and the appropriate corrective action taken, and we are in the process of doing just that.

[*Translation*]

Mr. Robert Lanctôt (Châteauguay, BQ): Mr. Speaker, Vincenzo Gagliano agreed that the sponsorship contracts boosted his sales. It was his responsibility to expand business for his group and the contracts gave his career an edge.

When the decisions of the father benefit the son, which was the case with the Gaglianos, does the Prime Minister not believe that his former Minister of Public Works was in a direct conflict of interest and that this unacceptable situation reflects on his entire government?

*Oral Questions**[English]*

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, let me say again that where there was anything wrong with previous contracting, that will be disclosed and dealt with through all of the various inquiries, examinations, and investigations that we have underway.

For the future, the rules are being changed in a major way to ensure strong management, more competition, transparency, accountability and full value for taxpayers' money.

[Translation]

Mr. Robert Lanctôt (Châteauguay, BQ): Mr. Speaker, nothing has been settled. An independent public inquiry would settle things. The Prime Minister is letting Alfonso Gagliano, his former right-hand man who was the driving force behind the Liberal machine in Quebec, off the hook easy.

How can he deny that this calls for a public inquiry when his right-hand man took decisions—several of which are currently under police investigation—when stakeholders took their share in passing, making sure that his party was generously financed, and when his minister's son benefited directly?

[English]

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, the answer to the hon. gentleman's question is indeed in the question itself. All matters that raise any issues that are of a legal nature are within the purview of the RCMP, and the RCMP, I have every confidence, will do their job.

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FEDERAL-PROVINCIAL RELATIONS

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, federal-provincial relations on this Prime Minister's watch have hit an all time low. Six out of 10 provinces oppose the long gun registry. The same number have said no to the softwood lumber offer. The federal government's neglect of SARS and BSE continues to wreak havoc on the Canadian economy.

When will the government start to show respect for the provinces and convene a first ministers conference? Will the Prime Minister convene a first ministers conference to deal with these crises?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I want to congratulate the hon. member for his election as the leader of the Conservative Party. I hope he will stay in the same position for a long time and on the same side of the House.

We had a federal-provincial meeting with the first ministers in February that was very successful. We also had a health accord that was very welcomed by the Canadian public.

All the files the hon. member is referring to are part of the continuing work that we do on a daily basis with the provincial governments, where each government does its best to solve the problem in one province and in the nation.

AGRICULTURE

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, this morning's promise of a future compensation package for farmers affected by BSE is another cynical attempt to pre-empt the western premiers' request for aid.

The need for compensation is urgent and immediate. There is a product backlog and liquidity is the big issue.

When will the government relax the two week waiting period for workers affected by the ban of Canadian beef and when will it provide a fair and immediate compensation package for farmers who cannot afford to feed their cattle?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, the Government of Canada is treating Canadians fairly, no matter where they live across the country.

With regard to the waiving of the two week period associated with health realities associated with SARS, this has been applied equally across the country. Sixty-four Canadians in the western provinces are benefiting from it.

We are aggressively working with employers and employees to implement flexible standards of the work-sharing provisions as well as ensure that we are processing employment insurance claims as quickly as possible, because we know individuals who are laid off need those benefits urgently.

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, while the Prime Minister is busy congratulating himself, the fact is the western beef industry is still in crisis and needs help now.

Cattle producers are losing millions. Meat plant workers are losing their jobs. These people deserve more from their government than glib responses and buck-passing. They need help and they need it now.

When will the Prime Minister wake up and give some substantive help that is needed to plant workers and to cattle producers in the country? They are in crisis. Does the Prime Minister understand that?

● (1430)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we know that and we are working on it. As I said, we have federal and provincial programs very often working together to compensate farmers in difficulties.

This situation is affecting people in Saskatchewan and Alberta. We are looking at what can be done to give them the proper access to the resources that are needed for them to get through this very difficult period.

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HEALTH

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, I have to say that sounds a lot like 100% Canada grade A bull.

It has been almost three months since SARS hit and there is still not a penny for hospitality workers nor a cent in disaster funding. Whether it is help for hotels and workers through job sharing or help for the provincial government itself, the Liberals have had the same response: no.

Oral Questions

Maybe the Prime Minister can tell people in Toronto what is the use of electing only Liberals when none of them can deliver the help for a city that is in deep trouble?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, the hon. member makes direct reference to work-sharing. I would like to advise her and the whole House that to date we have 94 work-sharing agreements in place in the city of Toronto.

I would like to congratulate those employers and employees who see this as a natural opportunity for them to deal with this difficult time.

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AGRICULTURE

Mr. Howard Hilstrom (Selkirk—Interlake, Canadian Alliance): Mr. Speaker, operating cash has run out for the cattle industry and it is losing one of its main players, the feedlot industry.

Contrary to what the Prime Minister has said, the agricultural policy framework does not work in this large financial crisis. Feedlot companies are not even covered by the APF.

We know the cattle industry has developed a compensation package and it is supported by the western premiers. Why has this government not accepted the industry's proposal or come forward with one of its own?

[Translation]

Mr. Claude Duplain (Parliamentary Secretary to the Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the Prime Minister responded to this very well earlier. Government stakeholders, starting with the Minister of Agriculture, are working with industry people and the provinces to find a solution to this problem as quickly as possible.

[English]

Mr. Howard Hilstrom (Selkirk—Interlake, Canadian Alliance): Mr. Speaker, representatives of the industry were down here last week and the government sent them home on Friday with nothing in their hands, not even a promise that it would do something. I do not accept that answer. What I want to see is the government stand and say that it intends to provide some financial help until that border is opened up and our exports start to flow again. Is there that commitment or not?

[Translation]

Mr. Claude Duplain (Parliamentary Secretary to the Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, as we said earlier, we are working very hard on this matter. I would like to know whether the member told his constituents that last week while the committee was meeting with people from Saskatchewan here, they called for a vote to adjourn the House of Commons for the summer holiday. We missed the meeting.

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GOVERNMENT CONTRACTS

Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ): Mr. Speaker, the report from Public Works and Government Services Canada refers to a tightly knit

network of firms, a system that was well-honed over several years that were very profitable for the Liberal Party of Canada.

Does the Prime Minister realize that he is about to appoint to the Vatican a man, Alfonso Gagliano, who set up a system that benefited the Liberal Party, friends of the Liberal Party, their friends and their children, and his own son, Vincenzo Gagliano? Is the Prime Minister condoning all that by this appointment? Is that it?

[English]

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, I know nothing about any such appointment. Let me again say that the Government of Canada, from the very beginning on this file, has been thoroughly proactive and conscientious, pursuing every possible investigative technique to get to the bottom of what went on, to ensure that it is thoroughly exposed and that the appropriate corrective action is taken, up to and including police investigations and subsequent prosecutions.

[Translation]

Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ): Mr. Speaker, my question is for the Prime Minister.

Instead of rewarding former minister Gagliano by appointing him to the Vatican, should the Prime Minister not call for an independent public inquiry to finally get to the bottom of the sponsorship scandal?

• (1435)

[English]

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, I would think if the hon. gentleman is truly serious about getting to the bottom of all these matters, he would want to ensure that the work of the Auditor General is fully completed, that the pursuit of materials under the Financial Administration Act is properly completed and that police investigations are properly completed.

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AGRICULTURE

Mr. Gerry Ritz (Battlefords—Lloydminster, Canadian Alliance): Mr. Speaker, of the 2,000 animals that have been put down and tested, only one tested positive. The investigation was comprehensive. What has never been comprehensive are any specifics on any compensation package for the beef industry.

Why do the Liberals always come up short on agricultural programs?

[Translation]

Mr. Claude Duplain (Parliamentary Secretary to the Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, there are compensation programs available for producers. As it has been said, right now the Minister of Agriculture and Agri-Food is in discussions to come up with other solutions for producers.

*Oral Questions**[English]*

Mr. Gerry Ritz (Battlefords—Lloydminster, Canadian Alliance): Mr. Speaker, it is always somebody else's fault. Time is of the essence here. Four weeks have dragged by and there is no plan. There are no specifics. The beef industry is fighting off bankruptcy on its own. There is no help from those guys. Two more weeks to study the findings, they say, and there is still no clear signal to the industry or to banks that help is on the way.

What the heck is wrong with those guys? Do they not get it? Why are the Liberals always found lacking in any crisis?

[Translation]

Mr. Claude Duplain (Parliamentary Secretary to the Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, we are not lacking in any crisis. We are in the process of studying these crises. While we are studying the matter, as I said earlier, the Canadian Alliance is calling for votes in the House to interrupt the meetings we are having with people in Saskatchewan to try to solve the problem.

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IMMIGRATION BOARD

Ms. Francine Lalonde (Mercier, BQ): Mr. Speaker, when we speak of a tightly knit network, there is another example at the Immigration Board, where the commissioners are appointed on a partisan basis. For example, one of the commissioners, Mr. Colavecchio, worked on Alfonso Gagliano's election campaign, and signed his nomination papers. The commissioner's father is the owner of a company chosen by the same Alfonso Gagliano.

Will the Prime Minister admit that this is the tightly knit network to which the internal investigation referred?

Hon. Denis Coderre (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, the hon. member is referring to allegations concerning an individual. Since a police investigation is currently underway, we can in no way involve ourselves in this situation.

We will let justice take its course and then we will see.

Ms. Francine Lalonde (Mercier, BQ): Mr. Speaker, as the Prime Minister's right hand man in Quebec, Alfonso Gagliano used his influence everywhere, and the result is that everything he touched has turned to trouble. The common denominator in the sponsorship scandals is Alfonso Gagliano.

Is the Prime Minister certain that he wants to appoint him to the Vatican?

[English]

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, the hon. member again makes specific reference to the sponsorship program. She knows that corrective action began in that program in 2002. An internal audit was ordered then by the deputy minister of Public Works and Government Services. That has triggered a subsequent series of steps over the last three years to root out the difficulty, to amend the programs, to pursue the issues from the past that need to be corrected, to ensure

that they are corrected and to put the program for the future on a much more solid footing, all of which has been done.

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HEALTH

Mr. Rob Merrifield (Yellowhead, Canadian Alliance): Mr. Speaker, the city of Toronto and the province of Ontario have been continuing to battle SARS, but the government seems content to just let them go it alone. Ontario has spent almost \$1 billion fighting SARS but this Liberal government does not think that SARS qualifies for disaster relief.

Will the government reconsider and immediately extend disaster relief for the province of Ontario?

Hon. John McCallum (Minister of National Defence, Lib.): Mr. Speaker, I am responding to—

Some hon. members: Oh, oh.

The Speaker: Order, please. We have to be able to hear the answer from the minister. If I cannot hear it, the member for Yellowhead will not be able to hear it. The Minister of National Defence has the floor.

Hon. John McCallum: Mr. Speaker, the opposition may be surprised to hear this but I am also the minister responsible for emergency preparedness.

I did have discussions with my Ontario counterpart last week, and he and I have agreed that we shall meet next week. In the meantime, our officials are studying the numbers so we can bring some clarity to this issue.

● (1440)

Mr. Rob Merrifield (Yellowhead, Canadian Alliance): Mr. Speaker, the province requested that meeting with the defence minister back on April 11 to discuss federal aid. It has been anticipated this crucial meeting for two weeks only to have it cancelled by this minister last week. So far, all the province has received are broken promises from the government because the Liberals say that SARS is not an emergency.

If SARS is not an emergency, will the government tell us what it is?

Hon. John McCallum (Minister of National Defence, Lib.): Mr. Speaker, in the first place, it would be a good idea if the opposition had its facts straight.

The meeting was not suggested on April 11. The meeting was suggested in late May. My office responded within 24 hours to that request. It came about that more information was required on the numbers and that work is ongoing as we speak. Last Friday, my colleagues announced assistance for the tourism industry. The work on the health care numbers is ongoing.

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THE ENVIRONMENT

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, my question is for the Minister of the Environment. Antarctica is a pristine continent which contains most of the world's fresh water. It is protected by treaty as a place for non-military activities, including research.

Oral Questions

Could the minister advise the House of any progress that has been made toward a more proactive role for Canada in the proper management of Antarctica?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, last Friday we introduced Bill C-42 which would allow Canada to ratify the Madrid protocol and join our global partners in protecting this area. I am proud to add that since signing the protocol in 1991, Canada has been meeting and exceeding the obligations under the protocol.

With the cooperation of parties on all sides of the House, it would be very easy for the bill to be passed this week.

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GOVERNMENT CONTRACTS

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, my question is for the Minister of Public Works. The minister reviewed several practices and contracts regarding Groupaction and other companies. He concluded the system was corrupt and needed to be changed. Groupaction and Groupe Everest gave subcontracts to the son of Alfonso Gagliano, who was at the time the minister who awarded large contracts to those companies.

Did the investigation of the Minister of Public Works review that particular potential conflict in the Gagliano family and, very specifically, would that sort of behaviour be allowed under the new rules?

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, as I have explained on many occasions, there has been a whole series of reviews, some internal and some external, that have examined all dimensions of this matter. Under the new arrangements that are now in place with respect to advertising, the pool of those who are eligible to compete is very substantially increased because of changes in the rules, and each one of the procurement tools that various departments can engage is fully accountable and competitive.

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IMMIGRATION AND REFUGEE BOARD

Right Hon. Joe Clark (Calgary Centre, PC): So, Mr. Speaker, cousins and uncles as well as sons.

I have a question for the Minister of Immigration. The Minister of Immigration has declined to comment on the RCMP investigation into two associates of Alfonso Gagliano who are accused of taking bribes while serving as judges on the Immigration and Refugee Board.

Would he tell us first whether these are the only investigations the RCMP is conducting into the IRB or into appointments to the IRB and, second, whether he has introduced new procedures that would stop the practices of bribery which the RCMP has discovered?

[Translation]

Hon. Denis Coderre (Minister of Citizenship and Immigration, Lib.): Hold him down, somebody.

Mr. Speaker, I can say simply that when speaking of allegations and police investigations, my role is obviously to stay out of these investigations. We will let the RCMP do its work and, more importantly, we will let justice take its course.

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[English]

FOREIGN AFFAIRS

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, U.S. Space Command has now confirmed what the NDP has said all along: that Bush's missile defence is about the weaponization of space. While the Bush forces conceal the facts about weapons in Iraq, they are forthright and unapologetic about U.S. intentions to weaponize space. Will the Prime Minister now admit that Bush's missile defence is star wars and will the Prime Minister now say no to the weaponization of space, which is grotesquely irresponsible?

Hon. John McCallum (Minister of National Defence, Lib.): Mr. Speaker, if I have said it once, I have said it a hundred times. This government remains steadfastly and totally opposed to the weaponization of space: steadfastly and totally opposed to the weaponization of space. The U.S. government has taken no decision. There is a recommended research program that in the worst case will start in five years. A system might be employed, in the worst case, in a decade or more. By being inside the tent, Canada will have a stronger voice to oppose this than we would if we were to stay outside the tent.

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● (1445)

PHARMACEUTICAL INDUSTRY

Mr. Svend Robinson (Burnaby—Douglas, NDP): Mr. Speaker, my question is for the industry minister. Multinational drug companies claim that Parliament has no power to scrap the evergreening regulations that keep lower price generic drugs off the market. They say we would be in violation of the TRIPS trade deal.

I want to ask this minister, when will the government stand up for democracy and for the sick and consumers, tell big pharma to stop hiding behind trade deals and scrap these regulations that lead to obscene profits for big pharma and skyrocketing drug costs for the sick and Canadian consumers?

Hon. Allan Rock (Minister of Industry, Lib.): Mr. Speaker, there may be a fact in there that is true, but it would be difficult to find it. On the subject generally, the member knows the committee is looking at this very subject. Let us let the committee do its work. It is hearing witnesses. It is examining the issue. It may have recommendations that are very useful. Let us wait until they arrive and consider them on their merits.

*Oral Questions***NATIONAL DEFENCE**

Mr. Leon Benoit (Lakeland, Canadian Alliance): Mr. Speaker, the defence minister said it was a non-issue when Canadian troops were sent to Afghanistan last month with no weapons. Now Canadian troops are being deployed in Kabul and are desperately short of night vision goggles, laser rifle sights and unmanned aerial vehicles, and they may be going in green uniforms yet again.

The Liberal government should have made sure that the equipment was available before it committed to the mission. Why is it always a day late and a dollar short when it comes to giving our troops the equipment they need?

Hon. John McCallum (Minister of National Defence, Lib.): Mr. Speaker, everything the hon. member just said is nonsense, but let me deal with a more serious issue. The tragic fact that four German soldiers were killed and more than thirty injured very recently leads me to express my condolences to my German counterpart, whom I will see in a couple of days.

It also underlines to us the top priority of safety. I instructed the defence department some months ago to spare no money, to spare no effort, and to ensure that we have the best technology and the best equipment to maximize the safety of our people.

Mr. Leon Benoit (Lakeland, Canadian Alliance): Mr. Speaker, the minister says there is no problem with this mission, but the fact is that four German soldiers were killed and several were injured this weekend.

In past missions, Canadian troops have been endangered. In fact, last time we sent troops to Afghanistan they had not even been told the rules of engagement. Now senior military analysts are saying our peacekeepers will be sitting ducks in Kabul. Have Canadian troops bound for Kabul been given robust rules of engagement or is this mission going to be a repeat of past travesties?

Hon. John McCallum (Minister of National Defence, Lib.): Mr. Speaker, in the first place, past actions were not travesties. Seven thousand people have served in operations in the gulf and Afghanistan. They have done a fantastic job and the government is very grateful to them and to their families for their sacrifice.

If we look to the future, I spoke to the chief of land staff just today, and I asked him specifically, "Are the rules of engagement sufficiently robust and do you have everything you need to maximize safety?" In both cases he said yes.

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[*Translation*]

SOFTWOOD LUMBER

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, I have just come back from a tour with my colleagues regarding the softwood lumber issue and the news is terrible. In all the forest regions, the lumber mills have been closing one after the other. The situation is deteriorating. It will be a matter of weeks, even days, before tragedy strikes.

Is it not time for the minister to go ahead and implement loan guarantees and to relax the EI rules for the workers affected by this terrible crisis?

Hon. Claude Drouin (Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.): Mr. Speaker, I met with industry people on Thursday. They have proposals for us. We are working together to support the softwood lumber industry and we will continue to do so, as we have been doing since the beginning.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, loan guarantees come under the Minister of Industry, who is seated over there.

On Friday the minister went to Toronto and promised the people he would help them, as his colleague from agriculture plans to do for the beef industry.

Since the softwood lumber issue has been ongoing for two years, does the minister not feel it is time to take action in that area as well?

Some hon. members: Oh, oh.

● (1450)

Hon. Claude Drouin (Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.): Mr. Speaker, I would like the other side of the House to listen.

There was a meeting on Thursday with the Quebec Forest Industry Council. We asked them for proposals. We are in the process of examining some solutions, in addition to all the measures we have taken totalling \$350 million, for the softwood lumber industry and the communities. We are going to continue to do so.

* * *

[*English*]

GOVERNMENT CONTRACTS

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, it is just as well that Alfonso Gagliano is going to the Vatican. He will need all the confession booths he can get his hands on.

These allegations regarding Vincenzo Gagliano, the former minister's son, have resurfaced and demand a separate investigation. Instead of sending Alfonso Gagliano to the Vatican, why not bring him home here to answer some of these allegations and explain how his son can benefit from government contracts?

Ms. Aileen Carroll (Parliamentary Secretary to the Minister of Foreign Affairs, Lib.): Mr. Speaker, we continue to hear comments here today on the possibility that Ambassador Gagliano will be moved to the Vatican. That is media speculation and just that, media speculation.

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, I am sure the Vatican would be completely relieved if they found out he was not going there.

What he should be doing is coming to Ottawa to do his penance, not going to the Vatican. There are all kinds of allegations that have just come out which suggest that his son Vincenzo has benefited through the former minister's department, has picked up contracts for his company. Those are serious allegations. They suggest a conflict of interest. Why is this minister not showing a little more interest and being more proactive about getting to the bottom of that issue?

Oral Questions

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, from the very first day that I occupied this portfolio I think it is fair to say that I have been proactive in getting to the bottom of these matters. The investigative measures are under way, partly by the Auditor General, partly under the Financial Administration Act, and partly by the RCMP. If the opposition is truly interested in getting to the bottom of this matter, defining the facts and seeing the proper consequences follow, it will allow these procedures to run their course.

* * *

HEALTH

Mr. Stan Keyes (Hamilton West, Lib.): Mr. Speaker, a few days ago we learned that Canada's Special Olympics team may not be allowed to travel to Dublin, Ireland to compete in the World Special Olympics this summer because of concerns over SARS. Could the Secretary of State for Amateur Sport inform the House of any new developments that may have occurred to ensure that our proud Special Olympians will travel to Dublin to pursue their dreams?

Hon. Paul DeVillers (Secretary of State (Amateur Sport) and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am pleased that following extensive discussions between Special Olympics Canada and Canadian and Irish government officials, a solution has been found that will enable Team Canada to compete fully at the Special Olympics World Summer Games to be held in Dublin, Ireland, from June 21 to 29. These athletes have trained long and hard and, on behalf of the Government of Canada and Canadians in general, I would like to wish the athletes, coaches and mission staff the best of luck. We know they will do Canada proud.

* * *

IMMIGRATION AND REFUGEE BOARD

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance): Mr. Speaker, there have been shocking revelations of bribery and corruption at the Immigration and Refugee Board. Two IRB judges have been hand in glove with organized crime to extort thousands from immigrants.

These corrupt judges have close links to former Liberal minister Alfonso Gagliano of contracts scandals notoriety, and the immigration minister refuses to disclose his relationship with these judges, so we have organized crime, a scandal plagued former minister as patron and a current minister who will not come clean. Just what is the government trying to hide?

Hon. Denis Coderre (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, like I said in the beginning, and she should know better because she has had legal training and she knows exactly how it works—

An hon. member: Oh, oh.

Hon. Denis Coderre: We are not sure.

We should know better: that when there is some allegation based on police operations we have to let the RCMP do its job and let justice follow its course, as simple as that.

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance): Speaking of the RCMP, Mr. Speaker, these corrupt IRB judges cannot be charged with bribery unless the justice minister consents. Quebec prosecutors say they are not going to ask for that consent. They want to lay only lesser charges. The RCMP wants the minister to step forward and get on with bribery charges. Why is this minister dragging his feet when our immigration system is being given a black eye by these corrupt judges?

● (1455)

Hon. Martin Cauchon (Minister of Justice and Attorney General of Canada, Lib.): First of all, Mr. Speaker, she knows very well that we are talking actually about an RCMP investigation and we cannot comment, of course. We are talking basically about allegations. Having said that, on a more general note we are talking basically about criminal offences and criminal offences fall under the responsibility of the provincial attorneys. It is part of their jurisdiction. Let them do their work.

* * *

[Translation]

SOCIÉTÉ RADIO-CANADA

Ms. Caroline St-Hilaire (Longueuil, BQ): Mr. Speaker, although there will be a reception tonight to celebrate the new Physical Activity and Sport Act, Radio-Canada is preparing to pull the plug on the only French-language sports report, depriving not only francophones but also amateur athletes of an essential forum for promotion and increased visibility.

How can this government reconcile, on the one hand, adopting measures to promote participation and excellence in sports with the fact that, on the other, Radio-Canada is cutting the means for promotion and broadcasting?

Hon. Paul DeVillers (Secretary of State (Amateur Sport) and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the Government of Canada knows that Radio-Canada's sports reports are very important for sports fans in Quebec.

The Minister of Canadian Heritage committed last week to meeting with Radio-Canada employees to see if something could be done. We support the work of Sport Quebec, as well as the requests made, because we know that people are concerned about this. The minister indicated that she was preparing to meet with the stakeholders.

* * *

AGRICULTURE

Ms. Pauline Picard (Drummond, BQ): Mr. Speaker, the impact of the U.S. ban on Canadian beef does not stop with the west. Quebec's meat producers are also affected, as are the meat-packing industry workers. A hundred or so of them have lost their jobs at the Levinoff plant in Montreal and another twenty-five at the Colbex abattoir in Drummondville, not to mention the hundreds of others whose jobs are threatened as well.

Having helped the workers in Toronto affected by SARS, does the Minister of Human Resources Development plan to make available the same assistance to the Quebec workers who are victims of the beef crisis?

Points of Order

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, I would like to reiterate for the hon. member that the government will treat Canadians fairly no matter where they live. When it comes specifically to the Employment Insurance Act and its provisions, I would like to say to the hon. member that the government will be there, encouraging the use of work sharing and making sure that claims are processed as quickly as possible. We understand and appreciate the significant impact that this is having on Canadians across the country.

* * *

INTERNATIONAL TRADE

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, in answer to our question on Friday about the plight of the independent lumber remanufacturers, the Minister for International Trade stated “we continue to demand their exemption from the department of commerce actions”.

This is hard to believe because they did not demand anything in the May 22 offer. There was not one word, not one mention, not one hint about the problems of the remanufacturers.

Exactly how and when will the minister keep Friday's promise to demand an exemption for the remanufacturers?

Mr. Murray Calder (Parliamentary Secretary to the Minister for International Trade, Lib.): Mr. Speaker, we will do as we have been doing all the way along: getting the best deal for the softwood lumber industry for all Canadians, including the Maritimes.

The remanufacturers situation is something that we are negotiating right now with the U.S. We plan to find out what it wants and will bring that to the industry.

* * *

ABORIGINAL AFFAIRS

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, it is exactly 10 years since the Prime Minister wrote the Lubicon Cree First Nation and promised that as soon as he formed government he would settle their legitimate and longstanding grievances. Ten years have passed, the world is watching and the Lubicon are still waiting.

Will the Prime Minister rise today and tell us that before he leaves office he will ensure that satisfaction is given to the legitimate, historic injustices that face the Lubicon Cree?

Hon. Robert Nault (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, if people had been following the Lubicon file they would know that over the last year we have entered into the final stages of negotiation. We are at the point where the provincial government, the Canadian government and the Lubicon people are together at the negotiating table with the objective of completing this longstanding grievance of the Lubicon.

It is our view that we are within a matter of issues and days away from a final agreement. I hope, as the member and the rest of the members of Parliament would wish, that this will be completed some time very soon.

● (1500)

PUBLIC WORKS AND GOVERNMENT SERVICES

Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, it took the Prime Minister just days to decide that the former minister of public works was in trouble and should be shipped off to Denmark for his protection, and perhaps the protection of the government, and yet the RCMP investigation has been going on for three years.

Does the government have any idea why this is taking so long? Is this a case of delay, delay, delay and deny, deny, deny?

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, when matters come within the purview of the RCMP, it is entirely the judgment and discretion of the RCMP that applies and it should never be the intervention of politicians.

* * *

PRESENCE IN GALLERY

The Speaker: I wish to draw to the attention of hon. members the presence in the gallery of His Excellency Carlos Manuel Tavares DaSilva, Minister for the Economy of the Portuguese Republic.

Some hon. members: Hear, hear.

* * *

[Translation]

WAYS AND MEANS

NOTICE OF MOTION

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, pursuant to Standing Order 83(1), I wish to table a notice of ways and means motion involving amendments to the Income Tax Act (natural resources), including explanatory notes. I ask that an order of the day be designated for consideration of the motion.

* * *

[English]

POINTS OF ORDER

MAIN ESTIMATES, 2003-04

Mr. John Reynolds (West Vancouver—Sunshine Coast, Canadian Alliance): Mr. Speaker, I rise on a point of order to seek clarification regarding a motion on the Notice Paper seeking to restore \$266,201,000 to VIA Rail. As you are aware, we have not had to deal with this type of motion for a long time.

Routine Proceedings

The motion is in response to the recommendations of the transport committee that the estimates of VIA Rail be reduced by \$9 million. The motion would give effect to the transport minister's statement of disagreement with the transport committee's recommendation and his intention to restore the funds reduced by the committee.

I raise this matter because of our experience with the supply motions, with which we are more familiar, in particular, opposed items. Take, for example, the motion I have on the Order Paper. It is a notice of opposition to reduce Vote No. 1 under Justice by \$100 million. This amount reflects the funds for the gun registry. The motion that we end up voting on is not my motion but a motion from the President of Treasury Board. The minister's motion is not a fair reflection of the funds I have targeted

The motion that the House will be asked to vote on is as follows:

June 5, 2003—The President of the Treasury Board—That Vote 1, in the amount of \$433,972,000, under JUSTICE—Department—Operating expenditures, in the Main Estimates for the fiscal year ending March 31, 2004, be concurred in.

Voting against the motion will wipe out half a billion dollars, which is a far cry from the \$100 million I am after.

The point of order is not about the flaws of the process for opposed items but about the need to clarify the impact of voting against the motion to restore funds to VIA Rail.

The restoration motion reads as follows:

June 5, 2003—The President of the Treasury Board—That Vote 25, in the amount of \$266,201,000, under TRANSPORT—Department—Payments to VIA Rail Inc. in the Main Estimates of the fiscal year ending March 31, 2004, less the amount voted in Interim Supply, be restored.

It would be interpreted by some members that a vote against this motion would mean that over \$266 million would be voted down. This is the experience we would have with a negative vote to an opposed.

It is my understanding that a vote against restoration motions would result only in \$9 million being removed from VIA Rail funds and that a vote for the motion would result in the \$9 million being restored.

Put another way, and this is important, Mr. Speaker, a vote for the restoration motion is a vote dismissing the recommendation of the transport committee, a recommendation that was arrived at after careful and responsible consideration of the estimates by the committee. A vote against the restoration motion is a vote in support of the good work of the transport committee. Would that be your interpretation, Mr. Speaker?

I raise this because it is important that members are aware of the impact of their vote this Thursday. I would not want the government whip giving the impression to Liberal members that VIA Rail risks losing \$266 million. All that is at risk is the \$9 million, as recommended by the committee.

• (1505)

The Speaker: I do not think I need to hear from the hon. government House leader in this case. I am sure all hon. members appreciate the hon. member for West Vancouver—Sunshine Coast's appreciation for the difficulties faced by the chief government whip in communications with her colleagues, because of course he has had experience as a whip himself and he knows how difficult that

can be. Unfortunately, the Speaker has not had that experience but perhaps we can clarify the matter.

The hon. member seems to suggest that there is some confusion in the wording of the motion, and that somehow it is suggesting that if the motion were not concurred in, VIA Rail would lose more money than has been suggested in the report from the transport committee that was tabled last week.

I point out to the hon. member for West Vancouver—Sunshine Coast that on at least two previous occasions, June 22, 1973 and December 10, 1979, motions similar to the one that is now before the House were proposed by the then president of the Treasury Board. Those votes were apparently concurred in by the House subsequently when estimates were restored.

Accordingly, while I am sure the chief government whip appreciates very much the helpful suggestions from the hon. member, the practice that has been adopted in this case appears to conform exactly with previous practice in the House. I refer him to the Notice Paper for June 26, 1973, where there was a similar motion to restore a vote to its full amount, and a similar one on Friday, December 14, 1979, where there were a number of motions purporting to do exactly the same thing, where the wording is almost identical to the one before the House.

Accordingly, I find the point of order is not well taken. However, as I say, I am sure the advice he has offered is very much appreciated by the chief government whip. I know the government House leader, as a former whip, would appreciate it had he been in her position.

ROUTINE PROCEEDINGS

[English]

PETITIONS

HUMAN RIGHTS

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I am pleased to present two petitions signed by hundreds of people from the Peterborough diocese and from the Midland area, representatives of the Catholic Women's League of Canada.

The universal declaration of human rights, they point out, proclaims that childhood is entitled to special care and assistance. They say that whereas members of the national council for the Catholic Women's League of Canada, at the 69th annual national convention, passed resolution 89.4 in support of a national strategy on child care, and that the Government of Canada offered increased finances toward a national day care strategy in the February budget, they are concerned that the implementation of improved child care may well meet obstacles for various reasons.

These members of the Catholic Women's League call upon Parliament to give priority to accessible, quality child care for all children.

Routine Proceedings

● (1510)

KIDNEY DISEASE

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I have another petition from citizens of the Peterborough area. This is one of a series of petitions that have been developed by Ken Sharp and his fellows, people with kidney problems who need daily or weekly dialysis.

They point out that kidney disease is a huge and growing problem in Canada, but that real progress is being made in ways of preventing and coping with kidney disease.

They call upon Parliament to encourage the Canadian Institutes of Health Research to explicitly include kidney research of one of the institutes in its system to be named the institute of kidney and urinary tract diseases.

STEM CELL RESEARCH

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I have another petition from citizens of the Peterborough area and the Midland area who point out that hundreds of Canadians who suffer from diseases, such as Parkinson's, Alzheimer's, diabetes, cancer and muscular dystrophy, will benefit from stem cell research.

They point out that adult stem cell research has shown significant progress in recent years. They call upon Parliament to focus its legislative support on adult stem cell research to the find cures and therapies for the illnesses such as those mentioned.

CANADA POST

Mr. John Reynolds (West Vancouver—Sunshine Coast, Canadian Alliance): Mr. Speaker, I am pleased to present a petition today signed by numerous people from the Ottawa and Sudbury areas, et cetera. The petitioners call upon Parliament to repeal section 13(5) of the Canada Post Corporation Act.

MARRIAGE

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, I am presenting two petitions today. One is on the definition of marriage and is in opposition to any change in the definition of marriage from the current definition of marriage, that being of one man and one woman to the exclusion of all others.

IRAQ

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, the other petition has to do with the war in Iraq and expresses strong disapproval for Canadian support for any military intervention in Iraq. It is from the citizens of Wolfville, Nova Scotia.

RELIGIOUS FREEDOM

Mrs. Lynne Yelich (Blackstrap, Canadian Alliance): Mr. Speaker, I rise today to present a petition on behalf of 25 residents of Saskatoon.

The petitioners call upon the House to protect the right of Canadians to be free to share their religious beliefs without fear of prosecution.

MARRIAGE

Mrs. Lynne Yelich (Blackstrap, Canadian Alliance): Mr. Speaker, I also want to present a petition on behalf of 75 residents of Saskatoon Outlook in my riding of Blackstrap.

The petitioners call upon this House to use all possible legislative and administrative measures to preserve and protect the current definition of marriage as being between one woman and one man.

RELIGIOUS FREEDOM

Mrs. Lynne Yelich (Blackstrap, Canadian Alliance): Mr. Speaker, I would like to present a petition on behalf of my constituents from Dundurn, Clavet, Hanley, Broderick and Eatonia. The petitioners call upon this House to protect the rights of Canadians to be free to share their religious beliefs as protected by the Charter of Rights and Freedoms and to express their moral and religious doctrines regarding homosexuality without fear of prosecution.

The petitioners draw the attention of the House to the fact that the current provisions of the Criminal Code of Canada can be effective in preventing true threats against individuals or groups without changes to the Criminal Code.

STEM CELL RESEARCH

Mr. John Maloney (Erie—Lincoln, Lib.): Mr. Speaker, I am pleased pursuant to Standing Order 36 to present a petition on behalf of my constituents in the Erie—Lincoln riding.

The petitioners acknowledge that Canadians support ethical stem cell research and draw to the attention of the House that non-embryonic stem cells, which are also known as adult stem cells, have shown significant research progress without the immune rejection or ethical problems associated with embryonic stem cells.

As a consequence, they call upon Parliament to focus its legislative support on adult stem cell research to find the cures and therapies necessary to treat Canadians suffering from illnesses and diseases such as cancer, diabetes, Alzheimer's, muscular dystrophy and spinal cord industry.

MARRIAGE

Mr. James Lunney (Nanaimo—Alberni, Canadian Alliance): Mr. Speaker, I have two petitions today from my constituents, one of which is on the subject of marriage. The petitioners call upon this House to recognize marriage as being between one man and one woman to the exclusion of all others and to enact laws that respect that traditional definition of marriage.

● (1515)

CRUELTY TO ANIMALS

Mr. James Lunney (Nanaimo—Alberni, Canadian Alliance): Mr. Speaker, the other petition originated in my riding of Nanaimo—Alberni. There are about 2,500 signatures from residents of my riding who are particularly concerned about animal cruelty.

There have been some very nasty and very tragic animal abuse cases and the petitioners are rightly indignant. They call upon the House to enforce harsher penalties to ensure the prevention of cruelty to animals. The amendment from the Senate on Bill C-10 should make it possible to get the legislation passed.

RELIGIOUS FREEDOM

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, I have a number of petitions to table on behalf of my constituents pursuant to Standing Order 36.

The first petition calls upon Parliament to protect the rights of Canadians to be able to share their religious beliefs without fear of prosecution. This is a specific reference to amendments to sections 318 and 319 of the Criminal Code. This petition contains a number of names from the Pictou County area.

CANADA POST

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, the second petition calls upon the government to repeal section 13(5) of the Canada Post Act. This specifically deals with rural route mail couriers who often earn less than minimum wage and have working conditions reminiscent of another era. It calls upon the government to deal with the issue to improve their collective bargaining rights and conditions of their workplace.

The third petition also deals with the issue of rural route mail couriers and a repeal of section 13(5). The petitioners are from the Antigonish, Goshen and Guysborough areas.

STEM CELL RESEARCH

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, another petition deals with the issue of muscular dystrophy, spinal cord injury, Alzheimer's, diabetes and cancer research and calls upon Parliament to focus its legislative support on adult stem cell research to find the cures and therapies necessary to treat these debilitating illnesses.

CHILD PORNOGRAPHY

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, the final petition deals with child pornography and calls upon Parliament to protect children and to take all necessary steps to ensure that all materials which promote or glorify pedophilia or sado-masochism involving children are completely outlawed and banned by this honourable place. This petition is tabled in the name of many constituents of the Pictou—Antigonish—Guysborough area.

IRAQ

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, I am pleased to present a number of petitions.

The first one is signed by Canadians in the Vancouver area who are very concerned about any further aggression against Iraq. They urge that the United Nations seek a peaceful solution that respects the charter of the United Nations and all other international law.

FALUN GONG

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, the second petition calls on the Parliament of Canada to support an immediate stop to the persecution of Falun Gong practitioners and to

Government Orders

unconditionally release all Falun Gong practitioners imprisoned for their religious beliefs and to allow unrestricted access into China of the UN rapporteur on torture.

RELIGIOUS FREEDOM

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, the third petition calls on Parliament to take all necessary measures to protect the rights of Canadians to freely share their religious and moral beliefs without fear of prosecution.

HOMELESSNESS

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, finally, I have a petition signed by hundreds of Canadians who call on the federal government to assume responsibility to all citizens and deal with the pressing issue of poverty and homelessness in Canada.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

CANADA ELECTIONS ACT

The House resumed consideration of Bill C-24, an act to amend the Canada Elections Act and the Income Tax Act (political financing), as reported (with amendment) from the committee, and of the motions in Group No. 1.

The Speaker: The hon. member for Calgary East has three minutes remaining in the time allotted for his remarks.

Mr. Deepak Obhrai (Calgary East, Canadian Alliance): Mr. Speaker, I would like to emphasize again the question that has come up on Bill C-24 from my constituents which the government should answer. The bottom line is simply, why should the taxpayers pay their hard-earned money to the political parties? That is the question they are asking.

Before question period I was talking about the bureaucracy that will be created by the bill. As my colleague from South Surrey—White Rock—Langley said, community associations would have to put up with this bureaucracy and they are volunteers. Why are we placing such a huge burden on volunteers? Are they to become partial bureaucrats, unpaid bureaucrats, because they are in favour of the ruling party and they can get money out of this? The people of Calgary East are asking those questions.

In conclusion, the people of Calgary East are opposed to the bill. Therefore, I would like to make the point on their behalf that I am also opposed to the bill.

Government Orders

• (1520)

The Speaker: Is the House ready for the question?

Some hon. members: Question.

The Speaker: The question is on the amendment to Motion No. 4. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the nays have it.

And more than five members having risen:

The Speaker: The vote on the amendment to Motion No. 4 stands deferred.

The next question is on Motion No. 8. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Mr. Ken Epp: Mr. Speaker, on a point of order. Have we dealt with Motion No. 4 already?

The Speaker: The amendment to Motion No. 4 has been called and the vote has been deferred.

The question is on Motion No. 8. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

The Speaker: I declare the motion carried.

(Motion No. 8 agreed to)

[*Translation*]

Ms. Francine Lalonde: Mr. Speaker, did we just adopt Motion No. 4?

The Speaker: The recorded division on Motion No. 4 was deferred.

Motion No. 8 was carried.

[*English*]

The next question is on Motion No. 9. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the yeas have it.

And more than five members having risen:

The Speaker: A recorded division on Motion No. 9 stands deferred.

The next question is on Motion No. 13. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the yeas have it.

And more than five members having risen:

The Speaker: The division on Motion No. 13 stands deferred.

The next question is on Motion No. 14. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the yeas have it.

And more than five members having risen:

The Speaker: The division on Motion No. 14 stands deferred.

We will now proceed to the motions in Group No. 2.

Hon. Elinor Caplan (for the Minister of State and Leader of the Government in the House of Commons) moved:

That Bill C-24 be amended by adding after line 31 on page 99 the following new clause:

“63.1 The Act is amended by adding the following after section 536:

536.1 After the submission to the House of Commons of a report under section 535 in relation to the first general election following the coming into force of this section, any committee of that House to which the report is referred shall, in addition to considering the report, consider the effects of the provisions of this Act concerning political financing that came into force on the same day as this section.”

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am pleased to rise on debate on Motion No. 11, the only amendment in Group No. 2.

Government Orders

Motion No. 11 would add a new section, 536.1, which would oblige a committee of the House to consider the effects of Bill C-24 when it receives the report of the chief electoral officer in which he makes recommendations following the first general election, following the coming into force of the bill.

The chief electoral officer makes two types of reports after each election. In one of them, required pursuant to section 535 of the Canada Elections Act, he or she makes recommendations on ways in which to improve the act in the electoral process. As part of its review of this report, a committee of the House would be mandated to study the effects of Bill C-24. In other words, that would be the Committee on Procedure and House Affairs. This obligation should ensure that there is an opportunity for parliamentarians to review the effects of Bill C-24 and make recommendations to the government.

We did have considerable discussion during the committee consideration stage of the bill about the various issues and elements of the bill and the impact they might have. Certainly there was an interest among members of the committee to have a process whereby the bill would be reviewed on a regular basis.

Motion No. 11 would mandate a committee of the House to review the bill after each election, giving members an opportunity to consider how the various elements of the bill have impacted, not only on the parties, but also the provincial and territorial associations, riding associations, candidates and leadership candidates. That will not happen every year, but from time to time there are leadership races. This has been an unusual year with the number we have had. However there are those races from time to time and I am sure the members would want to consider a variety of provisions of the bill and how they have impacted on the parties in the country after the next election.

This motion will provide for that. I think members generally would want to see this. Certainly that was my impression from the discussion in our committee, and I strongly support the motion.

I know there are members on my own side who have expressed some concerns about elements of the bill. There are those who feel that the limit on contributions from corporations and unions should be zero and there are others who feel it should be raised, for instance, to \$5,000.

There are many things of that sort that can be looked at after the next election. It is an opportunity then to look at what the impact of the bill has been on election financing for the parties and what problems, or perhaps what successes, they have had under the new regimen.

Obviously, it is a brand new way of operating in terms of the financing of political parties in our country, or it is a big shift certainly. We know that 60% of political party financing is already public financing. This will increase it. Still there are major changes in the way parties and candidates can raise money. It will obviously be important for us to assess those changes and assess what impacts the new regimen have had. Motion No. 11 would allow the House to do that after each election.

I urge all colleagues in the House to support the motion.

• (1525)

Mr. Ted White (North Vancouver, Canadian Alliance): Mr. Speaker, this is one part of Bill C-24 that the Canadian Alliance can support because it does not use a whole bunch of taxpayer money to fund the activities of a political party. It is designed simply to review the effects of Bill C-24 after the next election and for us to have a look to see whether it worked.

I fully expect that it will not have worked because this bill is so complicated. During committee stage, the government introduced amendment after amendment, technical correction after technical correction to fix all the problems that it did not find while it was writing the bill. I am absolutely certain, and I know this concern was shared by many of the other members on the committee with me, that we will find there are all manners of problems in the bill, all sorts of difficulties that we will not know about until the bill comes into force.

That was certainly one of the reasons why we proposed during committee that the bill not come into effect until January of 2005. That way we would have had the opportunity to go back and discuss in more detail with our electoral district associations, as they are now called, or riding associations as they used to be, and our party hierarchy how this bill would affect the way they would operate. If we had the chance to do that, we might discover all sorts of hidden problems that had not been anticipated. We would then have had the chance to deal with them before the bill came into effect.

However the government is determined to steam full ahead and get this bill through by tomorrow night. I am certain that will happen. I am fully expecting that the minister will stand in the House later today and move some sort of motion to limit the debate here so that he gets his way, or the Liberals can take a message to Mr. Stephen LeDrew, the president of their party, to let him know how much money they will get in their coffers.

I have done a little calculation based on the change being proposed by the government to raise the subsidy from \$1.50 to \$1.75 for each year for each vote that the government receives. The Liberal Party of Canada would receive \$9,206,679.78. That is a huge amount of money and that will come to Liberal Party in a nice, big fat cheque compliments of the taxpayers, like it or not, by the end of January 2004. I am sure the minister is over there already with a big, new shovel, gold plated of course. He is right at the treasury trough ready to start shovelling that money out and into the Liberal coffers. They will be receiving \$9,206,000 give or take.

We also are in favour of review of this bill after the next election, because I think, and my opinion is shared by a number of the witnesses who came to committee, that this bill is wide open to charter challenges. Unfortunately, the minister has a history of introducing to this place legislation which is problematic. Everything he has ever introduced here has cost the taxpayers an absolute fortune and/or a second fortune in legal challenges and the cost of court cases.

Government Orders

One of the most well known is the third party advertising challenge, commonly known by members of the public as the gag law. Three times governments over there have introduced this gag law to try to prevent ordinary Canadians from spending their own money to raise issues during election campaigns.

It is a well known fact, which the government throws at us all the time as if we would be embarrassed, that our leader was instrumental during his time with the National Citizens' Coalition in moving that case along to ensure that Canadians had the right to spend their own money to fight issues during election campaigns. I am proud of him and what he did in that role at the NCC, and we are looking forward to the ruling from the Supreme Court confirming that these gag laws are not to be permitted.

The government is unfortunately relying on a Quebec ruling to give it confidence that somehow this third party advertising will be struck down. The minister constantly quotes the Quebec court ruling in terms of referendum legislation where the Quebec court ruled that the yes side and the no side should be subject to restrictions during referendums so that we could not have these third parties on the outside also spending money on a yes or no side.

● (1530)

The flaw in the minister's argument is to try to compare a referendum to an election. They are nothing like one another. In a referendum we have a question which has a yes or a no answer. Therefore obviously there is some logic behind setting up rules on the amount that can be spent by each side.

When we talk about an election, there are an absolute multitude of issues that come forward and it is not necessarily true that the issue the government wants on the stage or, frankly, the issue the opposition wants on the stage is the issue that the taxpayers and voters want on the stage.

The members of the Canadian Alliance found ourselves in astonishing agreement with the Quebec representatives of unions in Quebec during the committee work. They came forward and said as part of their testimony to our committee that they supported the third party advertising. They found themselves in a situation during the recent Quebec election where one of the parties said what this union representative group felt were derogatory remarks about unionism in Quebec. They wanted to be able to advertise in the newspapers and send out letters contradicting what was said by the party. They were not allowed to because of the third party restrictions in Quebec.

They hope, as we do, that these third party rules will be struck down permanently because they realize, coming from the left, just as we do from a free enterprise side, that it is important to have the right to freedom on expression, especially during an election campaign.

The reason I have mentioned all this is it is extremely likely, I would say 99% certain, that the Supreme Court will agree with the courts in Alberta and will make it impossible for the government to have a gag law. It will open it up for third party spending, in which case there will be a tremendous impact on this bill. If and when third party advertising is opened up wide, then most of the provisions in this bill, which put restrictions on everyone from candidates to parties in terms of the spending, will be irrelevant and it will require a major overhaul virtually before the ink is dry after passage.

It is very important that we do have that review, and we are very pleased to support that motion when it comes forward for the vote, probably later today I would think the way things are moving at the moment.

I will just briefly mention that because the bill is set to come into effect on January 1, 2004 there is very little time for riding associations, candidates and so on, to learn all the new rules in the bill. It really is an extremely complex bill.

During committee I tried, on behalf of the official opposition, to amend the bill to simplify the reporting requirements for riding associations, electoral districts as they are now called, because of the amount of administration that would be required by this new bill. Unfortunately, the government saw fit to defeat my suggestions, which is unfortunate.

I think many of us will have difficulty finding volunteers to carry out the extent of administration that will be required by this bill. Once a year riding associations will have to put in very extensive reports about their source of revenues and the number of donors they had. They will have to keep pretty comprehensive records about who has donated when and where.

I will give the government credit for accepting one amendment on behalf of the Canadian Alliance which makes it a little easier for riding associations to pass the hat at an AGM. The way the government had this bill set up, if anyone put in more than \$10, they would need a receipt and we would have to keep track of how many dollars they contributed over the year.

The government did agree to accept an amendment I put forward which raises that to \$25. At least it makes it a little more simple now for electoral district associations at an AGM to pass the hat without having to worry about keeping track of every little \$10 bill that goes into that hat.

The government would not agree to make that a non-reporting activity. It still will be necessary for the electoral district association to report the type of event that it was, the number of people who attended, how much money was collected and approximately the number of people who were there. It is still a bit complicated but better than it was.

● (1535)

I will say that I could speak all day on the bill. I have 49 pages of notes. It is extremely complex. In wrapping up on this round, I will confirm that we do support this motion, which would allow for a revision of the bill immediately after the next election.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am happy to participate in the debate on the only motion in Group No. 2, which basically instructs Parliament that in addition to reviewing the report from the Chief Electoral Officer it also conduct a review of the effects of the act in plain language.

I agree with the previous speaker that this is a very important part of the parliamentary process. I know that all members are working diligently or have in the committee and even in debate now to raise points which have been discussed very substantively through the House.

Government Orders

I think Canadians should understand that the provisions of the bill have been well known for some time and that consultations have taken place throughout all the parties. There have also been briefing sessions as well, even at committee where large numbers of members participated and represented the interests of their constituents and indeed their parties.

The previous speaker also mentioned that he felt the bill would pass very quickly and with large numbers. I think that is an interesting speculation. However, I must admit, having participated in some of the discussions, that I know there are some concerns. Some people would like to have seen things a little differently. Even earlier I did speak about the net impact of having any corporate or union donations at all and what that might mean in terms of administrative cost savings, et cetera.

These are questions that I know were considered, but I think members will also know there seems to be a very strong consensus that the principle of the bill is sound and that this change in the electoral financing in itself is not going to totally resolve the perception of the public with regard to the influence that corporations and unions have on elected officials.

Today I believe there are seven motions which were selected for debate, grouped into three groups, but there were some fifteen motions presented at report stage by members. A number of them were rejected in a ruling by the Speaker for a variety of reasons, which he laid out. It is quite relevant to note that there are a couple of motions here which are quite substantive. One report stage motion had to do with the suggestion to increase the donation limit for corporations or unions from \$1,000 to \$5,000. In fact, then, any donor, whether it be an individual or a corporation or union, would be at \$5,000. That presumes the report stage motion decreasing individual donations down to \$5,000 is in place.

The other motion rejected by the Speaker was that the in force date of the bill be January 1, 2005 rather than, as the bill presently states, January 1, 2004. There have been substantial discussions about whether or not, and I think even the speaker prior to me mentioned this, the system could prepare itself for the next election in time, knowing how diligent the Chief Electoral Officer has been in the past to make sure that members and all those who are interested in seeking public office have up to date rules guiding the conduct of elections and indeed of nominations. As we know, the bill even impacts the maximum that someone could spend on a nomination meeting, which is going to be linked to the spending of a prior campaign. There are some issues. I think that for a large number of people an in force date delayed to January 1, 2005 would have been preferable in terms of making sure that riding associations and candidates, regardless of whether they are currently elected or want to seek election in the next campaign, have an opportunity to make plans.

● (1540)

I would also mention at this time that under our current system of elections we in fact have a system that is substantially publicly funded already, and the reason we have a publicly subsidized electoral process in Canada at the federal level and indeed at the provincial level is so that all Canadians regardless of their means have an opportunity to run and to be competitive in an electoral

campaign. I think that is extremely important. The principle of a publicly supported electoral process makes sure that people cannot buy elections by overspending or spending way beyond what someone of normal means would be able to either contribute themselves or raise through a fundraising process. This principle of maintaining the public support means that we have a healthy democratic system of integrity, an overall process which I think members will know and Canadians should know is much different from that of the United States.

We know that in the United States congressmen are elected for two years. They spend one year trying to do their job but the second year is spent totally on fundraising for the next campaign, which could cost millions of dollars. Imagine what it would be like in Canada if people could actually raise and spend millions of dollars trying to get themselves elected to Parliament. It does not happen in Canada. It means that we are not beholden to large money. I think that is the principle here. Even to the extent that there are limits on the current contributions, these changes being proposed in Bill C-24 in fact reinforce and basically reduce corporate influence through their contributions, substantially from even where they exist now.

Canadians should take great pride in our electoral process in terms of the fact that there is not the same kind of situation we have in the U.S. and in many other countries, where large dollars way in excess of the value of the job are spent simply to get elected. This is where I think we see some of the public cynicism with regard to elected office, because the public sees and hears about these large amounts of money being spent by congressmen and senators in their electoral races in the United States.

Canada has nothing to be ashamed of in terms of our electoral process. Having been a candidate in four general elections, I know how difficult it is to raise money. I had a chance, though, and as there is no family money, I was raising money predominantly from friends and acquaintances and those who believed that I would make a credible candidate. Members will know that the vast majority of people here are elected not for what they promise to do but rather because of what they have done, particularly in individual constituencies, before coming here. Members come here on their reputations. Money really does not have a great deal to say.

I know that members have also argued it is not the ordinary backbenchers who are the difficulty. The perception is with regard to cabinet ministers or others, maybe, who have important responsibilities over and above being just a member of Parliament. I would say that the motion in Group No. 2 is a valuable motion. It is certainly to be expected that we would continue to do an ongoing review of our electoral financing process to make absolutely sure that should there be any motions here that maybe should have been considered this time around, they will get reconsidered after the next election, we will have a process that will constantly be looking at this, and the public will also have an opportunity to have input into that process as we move forward.

Government Orders

● (1545)

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, it is with pleasure today that I rise to speak on Bill C-24, as I am fundamentally opposed to much of what is included in Bill C-24. I think this legislation strongly favours incumbency. It strongly and particularly favours the governing party. Having the money going to political parties determined by the results of the last federal election is like having one's mortgage based on the value of one's last house. It makes no sense at all.

I do not like the anti-democratic nature of this legislation in the fact that we lose any right as individual taxpayers to control where the government subsidy goes in terms of political parties. Currently if an individual Canadian wishes to choose to support one political party or the other, that is his or her choice. Through the tax system there is a subsidy, but the choice lies with the individual Canadian. We are taking that choice away from individual Canadians and instead using a highly bureaucratized method of financial support, taxpayer support, for political parties, not based on individual taxpayer or voter choice but based on a ridiculous, arbitrary decision of the previous electorate. It makes absolutely no sense to deny individual citizens the right to choose where their money goes in terms of the support of political parties.

Currently, if individual Canadians support the Progressive Conservative Party, the Alliance or the Bloc Québécois, that is their choice. We are taking that choice away from them with this legislation and instead just basing it on the arbitrary result of the last federal election. It makes no sense whatsoever.

I am in favour of caps of perhaps \$10,000 on corporate and union donations and full disclosure. I think there is an inherent check and balance in full disclosure. In fact, as long as there is a cap on corporate and union donations and there is full disclosure, I do not think there is any problem whatsoever in having both unions and corporations contribute to political parties.

I will give members some examples. Twenty-five per cent of my party's revenue stream comes from corporate donations. Special events and dinners account for 35% of our revenue, and of that, 90% comes from corporations. There is no real discussion on how this revenue would be replaced. Effectively taking the choice away from individual corporations and unions simply on an arbitrary assessment based on the results of the last election makes absolutely no sense whatsoever. Individual Canadians ought to have a right to determine where their financial support for the political process ought to go. Individual corporations ought to have that right as well.

We must not forget that corporations pay taxes. Denying corporations and unions an opportunity to participate in the process in a direct and fully disclosed way and in a transparent way will simply lead to them finding other ways to support the political process which may be less transparent.

For any number of reasons, this legislation is, as the president of the Liberal Party of Canada has said, as crazy as a bag of hammers, and I do not often agree with the president of the Liberal Party of Canada. It certainly does not address the real need for political finance reform in Canada. Clearly, addressing disclosure and putting caps on corporate and union participation or contributions would make sense.

● (1550)

However this anti-democratic legislation, which further divides Canadians from the political process and provides a huge head start based upon incumbency to the current governing party, will further divide Canadians from the political process.

If we look over the last 30 years, but particularly over the last 10 years, Canadians have drifted away from politics. This legislation will divide Canadians further from the political process. I am strongly opposed to the legislation and would urge, as many members on the government's side who have also raised these issues, the government to reconsider this legislation which is fundamentally flawed, anti-democratic and unfair, not just to those involved directly in the political process, as members of Parliament and as candidates, but is fundamentally unfair to Canadian voters and the Canadian taxpayer as well.

Mr. Mac Harb (Ottawa Centre, Lib.): Mr. Speaker, it gives me great honour to speak on this very important piece of legislation, Bill C-24, an act to amend the Canada Elections Act and the Income Tax Act, political financing. I would like to focus my remarks on the public financing measures contained in the bill which have attracted a great deal of attention in the discussion today.

During the discussion of this issue, both in Parliament as well as during the public hearings held by the Standing Committee on Procedure and House Affairs, I believe it has been well established that the measures contained in this bill build on a long tradition in Canada, a tradition of public financing of the electoral system.

This tradition goes back to 1974 with the Election Expenses Act. Among other items, that legislation introduced public financing through post-election reimbursement to qualifying parties and candidates and income tax credit for contributions to registered parties and election candidates. What we are doing is building on what we already started back in 1974. However since that time all parties in the House of Commons have benefited from these measures.

It has also been well established that public funding is not new in Canada. In fact all provinces provide some form of public funding. Three provinces in particular, New Brunswick, Quebec and Prince Edward Island, provide for a public allowance. It is also particularly notable that Quebec has provided a public allowance since 1975 and the system is well received by Quebec residents, a fact which was underlined by the Quebec electoral officer when he appeared before the committee during its hearing on this bill. It is also well known that most democracies provide political participants with some form of public financing.

If we were to look at the public financing measures in Bill C-24, we would see that, as I indicated a little earlier, it builds upon what we already had set up before. However it does change the percentage of contribution by the government from that of 22% to 50%, with a one-time reimbursement at 60% for the next election to assist parties as a transitional measure.

Government Orders

Polling expenses also would be added to the definition of registered election expenses and the ceiling for eligible expenses would be raised accordingly. The threshold for candidates to qualify for reimbursement of part of their election expenses would be lowered from 15% to 10%. I am sure members would agree with me that for at least two political parties in the House, some of their candidates as well as their parties, would be able to qualify under those members.

The rate of reimbursement of candidate election expenses as well would increase from 50% to 60%. An amendment to the Income Tax Act would double the amount of individual political contribution that is eligible for a 75% tax credit from \$200 to \$400, and all other brackets of the tax credit would be adjusted accordingly. As it is now, every time we give a \$100 contribution to a political party, the Government of Canada reimburses \$75 of that. Therefore, the—

• (1555)

The Deputy Speaker: The Minister of State and Leader of the Government in the House of Commons.

BILL C-24—NOTICE OF TIME ALLOCATION

Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.): Mr. Speaker, this is most unfortunate. I have had consultations with House leaders of all parties and have been officially notified that this bill will not go through at all unless I proceed with the following motion.

I am informing you formally then, Mr. Speaker, that an agreement could not be reached under the provisions of Standing Order 78(1) or 78(2) with respect to the report stage and third reading stage of Bill C-24. It is more about the third reading stage of Bill C-24, an act to amend the Canada Elections Act and the Income Tax Act (political financing).

Therefore, under the provisions of Standing Order 78(3), I give notice that a minister of the crown will propose at the next sitting a motion to allot a specific number of days or hours for the consideration and the disposal of the proceedings at the said stages.

REPORT STAGE

The House resumed consideration of Bill C-24, an act to amend the Canada Elections Act and the Income Tax Act (political financing), as reported (with amendment) from the committee, and of the motion in Group No. 2.

Mr. Mac Harb (Ottawa Centre, Lib.): Mr. Speaker, as I was saying, presently if somebody makes a contribution of \$100 to a political party, the Government of Canada will reimburse that individual \$75. In essence the government has increased the base from \$200 to \$400, therefore encouraging more contributions by the public at large to political parties.

In this proposed legislation the government will allow each registered political party to receive \$1.75 per vote received in an election in recognition of the significant impact that the proposed prohibition on corporate and union donations will have on parties. This allowance will help political parties to run in an election without having the extra burden of having to raise the necessary funds. All they will have to do is ensure that they have a sound policy statement and a sound platform. If they can get the necessary support from the public, they will be able to generate more revenues.

My colleagues on the opposition side should argue that this is extremely positive news for all involved and for all members of all political parties since it will allow them to sell their ideas to the public and they will not have to chase nickels and dimes.

As a transitional measure, parties will receive the 2004 allowance in a lump sum as soon as possible after the coming into force of the bill, instead of quarterly arrangement about which the bill speaks.

Public financing in general, and in particular the public allowance, was probably the issue that drew more attention than any other issue during the public hearings. For the most part, it was a very positive discussion and people in general recognized the value of public financing, although they had different ideas about how the formula for providing the allowance should work. Others had already spoken about the merits of the bill and they had specific recommendations and adjustments to make to the bill. The committee and the government were very receptive to some of those suggestions.

With the remainder of my time, I would like to speak a bit on some of the benefits of Bill C-24.

It is important to recognize public financing in this debate, and how important it is when it comes to the political financing equations. I think we all agree that political parties are critical to the functioning of our democracy. Without strong political parties and party organizations, a healthy democracy would not function. Political parties in general perform a key role in mobilizing the voters, representing the views of all groups in society, as well as formulating policies, policy alternatives and recruiting future leaders.

Parties offer support to the democratic process and democratic government. They provide a key link between state and society. In view of the important role parties play in so many aspects of our democratic system, it seems obvious that they should be supported by the state. Otherwise, we run the risk that parties will be severely limited in undertaking their critical role in our democracy.

Political parties play a key role as structures through which citizens may participate in our political system. Throughout our history, parties have been the key institution through which citizens can express their political opinions and become actively involved in the governing of our society.

If there is a substantial variation in the resources received by parties, we run the risk that a perception will arise that some organizations have undue influence. The result can be that citizens become disaffected and reduce their linkage to parties and our democratic system in general.

By regulating the financial resources that contributors may provide to parties, in combination with public funding as is being proposed in the bill, we can ensure that a level playing field is created for all participants.

• (1600)

Finally, we must recognize the enormous cost of funding a political party in a modern democracy. Everyone in the House is aware that the cost of running an effective party demands the necessary resources in order to support it.

Government Orders

I want to urge my colleagues, in the name of democracy and in the best interest of the public at large, to pass the bill as quickly as possible.

• (1605)

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, I am pleased to rise in support of Motion No. 11 in Group No. 2, as have other political parties in the House this afternoon.

The reason this report has been permitted is to deal with some amendments that were deemed to be inadmissible at report stage, that the Speaker has ruled as being out of order and others that require royal recommendation.

When the committee studied the bill under the rubric of the Standing Committee on Procedure and House Affairs, we decided that we should prepare a separate report to signal possible areas for legislative change and/or future study. I think this particular motion is supported by the majority of parties, if not all the parties, in the House.

It is important to note that this is the most significant reform of political financing in Canada since the Election Expenses Act was introduced 29 years ago during the minority government of Pierre Trudeau and when the New Democratic Party held the balance of power.

The legislation before us would ban political donations to political parties. It would allow minor contributions to candidates running for nomination, and to electoral district associations, but no more money would be allowed to be donated by corporations and trade unions to the political party of their choice.

It would also require additional reporting requirements for constituency associations. It would limit individual contributions now to \$5,000. When the bill was first tabled it was \$10,000 and I think it was a unanimous motion of the committee to reduce the amount to \$5,000 per individual per year.

It also would regulate the nomination and leadership campaigns of some parties. As an aside, I would say that this is a matter of physician heal thyself because in fact the New Democratic Party, and I believe some other parties in the House, have very strict limits on leadership campaigns and on nominating campaigns. I know members on the government side do not and there have been some embarrassing results flowing from that.

For example, in the last New Democratic Party leadership campaign none of the candidates for election were allowed to spend more than \$750,000. There was preliminary reporting of how that money was raised prior to the vote taking place. There was full disclosure. It can be done but the government has seen fit to, instead of operating on a party by party basis or doing it within its own party, bring it in under the election financing amendments.

Certainly, at the bottom of all this, or under the pillar of it, as a result of the absence of corporate and trade union contributions, there is enhanced public financing of the political system.

Some of the concerns some members of the committee had and which we want to see addressed in this special or separate report, had to do with administrative burdens and cost of compliance that would accrue to constituency associations. There is no question that there

will be a greater burden of transparency and a need for better record keeping that will have to flow to the Chief Electoral Officer on a regular basis from riding associations.

There was also some concern expressed whether volunteers, with all the requirements that would henceforth be required and forthcoming, would throw their hands up and say that it was too much paperwork and that they were out of there. We need to look at that very carefully.

One of things the member for North Vancouver raised was a concern that the audit fee limit of \$1,500 was too low and that some auditors, at the conclusion of an election campaign, or doing the report for a candidate or an electoral district, would be subsidizing the process. We want to look at that as well because I do not think there was anybody who thought that auditors ought to be subsidizing the process. If the figures are too low, let us amend it.

• (1610)

The member for Ottawa West—Nepean, as I recall, was concerned about non-monetary contributions, specifically people who have particular skills in an election campaign and volunteer their services, but because of their particular skills are prohibited from working on certain elements or aspects of the campaign. I think of someone who perhaps operates a phone bank in his or her day job and would, under the current rules, be technically prohibited from doing that as a volunteer in a political operation. We think that needs some examination and clarification. Hopefully this committee or the son of this committee will look at that issue.

One of the issues that has been dealt with in this go around was the matter of the \$1.50 per vote per year being based on the results of the last general election. Certainly we heard from witnesses who were concerned that all those eggs should not be in that one basket, that perhaps it should be either a combination of rolling polls that have taken place since the election or perhaps based on a party's membership together with the vote that the party received in the previous election.

I must say that the notion of a poll leaves me stone cold because there are times when governments have to take difficult decisions. I would think it would be another excuse not to make a difficult decision if someone said, "We cannot do that because we have a poll coming up next week and it may do some serious damage in terms of the amount of money that we will have to fight the next election campaign".

I think on balance the \$1.75 per vote per year based on what was received in the last election campaign may not be the best but it is the best that the committee could come up with. However I do not support the increase from \$1.50 to \$1.75.

As the minister responsible made very clear when he was before the committee at the first meeting on this issue, at \$1.50 per vote per year no party would be negatively impacted. All parties would be at least revenue neutral, if not slightly ahead of the game. I fail to see what has happened in the intervening couple of months that now suggests it should be \$1.75, a raise of 25¢.

Government Orders

A couple of other issues were raised before in the first group of amendments: the differential treatment of franchises and corporate entities, and the need for equal treatment of union locals versus corporate franchises. This is something that I think is a fundamental flaw in the bill. Yes, it is true that trade unions and corporations have been restricted in the amount of money they can give and to whom they can give that money. However, having said that, there is no question that corporations will be able to give significantly more because the way the legislation is written trade union locals are generally excluded from making a contribution to a local candidate or a local riding association. I think that is indefensible and I fail to understand why that cannot be altered.

Another area deals with free time broadcasting. The Broadcast Act was out of the purview of the committee and out of the purview of this bill because the amendments deal only with changes to the elections financing act and the Income Tax Act, but several significant witnesses, if I may put it that way, came before the committee and talked about the way that the cost of elections could be reduced if in fact there were more free time broadcasts allowed during an election campaign. They pointed to the British system as an example of that. We would hope that this could be looked at in a further go around by the committee that is looking at the impact of Bill C-24.

• (1615)

The third party spending on election campaigns is something that is fundamental. If the third party is defeated or overruled at the Supreme Court then all of what we are doing here on Bill C-24 stands for naught. Therefore we will have to pay close attention to that, as will the committee as it goes forward with the review of these procedures.

Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Lib.): Mr. Speaker, I am glad to rise in this debate. I certainly would begin by saying that I support Motion No. 11, the motion we are apparently considering. What it does basically is it calls upon a committee to examine the impact and effect of the political financing changes that are contained in Bill C-24 after the next general election to see if there are any negative impacts that were not anticipated in the bill, and, obviously, that is a very positive thing to do. I do not doubt that this particular motion will have the support of the full House.

However this does give me an opportunity to express my support for Bill C-24, my almost unqualified support, because I think it is excellent legislation. It is certainly something that all parties of the House, everyone in the chamber I think, should want to support. There are some minor glitches here and there that perhaps we do not all agree with but one thing we should all agree with, including members on the opposite side, are the transparency provisions.

I have always been of the view that when it comes to public perception of the political process and how money might influence that political process, the problem is not so much that people think that the registered political parties are the ones that are easily influenced by money so much as people who might be worried that their local politicians might be influenced by large amounts of money that might be flowing around them.

Consequently, it is very important to have a transparency provision, which we have not had up until now, where we can see how much money has come into a riding association at any given time and we can see how much money is going to a particular candidate. The reason it is so important is the voters.

The voters might take a different attitude toward a candidate for re-election, shall we say, an incumbent MP, who might be discovered to have many hundreds of thousands of dollars in his riding association account when he has no need for such large sums of money. At the very most that an individual would need to run an election in this country because of the way the Chief Electoral Officer reimburses election spending, which is a 50:50 scheme, would be about \$35,000. So there would be some genuine questions from the public if they were to perceive riding associations with several hundred thousand dollars.

Indeed, myself, I feel that it would be perfectly reasonable to see some limited corporate financing go to the registered political parties directly. I actually proposed an amendment at committee that would have seen corporate financing restored only to the registered parties, that is head office, to a cap of \$25,000. That is not a do or die principle with me. I am content with the choice that was made by the government, and that is to provide primary subsidies through this arrangement of a certain amount of money per vote from the previous election. However I do believe that a certain amount of limited corporate financing going directly to the party would have been okay.

What I did not like was the provision in the previous version of the bill that allowed donations of \$10,000 from individuals to go to riding associations and individual politicians and candidates. That is way too high. What that means, in my particular instance, in the last election I only spent \$28,000, and in the previous election, I only spent \$30,000, and in the one before that, I only spent \$32,000. So if there was an individual who was able to donate to my riding association \$10,000 per year for three or four years and then \$10,000 to my campaign, I would not need any other fundraising but that and I would show a profit after the election. That I think is completely wrong.

I think the principle should be that each and every one of us should be prepared to demonstrate that we have support from grassroots people, from ordinary Canadians in our community, by having to go out and raise small amounts of money through local fundraising, like spaghetti suppers or auction sales, or from the small donations from the people in our community who we know have trust in us.

• (1620)

I proposed at committee stage that the \$10,000 individual donation cap be lowered to \$1,225. That would have been the limit for a tax receipt. The committee, in its wisdom, did not take that suggestion. It did lower the permissible individual donation from \$10,000 to \$5,000. I still feel that is too high, but it is a significant improvement.

Government Orders

In the final analysis, if we are to regain or maintain the confidence of the public—and we must not assume that people have lost confidence in their political process—we must demonstrate that we are politicians who have our roots in the community and not in big unions, large corporations or individuals in our ridings who are well heeled and can give large sums of money.

Some members of Parliament have suggested that even if they were to get a donation of \$2,000, \$3,000, \$4,000, \$5,000, \$6,000 or \$10,000, they would not be influenced in their judgment and how they would behave once they were elected.

I suggest that is not the issue. The issue is always perception. We must demonstrate through transparency that we are not beholden to anyone because they have given us large sums of money. In the first instance, this is addressed by the transparency provisions in the bill.

One of the other issues that has come up has been the implementation date. There has been some suggestion that the implementation date should be after the next general election. I am one who absolutely rejects that. I do not feel that members of Parliament can bring in a significant reform to the political financing process and not be prepared to live by it.

I have no difficulty with going into the next election under this legislation. I have in my riding association bank account about \$10,000, give or take a little. I would suggest that were the election called tomorrow, between that \$10,000 and what money I can raise during the election campaign itself, I am sure I would reach the ceiling of \$15,000, which, with the rebate, would enable me to spend \$30,000, which is as much as I have ever spent on an election anyway. I think \$32,000 was the maximum.

So, Mr. Speaker, you do not have to have lots of money in order to be re-elected in this country as a politician. I am in a contested riding. My riding was traditionally Conservative before I won it in 1993. I am not speaking as one who is in a safe riding. The reality is that all an individual needs to do in an election is to get out there, get his or her name out there, get on the podium with other candidates, and convince the people. A lot of money is not needed to do that.

I do not feel that we need to wait a year. We can hopefully pass this legislation this week and make it effective January 1, 2004, and there will be no problem whatsoever.

The other point I wished to address was raised by the member for Vancouver Island North. He was worried that there is an increased charge on the taxpayer because instead of corporate donations we will have to get more money from taxpayers to finance an election.

I would suggest to him that a few million dollars extra to guarantee the integrity of the election process in this country is money well spent. We do not want to have the experience of other nations, notably the United States, where money is so absolutely necessary for anyone to move any distance in the political process whatsoever.

I think this is excellent legislation. It is legislation that I for one will be very proud of as an MP and of the government that brought it into effect.

• (1625)

Mr. Jay Hill (Prince George—Peace River, Canadian Alliance): Mr. Speaker, perhaps I could pick up where my colleague across the way left off because I was astounded by the statement that he made at the end of his remarks. I think it is fairly accurate to quote him as saying that he supported a few extra million dollars to guarantee the political integrity of the election process.

I find that astounding because the fact is that, with or without Bill C-24 and its generous increase in taxpayer subsidization of political parties, if people lack the moral integrity to decline influence, corporations and individuals will find ways of funnelling money to political parties and leaders to influence them. It is a fact of life. If the individual or the political party wants to be influenced, no law in the world and no amount of government taxpayer subsidization will prevent that from happening.

For the hon. member to say that he is going out on the hustings to brag about this new piece of government legislation, Bill C-24, that funnels some \$22 million per year into the hands of politicians and political parties and that he is going to be proud of that during the next election campaign, it shows the extent of Liberal thinking. It blows the mind of the average overburdened taxpayer in the real world, outside of this Ottawa bubble, that the member, not only in speaking for himself, but for a lot of Liberal government members, would make such an incredible statement of support for this legislation.

Why did Bill C-24 come about? It came about because there was and there is a perception that the government led by the Prime Minister, who is just about finished his tenure as leader of our country, has been tainted by a number of scandals. The government brought forward this legislation to provide a smokescreen so that its candidates could go out in the next election campaign and say they had a lot of scandals that had the appearance of influence peddling and kickbacks, and that type of corruption. There was the perception, and pretty widely reported, that a lot of corporations over the 10 year life of this administration received substantial grants and contributions from the taxpayer and by sheer coincidence made generous donations to Liberal candidates, and in some cases Liberal cabinet ministers and/or the Liberal Party.

In order to create an illusion that the Liberals were going to address that and do something about it, they came up with Bill C-24. They now intend, as was stated here a few minutes ago, to bring forward time allocation and rush this piece of legislation through because it is the most important issue that is seizing the nation. I mean everybody in the real world, outside of Ottawa and Parliament Hill, is talking about the need for Bill C-24. Everyone is trying to figure out some way of sending \$22 million to political parties every year from now on.

I do not hear that and the Canadian Alliance is the party in this place that is opposed to this legislation. We have said that repeatedly ever since it was brought forward. The government asks, why is the Canadian Alliance opposed to this? It says that taxpayers already subsidize political parties. We have a tax credit. If somebody makes a donation to a political party or a candidate, they are eligible for an income tax credit. That is true. For example, on a \$200 donation it is a \$150 tax credit. That has been in place for quite some time.

Government Orders

●(1630)

Political candidates, their campaigns and political parties are also eligible for rebates from taxpayers. In the case of a candidate, like myself, I ran in four election campaigns, unsuccessfully in the first one and successfully in the last three. Each and every time, if I received, which I obviously did, more than 15% of the vote, I got a 50% rebate from taxpayers of the money that was donated to me and that I in turn spent on my election campaign.

The government House leader argues, what is the big deal? Political parties, candidates, and politicians are already subsidized by the taxpayer. Well, it is a big deal. The issue is, why must we burden the taxpayer more? The argument is that somehow this particular government ended up with some egg on its face because of some pretty shady operations. It accepted corporate donations and in turn those corporations turned around and had fairly lucrative contracts. It has been revealed in the press. I am not talking about anything new. There have been a series of those over the last number of years.

Rather than restoring the integrity that the Prime Minister promised in the red book back in 1993, he is solving the problem by bringing forward a bill and having the taxpayers pay for it. Corporate donations would be outlawed above a certain amount so that there cannot be any of these large corporate donations to political parties and instead we would have the taxpayers pay for it. That would solve the problem. It is not funny.

An hon. member: It's sad.

Mr. Jay Hill: It's sad, that whenever there is a problem with the Liberal government its first inclination is to have the taxpayers solve the problem for it. Instead of looking within itself and asking if maybe it should have been turning down some of the donations or ensuring that some of the corporations were not eligible from the same department, and the same minister that they were donating to, for a contract. Maybe it should have been looking at that.

I want to spend my remaining time speaking on behalf of my constituents of Prince George—Peace River. I think the message I am sending today as a Canadian Alliance MP, is the message that every one of the 301 members of Parliament would be receiving from their constituents and that is with the huge issues that are facing our nation; the softwood lumber dispute that has been going on for years now, people have been laid-off cannot make ends meet, now we have a SARS health crisis in Ontario, primarily in Toronto and we have the BSE, the mad cow disaster that has hit our beef industry in western Canada but affected the economy of the entire nation and the beef industry from coast to coast.

Those are just three that come to mind. We have our military that is about to face a pretty hefty deployment to Afghanistan. All these major issues face our nation and need to be addressed, and the issue that seizes the government and Prime Minister, in his waning days of power, is taxpayer subsidization of political parties. It is absolutely unbelievable and I can say that my constituents are sick about it and I believe that when word gets out that the people from coast to coast, Canadians are tired of paying taxes to benefit politicians, they are going to speak loudly about Bill C-24 in the next election campaign.

●(1635)

[*Translation*]

The Deputy Speaker: Before resuming debate, it is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for South Shore, the Auditor General; the hon. member for Burnaby—Douglas, Iraq.

Mr. Jean-Yves Roy (Matapédia—Matane, BQ): Mr. Speaker, we are now discussing Motion No. 11 for Bill C-24. This motion calls for a review of the act after the next general election. That is the purpose of today's discussion. However, we may need to broaden the scope of the debate.

Before going any further, I would like to point out that my colleagues' main argument was that we are asking taxpayers to fund, in part, political parties' operations under the new bill. He said that we would be adding an additional burden to taxpayers, who are already overtaxed. I completely agree with him; people are much too heavily taxed and yes, the government could make efforts to reduce taxes, which would be even better.

However, the argument put forward by my colleague is a false one. In fact, if a corporation or a company contributes \$100,000 to a political party, for example, if a big bank contributes \$100,000 to the Liberal Party fund—as has occurred in the past and as is still the case today—this bank is not creating this money out of nothing—it will simply take this \$100,000 and include it in its public relations expenses or other expenses. This way, it pays less tax on its profits.

Moreover, the company will ask users to foot the bill because companies make money by selling services or products. So, if the \$100,000 is part of this company's overhead costs, it is obvious that the company will increase its prices accordingly. Companies do not create money out of nothing; they provide services. That is how it works. It seems to me that this argument is a somewhat spurious one.

As for the other major element of Bill C-24, I would like to draw a comparison with Quebec. Quebec has had legislation on political party financing for quite a while. We should look at how it has worked, and see what good it has done Quebec in terms of cleaning up politics. If we compare this system to the Canadian system, it is clear that there is a very serious problem with party financing in the latter. One need only look at the current leadership race.

Since we have a bill before us, we can ask ourselves, for instance, which candidate will win the leadership race. The answer is simple: the one who raised the most money. But at present, this is hardly clean money; it is money raised in secret. There is therefore a need to make these activities transparent.

We could look at the United States and how the presidency campaigns are run in that country; we would see all the problems they have had in the past.

Government Orders

At present, if we look at the situation in Canada, I mentioned the leadership race, but we could talk about the overall operation of political parties. To say that political parties are not influenced by the large companies or the individuals who contribute the most to their election fund would be a lie. To say that a member would not be influenced by the fact that a company contributed \$10,000, \$15,000, \$20,000 or \$25,000 to his or her election campaign, would be to lie to the public.

Naturally, the Bloc Québécois is in favour of Bill C-24. We had hoped that the measures in this bill would follow Quebec's lead, so as to make it more acceptable to the general public and ensure that our democracy can truly express its will. From the beginning, Quebec's political party financing legislation was recognized throughout North America, Europe and the world as being very forward-looking legislation that cleaned up politics. It is a model for all liberal democracies in North America and Europe. It is a model, but we think too that it needs to be perfected, amended and regularly reviewed, and Motion No. 11 would ensure that Canada's political party financing legislation is subject to regular review.

• (1640)

We want this legislation to be improved. We do not want business to have the right to make contributions. The only way to renew the public's interest in democracy is to allow it to participate and to see that it, not just business, can have a real influence on political parties.

Over the years, this aspect of our democracies got off track. From the moment that businesses had access to political party financing—perhaps right from the start, but it was less obvious before; this has become more evident over the years—they have become increasingly important to political parties and have had more and more influence on our democracy, which has meant that the influence of individuals has decreased.

This must be rectified immediately, since we realize that the public is becoming disillusioned with politics. It thinks that politics are not credible, because it is influenced by interest groups—unions were mentioned—or business.

Another change we should maybe have considered during the examination of this bill on political party financing—and I mentioned this earlier—is the combined influence of interest groups. These days, in our society, it is no longer citizens who dominate. There are even corporations, understandably, that have formed big groups, like all of the chambers of commerce and so on. It is all of these interest groups that constantly influence members to vote one way or another.

This is something that has developed in our democracy over the last 30 years and we have seen it happen. Every citizen with a cause to defend can, if they want, create a lobby group. The more powerful that group is, the greater that person's chances of being heard by governments. Unfortunately, under current legislation, such as the Canada Elections Act and the political party financing legislation, we have also allowed these interest groups to contribute to political parties. That has given them additional influence.

I think this should be prohibited. I think that only citizens should have the right to contribute to political parties, to invest in their democracy and, in this way, ensure its health, on the condition that,

as others have mentioned, there be annual reporting and that we know who contributed to the funding of each political party, based on the allowable limit.

In Quebec, if my memory serves well—I would have to check—I think that any contributions over \$100 must be declared. There must be a list of people who have contributed to a party. I think the same is true federally, and this is a good idea.

Earlier, there was talk of increasing the burden on taxpayers. I would like to come back to this idea. In fact, I think that it is up to each and every individual to fund political parties, but it is also up to the government to make efforts so that political parties can be viable and, from an economic standpoint, continue to grow and prosper so as to develop our democracy and allow people to participate in it.

[English]

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I am very pleased to join in the debate on Bill C-24 at report stage although there is only one amendment in Group No. 2, which deals with the mandatory review to be undertaken after the first election conducted under these new election financing rules.

I am particularly pleased to join the debate today being a member of Parliament from Manitoba, where we recently conducted our first election campaign under new election financing rules. I should point out that in our province of Manitoba under our new election financing rules, I believe it is the purest and cleanest democracy in the country as it stands today, for the simple reason that the NDP government in Manitoba passed a law indicating that only a registered voter can make a political campaign contribution. There are no contributions at all allowed from businesses or trade unions.

When we made those changes we made them completely and absolutely.

An hon. member: We actually levelled the playing field.

Mr. Pat Martin: We actually levelled the playing field in the most literal sense. In fact, we went further. There is no public funding to reimburse or offset the lack of contributions or the reduction in contributions from labour or business. That is election campaign financing in its purest form. Only a registered voter is allowed to make campaign contributions.

It was a bill brought in by the NDP, the very first bill it introduced when it formed the government in 1999. Even then, those individuals are limited to a \$3,000 maximum. No private individual can donate more than \$3,000. That, I believe, is taking big money out of politics, and that, I believe, does send the message that no one in this country should be able to buy an election campaign. I am very proud that our provincial government did introduce those changes.

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As well, however, I am not disappointed to be dealing in the House of Commons today with legislation that is at least similar. I believe the NDP will be able to support Bill C-24. We are optimistic that there will be amendments above and beyond Motion No. 11, which we are dealing with today. We support the idea that there should be a mandatory compulsory review after the first experience. That is only logical.

We are critical, though, of the fact that other amendments were not deemed votable at report stage, specifically the amendment dealing with trade union contributions and corporate contributions. We do not mind the limitation. We are not objecting to the limitation as such, but we are objecting to the fact that under Bill C-24 a trade union is defined in a way that is different from the way a trade union is defined in the Canada Labour Code. As such, only the national organization would be able to make a single contribution of \$1,000 in most cases.

There might be a national union with 200 local unions across the country in the same organization. Under the Canada Labour Code they are considered individual trade unions, but for the purposes of Bill C-24 that large trade union would be able to make only one contribution of \$1,000, whereas the inverse is not true for corporations. For instance, a corporation that has 200 franchises would be able to make a \$1,000 contribution from each one of those 200 franchises. We find this fundamentally unfair, for two reasons.

First, the definition of a trade union is not consistent in the legislation. The definition in Bill C-24 should be the same as the definition in the Canada Labour Code. Second, it is a severe disadvantage in terms of individual trade union locals, which may be fairly large entities unto themselves. There may be 3,000 members in that local union, but they will not be able to make any political campaign contribution; only the parent organization, the national body, will be able to make a political contribution. That is one thing that we in the NDP wish to see addressed in the bill in the interests of fairness.

The second thing we will be speaking to is the idea of trust funds. There will be limitations put in place for all future contributions made to trust funds. After Bill C-24 comes into effect, it will have to be disclosed who is making those contributions to the trust funds, but that rule is not retroactive.

•(1645)

There are substantial trust funds in place already that members of Parliament have developed personally and that provincial wings of political parties have developed and of which we have no record. We will not be able to trace who made those contributions. That is going to be the subject of an interesting debate later on when we get to those amendments.

Suffice it to say that Canadians do not want to go toward the American model. I believe, and others may disagree with my personal opinion, that big money has ruined American politics. I do not say that lightly and I do not say that to be hypercritical in any way of our American friends. It is just that for a person to seek a seat in congress in this day and age, one needs \$1 million or even \$2 million to run a successful campaign. To run for the senate, one could need \$5 million or \$10 million. There was one woman in California who spent \$20 million and did not succeed.

When big money gets into politics to that degree, people cannot start their political lives without owing an enormous debt to financial backers. As well, elected politicians spend most of their time gathering money for their next challenge two or four years down the road. To put it quite simply, money influences politics far too much in that model. I am proud that we are taking steps to try to diminish that here today.

I cannot help but think what a difference it would have made in some of the more famous scandals that we have seen lately, for instance the public works scandals with the advertising sponsorship contracts, if there had been rules in place that businesses could not donate money to political parties, period. There would be far less incentive for governments to give out money for nothing contracts to friendly businesses who may make political campaign contributions, thinking that they will then get access to a greater number of contracts from the government. That kind of thing would have been self-correcting were it in place years ago.

We would hope that the changes we are making today will put a stop at least to some of that kind of corrupt allocation of public works contracts. We are not sure. As I say, we are still critical that there are ways now within Bill C-24 for businesses to make campaign contributions in such a way that they could—and I am not saying they will, but they could—influence government decision making. Surely what this bill is all about is to get big money out of politics.

I see I only have one minute left, but suffice it to say I am very proud that the province of Manitoba has seen fit to adopt what I believe is the purest and cleanest democracy in the country. Only a registered voter should be able to make a political campaign contribution, and even that campaign contribution should have a limit. The limit set in Manitoba is \$3,000 maximum. In that way we are much less likely to run the risk of undue influence by big money in Canadian politics.

•(1650)

Mr. Myron Thompson (Wild Rose, Canadian Alliance): Mr. Speaker, in regard to the amendment being proposed, we are calling for a review after the implementation of this bill and it is first used following an election. Indeed I can support that kind of amendment. However, when I look at the bill in its entirety, I do not think for a second that there should be any question as to whether this review should begin immediately. The bill needs a lot of fixing, to put it in my language. There are a lot of things that need to be done to the bill to make it better.

I find it amazing that there are people in the House who think that integrity can be legislated. Have they not learned by now that integrity is a heart disease, that a person has the will and desire to be honest? Of course, I have not seen that happen in regard to some of the activities that we have experienced over the last 10 years and even before that in some cases.

Government Orders

Bill C-24 really is not in the hearts of all Canadians at the moment. The day will come when a lot of Canadians, after realizing that they will be putting \$22 million of their own money into a program to finance all political parties, will be a little upset, myself included. It upsets me to think for one minute that one penny of my money would go to support a party like the Liberal Party that has been running the country for the last nine years. It makes me ill to think that any of my money would go to support the kinds of things the Liberals have been trying to promote over the years and the kinds of actions and inactions they have taken in regard to a lot of issues that are very questionable with respect to honesty and integrity.

I would like my money to go toward what I believe to be a party that is a principled party. I want to make sure that happens. I want to be part of it.

This bill is not going to sit too well with Canadians, but that is not even the issue in Wild Rose and I know it is pretty well true across the country, particularly for members on all sides of the House of Commons where the agriculture industry is part of their riding. Today, because of mad cow disease an industry has been halted in its entirety and we can no longer export our beef. That industry is one of the biggest providers of work and labour for so many people. With the hurting that is going on, does anyone think that people really care whether we are going to pass this bill or whether we are going to do anything about it? Does anyone think people are really concerned about that today?

For three years the riding of Wild Rose and surrounding ridings suffered through a drought while the government did not do one thing, not one thing, in terms of the tragedy people were facing. We had music concerts and bingos. All kinds of fundraising took place by two Canadians who wanted to help their fellow people who were suffering because of the drought. They were doing their very best. Farmers from Ontario donated hay and did their very best to get it out west. There was cooperation across the nation. What did the government do in regard to that drought? Nothing. It did not provide one cent.

Liberal members sit over there and gloat about a bill like this, when people out there now cannot even move the cattle. After they finally got some rain and it looked like they were going to get some hay, now they have to just sit on it. The bankruptcies are beginning, folks. It is not going to take long before they are really hurting. Instead of dealing with a problem of that nature in the House of Commons, we are debating how we can squeeze another \$20 million or so out of taxpayers to try to buy some honesty through legislation. It is disgraceful.

People are hurting out there because of the softwood lumber issue. It has been happening for 10 years. When are all 301 of us in the House of Commons going to sit down and talk about the disasters that are happening to our people? Let us sit down and work together to solve some of these issues.

• (1655)

But no, we will debate this bill for a while, until the House leader for the Liberals gets tired debating it. Then he will run in and put closure on the issue, which he is very capable of doing. It has been done 100 times or so. He has already done it on this bill. It is finished after a few more hours of debate. It does not matter. I would just as

soon shut down debate on the bill altogether and get down to some serious problems.

What a great week it was when I was back here the last time. It was a great week. There were all kinds of difficulties facing the nation. What did we do? We sat in here and talked about marijuana. For crying out loud, is that really a serious problem?

A member over there is making fun of what I am saying. He does not care about all these other things. He cares about Bill C-24. Other issues keep coming up day after day and in question period we listen to some minister or parliamentary secretary say "We are reviewing the situation. We are keeping on top of it. We are not doing anything. Nothing is happening, but we are reviewing it".

One day the Canadian people will wake up and say that enough is enough of that kind of government. One day the Canadian people will really want to see a wakening in this place and will say "You people are there to look after our needs. When are you going to start doing it?"

Right now in my riding, there are many ranchers, feedlot owners, truckers who cannot move their trucks and everything is stopped dead after three years of drought and we sit in here debating how to squeeze another bunch of money out of taxpayers to make the elections honest. Elections can be very honest. It is unfortunate for the Canadian people that some of the people they elect are not very honest.

Of course all kinds of investigations are going on to determine whether or not what I say is true. Then we are investigating ourselves and I am sure we will get to the truth of the matter.

I would like to see a bunch of people in here become a principled group, principled to the idea that by golly it is time that we started serving the Canadians who pay our wages, who cause these lights to be on. When are we going to start doing that? When will the day come when we decide we are going to be a real democracy and someone will not march in from behind the curtain on that side of the House and bring in closure on practically everything important that does come up?

Year after year, the person who brings in closure on behalf of the government is the same one who once stood on this side ranting and raving about the terrible way that the Conservatives of the past brought in closure time and time again. On and on it goes, year after year.

We can talk all we want about this election bill. Right now I personally do not give a hoot about it and neither do all the 180,000 people who live in my riding. They really do not care. There is a lot of hurting going on out there. The softwood lumber industry is suffering to no end. Agriculture is our top industry and it is really hurting. My constituents have sent me to Ottawa to help with these problems and I have to come in and listen to a bunch of garbage on things about how we can make ourselves honest. People ought to try being that way once and see if that works. Be honest about what we are here for.

Government Orders

Forget about marijuana for a while, put it aside. It has got a problem of its own. Leave it where it is at and let the police take care of it. Let us start looking after our people. We will get down to those issues when the time is right. Right now I prefer to look after the people of this land and it is beginning to really hurt.

If members who have people in their ridings who depend on the cattle industry to support their way of life, their lives and farms and those members sit in the House of Commons and do not do anything to help that situation, then they should hang their heads in shame. As for me, those are the issues I want to spend my time on, but I will not be allowed to because we have to talk about things like this bill.

• (1700)

Congratulations to all members of the House of Commons. They should ignore the real issues, enjoy themselves and have fun because summer is coming. We will all enjoy summer but I can guarantee there will be a whole pile of people out there who will not if we do not start to do something today.

Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I want to take a moment to speak to the second group of amendments.

I have listened attentively to the speech just given by the hon. member. I know he feels very profoundly about his constituents. I know he works very hard for them. However in his speech he has not stated correctly the position of all of us in the House.

That being said, I will be the first to admit that he works hard for his constituents. I remember last summer when we had a crisis of another kind in his part of the country. He and I were speaking to each other during the summer months from our respective homes, working on such things as the Hay West initiative. I know how hard he and another member from Saskatchewan worked.

The Saskatchewan farmers were in my office last week. Again, we were discussing not only the problems they have now, which are very real and very serious, but we were also discussing the issue of last year in which constituents from my constituency, your constituency, Mr. Deputy Speaker, if I can address you as such for the purpose of identifying your constituency because your constituents were very helpful, and those from a number of areas.

I do not agree with some of the things that are being said now. The issue of the legislation in the House and the issues of the overall agenda of the government are not identical. Obviously a minister negotiating with a province to obtain help for a group of people is not necessarily a legislative initiative. Where the two coincide is in question period where members, opposition members in a greater number but government members too or government supporting members, question the government to ensure that it does what is best for Canadians. That is done by question period. That is done by the statements that we make in the House of Commons. That is done by the private members' initiatives that people produce from time to time on a whole variety of issues and so on. That is done by the committee work that we all do around here. Countless committee reports are tabled in the House of Commons. Issues are discussed. Committees increasingly travel throughout the country and listen to Canadians.

You and I, Mr. Speaker, were just recently in the U.K. looking at what its Parliament does, and the same in Scotland. I think everyone who went there came to the conclusion that although the U.K. Parliament does some things better than us, our committee system is by far superior to its committee system. That is much to the credit of members on all sides of the House in terms of the good work they do.

The issue of marijuana legislation is not one that somehow interferes with how ministers are trying to help out with issues, whether it is SARS, the BSE issue in agriculture or anything else. A bill was introduced and put on the Order Paper by the minister. We have not yet debated it, so obviously it has not taken debating time away from anything else. That is the marijuana bill.

In terms of the bill that is before us today, Bill C-24, and the amendment that we are discussing at the present time, it is designed to make this great institution even better. I do not apologize for that. I think it ultimately serves all Canadians better when the legislation that governs how we are elected is better.

• (1705)

[*Translation*]

I feel that this legislation will improve our system. In 1973-74 there was no legislation on political party financing. Later there were strict laws on spending limits. I will use my case as an example since it is the one I know best. I come from a socio-economic background where it would have been impossible to become a member of parliament a generation ago. Yet, today I have the opportunity to serve my country.

Who would have thought that a busboy at the parliamentary restaurant, who dropped out of high school, would become a member of parliament let alone a minister or Leader of the Government in the House of Commons?

Yet, I had this opportunity. I may have worked hard, I may have been lucky, but for the most part it is the law that allows me to be here because I did not have to be rich to be a candidate. It was not a prerequisite as it is in some democracies, or so-called democracies.

Our neighbours to the South hold some great democratic values for which I congratulate them. But they are still not well endowed when it comes to democratic values. My test of democracy is not, for instance, met by the news that Senator Hillary Clinton spent the equivalent of what is spent by all political parties in Canada for the 301 ridings in this country to get herself elected.

The bill we have before us at this time will help improve this system. Not for me, who has been in one elected position or another for the past 27 years, but for the future generations. I think that I have a reasonable chance of getting the nod from my party for the next election, and maybe even a reasonable chance of getting re-elected, but those who come after me are entitled to a better situation than I have known. They are the ones I hope will benefit from this opportunity, along with the institution in which we all sit.

Government Orders

Now for the clause in question, which we are addressing. Its objective is to clarify the fact that, after the next election, there will of course be a review of the legislation. That is already there, but I have proposed an amendment. Its purpose is to respond to the concerns of the committee, by stating that, next time, this review must address the financial aspect we are adopting at this time, today, tomorrow and in the days to come. We must be sure that, should the formula require adjustment, improvement, additions or deletions, or anything else, the steps required to make such major improvements will be there. The amendment in question is in Group No. 2, which we are discussing, nothing else.

Back to what I was saying before, with all due respect to certain of my colleagues—particularly the previous speaker—I disagree strongly with him when he says this is not a significant bill. I believe it will likely be one of the most important bills this Parliament enacts.

Those who produced the original act in the 1970s have produced a very important piece of legislation, and so is Bill C-2, which was introduced in a previous Parliament to prohibit this kind of control which was impending by third parties, these so-called public interest groups which were influencing the political system by claiming to be running parallel campaigns.

That is when the National Citizen's Coalitions of this world were stopped. There is a case pending before the courts and we will see what comes of it. I will not discuss the details of the case because I do not want to prejudice the outcome, but I think that this is another important bill for democratizing our institutions. Today, we have Bill C-24 before us and we will conclude debate.

• (1710)

I urge my hon. colleagues to support the last step we have to take to complete this debate, that is, take the required votes and then pass the bill in the House. This will ensure that it will become the law of the land for generations to come, so that our institution can be increasingly one which represents all the citizens of our country, men and women, regardless of their ethnic origin or whatever group they belong to, allowing them to at least aspire to get elected. If they are as lucky as I was, they will get elected to represent their fellow citizens in this place.

Ms. Francine Lalonde (Mercier, BQ): Mr. Speaker, this certainly does not happen to me often, but I have to admit that I agree with all of the latter part of the speech by the government House leader.

Bill C-24 is an important bill that will improve the conditions in which democracy is exercised, despite what some hon. members may say. I must say that I never expected, in this House, to hear the Prime Minister praise the democratic value of the legislation passed in Quebec, at the instigation of René Lévesque, concerning public financing of political parties.

The Prime Minister of Canada has recognized this as a model law and he wants to follow its lead. I hope that, by means of the amendments, he will follow it all the way through to the end, and that the only people able to donate to election campaigns and political parties will be individual citizens, and they alone.

We Quebeckers do not see this as a leap into the unknown, as it appears to be for some other hon. members in this House. This bill, Bill C-24, is not a leap into the unknown for us, because for years, since 1977 in fact, we have been living with a law that forces people who want to work in politics—not just the candidates, but also those who work within a party, in a riding or at the national level—to go out and meet the citizens, and talk to them about what they are doing and what they plan to do, and listen to them, too.

The rewards might be \$5, \$10, \$20, sometimes \$100 or \$200, but there are a lot of small amounts in party financing. That this should be so is extremely healthy. When a party begins to do this less often and relies more and more on big donors, it seems that its own internal democracy and its ability to be close to the people and represent them well is also called into question.

In view of that, it appears extremely clear that the system that will be in place until the bill is passed and has allowed corporations in general and big corporations in particular to help fund election campaigns, political parties and riding associations is such that political parties, candidates, MPs and organization executives tend not to give the same consideration to someone who makes a \$5, \$10, \$15 or \$20 donation as to someone who gives \$5,000, \$10,000 and sometimes more.

Understandably a candidate who needs a lot of money to run might be extremely sensitive to the arguments of an individual or a corporation able to give \$5,000. This is human and the law puts people in that situation, namely not to give the same consideration to all citizens but to be more sensitive to the arguments of those whose money talks and gets them heard.

• (1715)

There is another harmful consequence: when citizens see that their party is financed by corporations, if they are not wealthy, they tend not to contribute. They rationalize this by saying that parties get money from businesses anyway. They know that businesses can in turn deduct it from their taxes one way or another. In people's minds, it is clear that funds do not come from the businesses themselves but from their profits, which in turn come from the public's pockets and from tax credits.

This approach is bad in every respect and has been condemned repeatedly, so much so that today we are happy to see the government finally come up with this bill. It can be improved of course, for instance, by eliminating the provisions that still allow corporations to give \$1,000. Why keep this amount? It will be difficult to enforce within provincially and across Canada. Also political parties will find it difficult to deal with. To which riding will the money go or will it only go to the parties?

There is no real advantage but a series of disadvantages. The main disadvantage is that it corrupts the principle slightly. But for what purpose? Again there is no advantage, only disadvantages.

Government Orders

We heard all kinds of things in this House, for example that debating this bill is a waste of time. I am sorry but I am extremely sensitive to the plight of workers who are affected by the softwood lumber issue, and businesses as well, especially small and medium size businesses. It is a very important issue, but it is not something that needs to be debated in the House; it is something that requires action by the government, which we have been calling for constantly.

This bill, like many others, is our responsibility. We must create the proper conditions for democracy so that all Canadians can be heard equally no matter which party they belong to or what member represents them. This seems extremely important to us. In the end, it will make a difference. When the government House leader says that it will be one of the most important bills, I think that he is right because indeed—and that is what he truly feels—it will change the relationship between political parties in this country and their members as well as all Canadians.

We, in the Bloc Québécois, are pleased because we know that, overall, this bill will improve the way democracy works in this country. Our calls did not fall on deaf ears; Quebec was heard. As my colleague was saying, this bill will help all voters to regain confidence in their representatives, knowing that, to finance their election campaign, they will not have to give in to the demands of those who would offer them thousands of dollars.

• (1720)

[*English*]

Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, in listening to this last round of speeches, I have been thinking that there is something fundamentally at the root of this problem we have, especially hearing from those people from the different parties who support the government on this, including Bloc.

It is a curiosity to me that those people who promote themselves so rigorously as being democratic, and I do not question their sincerity in doing so, do not recognize that this bill is very antithetical to true democracy. Instead of giving people the freedom individually to work for and to promote the party of their choice that represents their values, we will simply with this bill pass into law that the parties can exist whether they have the support.

I know people on the other side will say that is not true because if the parties do not represent the people, they will not get the votes and then they will get less money. That also is anti-democratic.

I wish they would stop to think about this. If their vote count goes down, how will they ever fight back? How will they once again come to a place where they can offer a true alternative to some other government that has come into place?

Let us say, for hypothetical reasons, that the Canadian Alliance forms the government next time and the Liberals are reduced to two seats. Now that is not entirely without its historical precedence in this place, that a majority government has disappeared down to two seats. It happened in 1993. It could happen again where the electors will just simply say that they have enough of that crew, that they waste money on boondoggle after boondoggle, that they have no program to solve problems in the justice system and that they keep

wasting taxpayer money on a very ill-conceived gun registration system. It goes on and on, and they will be defeated.

Let us say the Canadian Alliance forms the government and the Liberals are down to two votes, having had their electoral balanced in total, because this bill apportions money based on the number of votes collected in the previous election. Let us say that the electoral share of the Liberals went down to one-half of what it is now. That is a possibility. I wonder whether they would be singing this song today if they stopped to think that is a possibility.

I do not think it would be good for Canada. I do not think it would be healthy if, from now on, there would be a totally dominant Canadian Alliance Party running the country without a viable opposition. I would like to see a Canadian Alliance government. I know we could do much better than that crew over on the other side. I still think, for the purposes of democracy, that Canadians are well-served if there is a strong opposition, and we have tried to be that.

In fact just as a little aside, I have had people tell me that since we came here in the last 10 years, it is the first time Canada has ever seen a real opposition. Until now the two parties have just changed sides and, because basically they are the same, there is not really much difference. It did not matter which one was on which side of the House. However we came here with some truly new ideas, some really creative ways of working within our economic systems and reducing taxes. We actually made it politically correct to talk about balancing the budgets, reducing taxes and reducing government interference in our lives.

Now that party is saying that from now on it wants whichever party has had the dominance in the last election to thrive and any new party which comes along will really have a difficult time raising money. This bill prevents the party from raising large amounts of money from individuals and from businesses, and makes it dependent directly on the taxpayers based on how many votes it has received in the previous election.

• (1725)

The amendment we are debating in this group talks about reviewing this. I favour the amendment. It is important for us to review the legislation after it has been in effect for a while, particularly after the next election. However I am really fearful because the party in power, the party that has had the majority of votes in the last election, will continue to have the most amount of money and the other parties will be disproportionately and negatively affected by it. I think that is wrong.

I think the Canadian people say that here is a party they support. It represents better than any other party on the horizon right now the true values they have, the true aspirations they have for their country. Surely in a government, in a democracy like Canada's they should be free to support that party to their heart's content and not have the money squeezed out of them to support the party that received the most votes in the previous election.

Government Orders

We are talking about the next election now; where will we go from here, not where have we been. It is like driving a truck gazing only into the rear view mirror. One cannot keep the thing going straight by doing that. One must look out of the windshield and judge where one is going. One can use the rear view mirror when backing up. I guess maybe these Liberals are taking our country into distant places in the past, where we have been instead of where we want to go.

I am very concerned about one aspect of the bill and I am sure we will want to revisit it. That is the reporting requirements.

Every time there is a general election, we have a very busy bureaucracy in Elections Canada and in our taxation department. Even now it is required that every candidate file returns. If they get more than 15% of the votes, then they are eligible for a rebate of 50% of eligible expenditures in running the campaign. That is an awful lot of book work.

Think of 301 members of Parliament presently, soon to go up, and 300 returns. However the fact of the matter is that very few ridings have fewer than four candidates. Many of them have six, eight, some up to ten, and even more I guess. How many returns are we processing in an election? If it is an average of five, and there are 300 ridings, that is 1,500 returns that have to be processed and expenses determined and evaluated.

The bill proposes to expand that to nomination candidates. It is feasible that each of the parties could have four contenders for the nomination for each of the parties. If five parties are contending in a riding and four people for each party, there are now 20 individuals per riding. With 300 ridings that means 6,000 returns to mull through, just as a result of getting the candidates, prior to the election even being held. We would have 6,000 returns from candidates and another 1,500 when the election is called. That is absurd. All we are doing is saying to people to go out and support the candidate of their choice, give him or her a cheque for \$100, \$200, \$500 or whatever they wish. It is no big deal.

• (1730)

The other thing is the fundamental question of integrity here. We have these limitations, but I am saying that a person of integrity cannot be bought for \$500 nor can he be bought for \$5 million. It is just a matter of degree.

I remember one time when I made a very blatant statement in our staff room. I said I would not smoke a cigarette for \$100. It took a matter of seconds and one of my colleagues said he was putting down \$10 and another guy said he was putting down \$10. It took less than a minute, there was \$100 sitting on the table and then one of my smoking colleagues offered me a cigarette. There is the money, he said. I said, "Oh no, you guys are missing something". Obviously smoking one cigarette was not going to harm me if I never smoked another one after that. This was back in the days when we made \$400 a month and \$100 was a lot of money. But I told them they had made a mistake, that it was no longer about whether or not I would take the \$100 to smoke a cigarette. It was about my integrity and I told them they could not buy that for any price.

That is why the whole basis of the bill is flawed. What we are trying to do by putting arbitrary limits on how much one can be bought for is to say that somehow that will produce integrity. Very

frankly, if one does not have it in the first place, one does not have it all. I do not think this bill is going to solve that problem. People who are going to be subject to being influenced by people who donate money to their cause are going to do it anyway.

I think this bill is as directionless as the registration of long guns is in trying to reduce crime. I am going to support this amendment because the bill needs to be looked at again. I wish it would be defeated right now, but it looks like the Liberals will push it through. They have closure. They are saying no more debate on this thing and they are going to push it through, so then we had better look at it afterwards.

• (1735)

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, I am pleased to have an opportunity to rise once again in debate on Bill C-24 at report stage, specifically to the amendments in Group No. 2 that have been permitted by the Speaker, although in fact we are talking about a group consisting of only one amendment so it is a bit of a misnomer.

In a way, the amendment before us is a no-brainer. It just makes perfectly good sense that after Bill C-24 comes into effect, and after we have been through a federal election in which its new political financing provisions have actually been implemented, we would then have a thorough review of the impact of the provisions of the bill. As my colleague the member for Palliser pointed out, many amendments were brought forward in committee. A number of proposed amendments, some of them proposed by my colleague from Winnipeg Centre, for example, were not supported or have been disallowed for technical reasons, I think it would be fair to say, by the Speaker.

This does not mean that some of the very concerns raised in debate as the bill has proceeded through the stages of discussion do not have every bit as much merit today as they did when they were put forward. Perhaps following the next election, when we have had experience under the act, it may become clear to some members that some of those amendments ought to have been supported in the first place and, upon review, there will be an opportunity for reconsideration of some of them. It is just good sense and obviously a parliamentary practice that should be built into this and every piece of legislation. I and my colleagues of course will be supporting this provision.

Having said that, it seems to me that this is an appropriate occasion on which to say once again how regrettable and lamentable it is that some of the obvious flaws in the bill are now not going to be dealt with and resolved.

I go right back to the first principle, a principle that the New Democratic Party supports and one that I personally and absolutely support, and that is to eliminate big money and undue influence from politics.

Government Orders

Also a very important point, and one that I think the previous Alliance speaker absolutely misses, is that it is absolutely necessary to be concerned about integrity in politics and to be concerned about eliminating undue influence from whatever sources and for whatever purposes, but it is also critically important to deal with the perception of possible undue influence and the perception of practices that are simply not supportable. For that reason, it is extremely regrettable, it seems to me, that when we are dealing with a bill for which the purpose is straightforward, sound and very supportable, there are a couple of violations of the fundamental principle that go to the heart of the bill.

Frankly, we have been very frustrated and Canadians will not be the least impressed that on the one hand we have the government bringing forward legislation, and it is now obvious that it intends to invoke closure and push ahead and vote time allocation because it is hell-bent to get this legislation on the books, but on the other hand the bill actually does not do what the government said its purpose was in the first instance, and that is to level the playing field, to eliminate contributions both from corporations and from unions. In fact, it does no such thing.

● (1740)

Not only does it not fully exclude donations from corporations, it gives an absolute advantage to corporations: discriminatory treatment to the potentially hundreds of thousands of corporations that can in fact avail themselves of the provisions of the bill to donate to individual political candidates. Is the same treatment accorded to trade unions? No, it is not. We have in the one instance the potential for every single Tim Hortons franchisee in this country, for example, to donate to the political candidate of his or her choice, but absolutely no comparable provision that would allow a union local to contribute to a candidate of its choice. That seems to be profoundly discriminatory and, as I say, a complete contradiction and contravention of the stated purpose of the bill.

Let me make it really clear. I am not taking aim at Tim Hortons. I am actually a bit of a Tim Hortons addict and I admit freely to that, but I cannot for the life of me understand this. Let me take Charlottetown as an example. There are seven Tim Hortons franchises in Charlottetown alone, seven in one riding. It is possible that all seven could be owned by separate franchisees. What that would mean if all seven of those Tim Hortons franchises in Charlottetown were owned by seven different franchisees is that \$7,000 could be donated just by Tim Hortons franchisees to one candidate.

An hon. member: Roll up the rim.

Ms. Alexa McDonough: In the instance of Charlottetown, I am not sure this is absolutely correct so I stand to be corrected if there is a Liberal member who may want to correct me. But I believe I am correct in saying that the brother of one of the Liberal members of Parliament owns if not all seven of those franchises then the majority of them. In that instance it would not be fair to say that the Tim Hortons franchisee in Charlottetown could donate \$7,000 from those seven different Tim Hortons locales, because I believe there is one owner of those Tim Hortons operations in Charlottetown, but it potentially, based upon these rules, would be the case.

Mr. Geoff Regan: They can only give \$1,000 total.

Ms. Alexa McDonough: One thousand dollars per franchisee is my point.

Mr. Geoff Regan: One owner, one controller, \$1,000 only.

Ms. Alexa McDonough: Mr. Speaker, the member perhaps would want to enter the debate and clear up the record, because I said clearly that I do not want to be either misinformed or misinforming, but if there are seven different franchisees of Tim Hortons, it is my understanding from the legal interpretation we have been given that it potentially could result in \$7,000, that is, \$1,000 from each of those separate franchisees if they are owned by separate persons. In the instance of that particular example I used, I believe this would not apply.

In contrast to that, there could be seven different union locals in that same riding of Hillsborough that would not be free to make a penny of a contribution, let alone \$1,000 contributions, to perhaps an opposing candidate who was running in that election.

I cannot for the life of me understand how the Liberal government can call that a levelling of the playing field or even-handed treatment between corporations or businesses and unions. It is just simply no such thing. Quite rightly, my colleague from Winnipeg Centre stood here proudly in his place and said the government should be looking at the Manitoba legislation, which actually has done what it said it would do: create a true level playing field.

When we get to Group No. 3 we again will have an opportunity to address the disgrace of the government and this legislation for not dealing in a proper, transparent, full disclosure manner with trust funds. That is potentially a scandal, and a scandal that will be very difficult to unearth, yet the government says that the purpose of the legislation is to remove big money, to make transparent who is funding what candidates and what political parties. It does no such thing.

● (1745)

For that reason we should have a review after the fact, but before the legislation is even implemented we should address those two fundamental flaws that make the legislation a fiction and a farce without actually dealing with those fundamental flaws.

[*Translation*]

Mr. André Harvey (Parliamentary Secretary to the Minister of International Cooperation, Lib.): Mr. Speaker, I am really pleased to say a few words to Bill C-24, particularly on Motion No. 11 of Group No. 2, which helps to alleviate recent concerns about this bill. Of course, it will always be possible, even considering the financial implications of the bill, to have a review which might be very constructive.

I am all the more happy as some members, although a minority, and in particular one of our Canadian Alliance colleagues, consider this exercise a waste of time. As if we could not deal with the Canadian beef issue and the problems it creates, the SARS outbreak and, at the same time, the government's credibility.

Government Orders

This is an extremely serious matter. This is why I was somewhat saddened to hear my colleague from the Alliance say that it was a waste of time to try to improve the perception our fellow citizens have of politicians. I deliberately use the word perception, because I have the opportunity, every day, to live in the real world and it is not true that our colleagues, from whatever party, are not doing their work effectively and honestly.

This is why I was happy to hear my colleague from the Bloc Québécois, with whom I have the opportunity to work as a member of the Standing Committee on Foreign Affairs and International Trade, pay tribute to the Prime Minister who said that the cleaning up of politics had been enhanced in Quebec by the action of former premier René Lévesque.

The Prime Minister truly deserved that tribute and still does, because it would have been very easy for him to give up. This bill still is not an easy one. It went through an extremely difficult infancy. Yet, we needed someone who could stay the course. We needed someone who was able to step back and tell us all, members of the government as well as members of other political parties, "It appears essential to me, with this bill, to take a major step towards the cleaning up of political party funding all across the country". However, this does not preclude us from doing other things.

However, it is effectively a bill that has emerged following the political experience of all members of this Parliament, including ourselves. It is obvious that, with this bill, things that we have experienced and that we are experiencing now will not be experienced in the future, because of the constraints of the bill.

Personally, I feel that it is really something that the Prime Minister has stayed the course and has kept it on the government's agenda, despite universal protest. I repeat that it would have been very easy for the Prime Minister, who no longer has electoral ambitions, to say, "We will put this aside; there is too much criticism internally and externally". Despite it all, he has stayed the course and kept it on the agenda, and we will reach a compromise that will reassure all our fellow citizens.

There is something wrong when, with respect to a profession that I consider very noble, serving as a member of the House of Commons, the reputation of all of my colleagues, as well as my own—we must include ourselves in this—ranks lowest in surveys. There is something wrong when all those who work in politics are despised and considered dishonest.

This is why Bill C-24 will send a crystal clear message, with major constraints imposed on corporations and unions. This will affect all political parties. It is not a waste of money to include public financing; it is an investment in the credibility of all politicians. This will put all future parliaments and governments in a better position, I dare say, to get involved even more effectively in issues that are extremely important in the environmental or health sectors than we do now.

• (1750)

In every respect, this bill will give credibility to all Canadian politicians and that makes me extremely proud. That is democracy, but democracy has a cost. It is much more costly for a government to lose its credibility or for politicians not to have any credibility than

to receive \$20 to \$25 million annually. In any event, such an investment is largely shouldered by our fellow citizens when contributions come from corporations. At the end of the day, it is always our fellow citizens who pay.

I think that Bill C-24 is a major step forward. As my colleagues pointed out earlier, look at what is happening with political financing in the United States. Look at the lobbies in the United States who, with their the financial clout, have direct access to all the political parties. We see this daily in all the difficulties in our trade relations with the United States in several key sectors. We realize that it is not always political objectivity that predominates, but the power of lobbyists.

That is why I am convinced that Canada, which is a model throughout the world in several areas including our political democracy, will continue to play an even greater role by cleaning up political financing. I am convinced that the Canadian example will have an even greater impact with our American neighbours and our fellow citizens of the world because there will be legislation governing political financing. I think this is extremely important.

That is why I thought it was deplorable of one of our Canadian Alliance colleagues to say it was a waste of time to legislate political financing. In a democratic country there is nothing more important than a government with full credibility to take action in key sectors for our future.

That is why the Prime Minister felt this bill was important from the beginning. He could not have been elected for 40 years if he did not have certain qualities or judgment. We have to applaud him for that as my Bloc Québécois colleague pointed out earlier. It took a lot of perseverance and judgment to be able to bring this bill forward near the end of his term.

I am convinced that all political parties and all politicians in this country will benefit from it because it will give us more credibility with the people whom we represent. I sincerely believe that the great majority of my colleagues in this House do extraordinary work for their constituents, regardless of political stripe. However, unfortunately, in politics as is often the case in other areas, perception is a vehicle that can be very harmful. This is why it was important for us to debate this issue in the House.

I hope that this bill, which will considerably increase our personal credibility as politicians and also that of all political parties, will be passed almost unanimously. The perception that Canadians will have is that we are financing, in part, our democracy. Increasing our credibility has no price since it will enable us to manage, to administer and to take action on issues where a government really needs to have the confidence of the people.

Government Orders

I am pleased to have had the opportunity to speak to this issue, which I find most important. I am convinced that Motion No. 11 in Group No. 2 will help reassure those who had concerns. In the very short term, after the first election that will be conducted under the new legislation, we, as parliamentarians, will have the opportunity to make further changes to the legislation if necessary.

What is interesting is that the government is not being pretentious. I think that it is showing objectivity and understanding. I believe that passing this motion will enable us to say so. As parliamentarians, we have not often seen flawless bills. This bill will not be flawless, but we will have the opportunity to improve it as we go along.

• (1755)

[English]

Mr. James Lunney (Nanaimo—Alberni, Canadian Alliance): Mr. Speaker, I am glad to enter the debate tonight on Bill C-24. It seems a little ironic that again, as we approach the summer session, we are debating another bill that has a huge impact on the way political parties conduct themselves. It reminds me of the MPs' pay raise that we dealt with a couple of short years ago which we rammed through just before we closed for summer break.

We have to wonder why we are discussing a bill, which would have such a dramatic effect on the way political parties conduct their business and receive their funding, in the last week and a half or two weeks of the sitting of the House with closure over our heads as to how much debate we might have.

The bill, of course, is a response to a perception. We have heard a lot of members use that language tonight: a perception that maybe something is wrong in the way that huge corporate and union donations are made to political parties and whether that might influence government decisions. We might wonder where people get this perception from.

Certainly we know that the outgoing Prime Minister, who has benefited all the way through his career from corporate donations for his party, now seems determined that his successor, be it the member for LaSalle—Émard or one of his colleagues and competitors, will not benefit in the same way. Perhaps that is part of a legacy that he is trying to leave behind.

However where did this perception come from? We have to wonder why Canadians have become so cynical.

In the short time that I have been in the House there has been a never-ending stream of very bad news coming out of the government regarding dollars: the sponsorship programs for advertising, Groupe Everest, Groupaction, huge government contracts for advertising for very questionable venues, some of which never even happened; and huge awards to companies that make big donations to a political party, in this case the government side, of course the government having the power to administer public funds.

Let us look at a paper that I was reading on the way in. It is from a couple of days ago. The headline reads "Refugee board member tied to bribe scam". Is it any wonder that Canadians have lost confidence in the way the political process works in Canada and the influence the government comes under?

If that is not enough, in this morning's paper we read that the son of the former public accounts minister, the minister who was shipped off to Denmark, may be appointed as an advisor on Canada's behalf to the Vatican, if I understood that right, and maybe I did not. The son of the former public accounts minister worked for a printing company that received contracts from these same sponsorship and advertising companies that received large government grants and then money goes to family members or into funds that go back to the Liberal Party.

We know the governing party is not the only party that has been guilty of this. I think the government before was also quite well-known for a similar process. Therefore this bill is an attempt to assure the public that something is being done to rectify this situation.

My concern is that it is a nasty piece of business that will in fact put the taxpayers on the tab to support political parties that they may not endorse. While we respect all members in the House as having honourable intentions, we have had some very bad examples of integrity not being followed through. I think when the hon. member for Elk Island spoke a few moments ago he talked about integrity and the fact that people either had it or they did not. I think the language he used was that putting this kind of arbitrary limit on how much one could be bought for would probably not have the desired outcome.

However something that I have noticed since I have been in the House is the disturbing trend that I see in so many of the bills that come before the House, where the language purports to do one thing but in reality the effect of the bill will be something else, such as the child pornography bill that we dealt with recently in which the government said that we would be taking away artistic merit.

• (1800)

In my part of the country on the west coast we had the John Robin Sharpe case. People were outraged that a man was in possession of vile images of children being abused sexually. The judges refused to deal with it because of artistic merit. Now the government has moved to correct it because the public was sensitized to artistic merit.

However, it replaced the artistic merit defence with the defence of public good. This will sadly allow lawyers to make the same argument that a man who is abusing this graphic material which depicts the abuse of children is somehow satisfying himself and therefore not acting out his feelings on somebody, and that maybe there is some public good in that.

I do not think it is good enough. The government says it will get tough on the people who commit these crimes by increasing maximum penalties. We all know that the courts hardly ever impose maximum penalties. If the government were to get tough it would increase minimum penalties. What is wrong with the picture when the song says we are doing something but the reality says the same things will go on under different labels?

Government Orders

The Prime Minister said not long ago that he defended the interests of his riding all the time and he has nothing else to say about it. It is the role of a member of Parliament. He did not deny calling the head of the federal Business Development Bank of Canada in 1997 to press for a loan of nearly \$1 million for a hotel owner in the Saint-Maurice riding, a Shawinigan accountant who recently pleaded guilty to fraudulently syphoning money to an off-shore bank account in the Bahamas.

Then there was the Grand-Mère fiasco and François Beaudoin of the Business Development Bank of Canada stating he followed the normal stages for a loan authorization, but without the intervention of the federal MP the project would never have been accepted. We know that the Prime Minister, in his famous story about the Grand-Mère, had shares that he sold but for which he never received any payment. He had an interest when he was lobbying for the inn next to his golf course. It seems kind of funny. If somebody sold an asset for \$300,000 and seven years later had not been paid, did they really sell anything at all and indeed did any transaction take place regardless of what was written on a piece of paper that was handwritten and not witnessed?

We have a Youth Criminal Justice Act and frankly, I see the same problems there as I see in Bill C-24. The old law was dysfunctional, but the new law will be no better. In fact, it is likely to make things even worse because there are no provisions to notify the public of dangerous young offenders. There are no provisions to assist young people under 12 who get into trouble with the law. It does nothing for victims' rights.

People are frustrated when they see a message that says we are going one way and in reality it does not seem to pan out.

We are debating Motion No. 11 in Group No. 2. It is a motion that authorizes a review of the act to assess the impact after the first election. I suppose it is a good idea that we should assess the impact of Bill C-24 after the first election. The problem is that all of a sudden we have the taxpayers on the hook to replace the money that people formerly gave voluntarily to the party of their choice.

It is interesting that the first contribution from the taxpayers is due in January 2004. That is very convenient because the governing party has a substantial debt right now that it wants to look after. There will be another donation some months later, in April. That will put a lot of money into the coffers in preparation for the next election. It is based on the percentage of the vote in the last election.

Taxpayers should not be on the hook to support a party to which they may be opposed philosophically. It does not matter which party it is. I am sure there are members opposite who feel as badly about supporting some of the parties on this side of the House as some of the people who support us would feel about supporting government members on the other side. People should be free to give where their heart is and to the party they support, but they should not be forced to use their tax dollars to support political processes that they may not endorse.

•(1805)

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, I am very pleased to

speak today on this group of amendments, among which we find Motion No. 11. We should put this debate in context.

We have a bill before us that will finally make improvements in the way political parties are funded. The hon. members in the Bloc are particularly proud of this result. I am speaking of those hon. members who, in previous years, systematically introduced bills in order to try to clean up political party financing at the federal level, since we have some expertise in Quebec, gained in the past 25 years. In fact, we proposed the measures the government is now supporting.

This is not the only item in this file, but it is an important one if we wish to avoid scandals in the future such as those involving HRDC or sponsorships, or all sorts of situations where there have been very close connections between businesses and government contracts. Government money was going to the companies who, it just happened, were making almost identical contributions to the Liberal party of Canada. This kind of situation should be under somewhat more control with the bill before us.

This is important, particularly when the next Prime Minister of Canada, the member for LaSalle—Émard, seems in no rush to move toward democratization of political party financing. His approach is to try to stop this bill from getting through, because he himself has a corporate background. He has on several occasions tabled obstructive measures to prevent any improvements to political party financing. We have also seen his behaviour in such instances as the way the EI fund surplus was handled, and the approach for paying tax for the group, or holding company, for which he is ultimately responsible, even though he made sure it was in trust during his time in cabinet. He still had influence and that is still seen today. He is quite reluctant to see this bill passed. But in fact it must be.

I am in favour of the amendment before the House, because I believe that it is important for all current legislation to have a provision, when new approaches are introduced, to assess them after a time and make the necessary corrections. I must admit, however, that I do have one fear. If that reassessment were done under the member for LaSalle—Émard when he is Prime Minister, he will certainly be sorely tempted to revert to corporate funding and hidden slush funds. He has no interest in seeing the provision continue and expand.

In fact, we have seen past results. The present problem of governmental credibility has a lot to do with the laxity of the federal government which we have seen perpetuated throughout all the years this government has been in power. Scandal has followed scandal, and the federal government has opted for referring the demands for investigation to the RCMP. They are not necessarily the ones acting in bad faith, but the result at the end of the day, whether it is the Human Resources Development scandal or the sponsorship scandal, is that there are maybe 10, 15 or 20 RCMP investigations under way and none of them ever comes to an end.

Government Orders

Is this bill before us not one that would correct part of the problem? Obviously, it will not prevent situations from happening anyway, if a government has questionable practices or members of cabinet whose practices are questionable. There is one such situation which has been going on for quite some time.

The Canadian ambassador to Denmark, Mr. Gagliano, is still making the headlines regularly because of past actions of his and because he put in place a system which was even described as a tightly knit in the internal control report. In other words, a system with many connections between the minister's office, his relatives and the Liberal Party of Canada. This is an aberration and we definitely do not want anything like that to happen again.

We are debating a proposed amendment which will ensure that once the report provided for at section 535 with respect to the general election following the coming into force of that article has been tabled, the committee of this House to which the report is referred for consideration also considers the impact of the party financing provisions of the existing legislation which came into force at the same time as that section.

●(1810)

In other words, as of January 2004, we will be subject to the bill we are debating, which was improved in committee and should ultimately produce some interesting results. After the election and a few years of practice, we will be able to determine whether some minor changes would be appropriate. This is our challenge, as parliamentarians, and everything must be done in a manner consistent with the spirit of the act per se.

We should not be presented with changes designed to take us back to approaches of the Liberal Party of Canada such as slush funds. It is imperative that the spirit of the act be respected when we make these changes to the act.

The Bloc Québécois therefore supports this amendment. We also believe it is important that we act as watchdogs. When the committee assesses what has been done, it will not be a matter of simply checking whether, technically, the act was enforced properly, but also ensuring that the act does not contain any loopholes making it possible to circumvent it or provisions which have proven to be unacceptable in practice.

In the past, the government often had its own interpretation of how to do things. For years, the issue of the ethics counsellor was dragged out, even though the Liberal government had guaranteed, back in 1993, that there would be an ethics counsellor who would report to the House, and that there would finally be some degree of transparency. After many scandals, we finally managed to get some changes. Today, we are just starting to see the benefits of these changes.

The same applies to funding of political parties. It is important to make sure we have the best legislation possible.

I would like to digress briefly. Earlier, in response to a member from the Canadian Alliance, the member for Chicoutimi—Le Fjord said that nothing prevented us from dealing with the main issues while examining this bill. Among those he neglected to mention, there is the whole softwood lumber issue. This is remarkable, because if any region has been hit particularly hard by this crisis,

it is the Saguenay—Lac-Saint-Jean, the Lower St. Lawrence, the North Shore and Abitibi-Témiscamingue. These regions are going through very hard times.

I believe that indeed we can debate the financing of political parties but at the same time this kind of issue can be dealt with. It is not a valid argument. I only wanted to remind the member for Chicoutimi—Le Fjord that he had forgotten to mention the softwood lumber dispute, which is quite a problem in his riding, in his area. It must be resolved as early as possible to everybody's advantage.

Mr. Jean-Yves Roy: What we want is action.

Mr. Paul Crête: We need action in the softwood lumber file. We must help businesses and workers in the short term. We are routinely bringing this up during oral question period.

That being said, I will get back to the proposed amendment before us, Motion No. 11. I believe this amendment improves the bill.

During the review of the bill, the Bloc Québécois was very constructive. From the very beginning, we said that the principle of the bill was good and that it would improve how democracy works in our province. In committee, we put forward constructive amendments. We were successful on one or two points. I believe that in the end it will result in an act regulating the whole issue of political party financing that will be of a better quality than what we have now.

In conclusion, I would just like to ask my colleagues to vote for this amendment. Indeed, once we have experienced the new situation during an election year and in subsequent years, we will reassess it keeping in mind that we want to improve the quality of democratic life for ourselves and our fellow citizens.

●(1815)

[English]

Mr. Joe McGuire (Egmont, Lib.): Mr. Speaker, it is a pleasure to say a few words on Bill C-24 in this stage of debate. I believe the bill was inevitable in our Canadian political experience. The process has been going on for quite some time and we could say that this is a bill whose time has come. This is probably one of the final stages of the public financing of elections in Canada.

The people of Canada approve of the bill. They approve moving the financing of Canadian elections from the private sector to the public sector. The people of Canada approve the principle of the bill and they approve the process that has been put in place in the House of Commons for this to occur.

With Bill C-24, we will have a clear, transparent and fair process to underwrite the cost of elections. The general public realizes this and fully endorses the transparency of this method of election financing.

Government Orders

To speak on Motion No. 11, the mandatory review of this bill after the next election is necessary because there are always things that we forgot. When we changed the enumeration process in elections, there were a lot of changes that had to be made afterward. That was a learning experience and I anticipate there will be some wrinkles in this bill which we have not thought of either.

The proposed motion will require a mandatory committee review and the bill will bring about important changes to the way political financing occurs. This is a very important reform that will have a significant impact on our political system. The new rules governing political contributions are essential to ensure that the system of political contributions is fully transparent at all levels and to remove any concerns or perception of undue influence by corporations, large donors or unions.

To achieve this purpose, the bill proposes comprehensive rules governing the financing of nomination contests, candidates, election district associations, registered parties, including provincial and territorial divisions of registered parties, as well as leadership contests.

The proposed bill provides for the reporting of contributions made to all political participants, including quarterly reports of contributions made to registered political parties, a measure that was introduced following suggestions in committee. It also provides for a regime where contributions are generally reserved to individuals up to a limit of \$5,000 while at the same time allowing for more limited corporate and union contributions at the local level.

As a result of these new restrictions imposed by the bill on political contributions, a number of measures are proposed to ensure that the new regime is revenue neutral for political parties.

Let me simply review the most significant of these measures. The reimbursement of election expenses for registered parties would be increased from 22.5% to 50% with a one time reimbursement of 60% for the next election to assist parties as a transitional measure.

The threshold for candidates to qualify for the reimbursement of part of their election expenses would be lowered from 15% at present to 10%. The rate of reimbursement of the election expenses of candidates would increase by 50% to 60%, and the amendments to the Income Tax Act would double the amount of an individual's political contributions that is eligible for a 75% tax credit from \$200 to \$400. All other brackets of tax credit would be adjusted accordingly.

The proposed legislation will also introduce an annual allowance for registered parties of \$1.75 per vote received. In this way the amount of public money given to a party under the allowance will be determined directly by Canadian electors. There will be in other words a direct link between a citizen's vote and the portion of his or her income tax that will be used in support of a democratic system. This may be a harbinger of proportional representation in our House of Commons but that is another debate.

• (1820)

The allowance of \$1.75 per vote would be indexed to allow for inflation. Exceptionally, as a transitional measure, parties would receive the 2004 allowance in a lump sum as soon as practical after

the coming into force of the bill, instead of quarterly as will be the case afterwards.

It is fair to say that the public financing provisions in the bill, and in particular the public allowance, are the provisions that have generated the most discussion here in the House of Commons.

Much has been said about the importance of ensuring adequate funding for political parties, given the key functions that they perform in a democratic system such as ours. Political parties serve to mobilize the electorate, provide an avenue for the representation of groups and articulation of their interests in concrete party policy proposals and their electoral platforms.

Strong parties and party organizations are critical to a healthy and dynamic democracy. If parties are not adequately funded, it is our entire electoral democracy that will be impoverished.

It must be remembered that political parties also play a fundamental role by providing a link between the state and its citizenry. They are essential structures for individual participation in our system of democratic governance. Providing basic funding for political parties allows competing political organizations to develop their platforms and programs. It allows them to conduct research and to develop policy options that citizens will then vote upon.

Bill C-24, by addressing on the one hand the concerns with the undue influence of corporations, as well as large individual donors and on the other hand, ensuring that parties have the necessary financial resources to perform their important function, will result in a healthier and more dynamic democracy.

By regulating the financial resources that contributors may provide to parties, in combination with public funding, as is being proposed in the bill, we can ensure that a level playing field is created for all participants.

Finally, we must recognize the enormous cost of running a political party in a modern democracy. Everyone in this House is certainly aware that the costs of running an effective party organization are rising, and this is a fact that was certainly made clear by party presidents who appeared before committee during the public hearings.

Particularly over the past few decades, parties have been faced with increasing costs of technology and the impact of media on party politics. It has been increasingly costly to maintain the necessary staff and institutionalized expertise that parties require to remain up to date on a wide range of issues and policy sectors.

The amendment to add polling to the definition of eligible expenditures is certainly a reflection of the modern cost of maintaining a political party. I do not believe there is any party that does not poll before, during and after elections, and this is a huge cost.

In addition, it must be recognized that the funding provided to parties to date, while beneficial, has had the shortcoming of kicking in after an election. As we are all aware, the functions of a party do not begin and end with an election. They are ongoing and that is why the public allowance is so essential to these reforms.

Adjournment Debate

As an added benefit, the public allowance would be based on the number of votes received in the previous election. If a member has no public support, then there is no public financing. This should result in the encouragement of a greater connection between Canadians and parties. At the same time, we must not forget that there will be a need for parties to raise private funds from individuals, and this will also encourage them to maintain a vibrant connection with individual Canadians.

In conclusion, there are many important reasons for the public financing of political parties. Public financing contributes to a level playing field and an equality of opportunity and electoral competitiveness. It also allows parties to compete effectively regardless of the socio-economic condition of their supporters.

Public funding strengthens the autonomy of parties, reduces the perception of some groups that have undue influence and enhances financial transparency.

Public funding also provides parties with resources that are essential for democratic activities. There are at least equally important reasons for the measures dealing with the limits on contributions and the rules governing transparency.

Together these different rules will have a profound effect on our system of political financing but will in the short and long term be good for Canada.

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

• (1830)

[*English*]

AUDITOR GENERAL

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, I am standing on debate tonight on what we call, in the vernacular here in Parliament, the late show. For anyone who happens to be watching this and does not understand what the late show is, the late show is about asking a question in the House but not getting an answer.

On April 8, 2003, this being June 9, I asked the Prime Minister the following question:

Mr. Speaker, today, in the Auditor General's 2003 annual report, she indicated that her office was facing a \$1 million shortfall.

Two years ago the member for Calgary Centre mentioned in the House: "There are several ways to muzzle the watchdogs of parliament. One way is to deny... adequate funding to the auditor general...."

Will the Prime Minister indicate to the House whether the Auditor General will be receiving additional resources in order to keep up with the audits on programs such as the failed long gun registry?

The answer I received was that if I thought the Auditor General needed more money she should just simply apply for it. I certainly thought that answer was a glib statement.

The issue here is critical to the ongoing ability of Parliament to function, and especially for the officers of Parliament to function. The most important issue for me in the debate tonight is the issue that in order to do their jobs, the officers of Parliament, the Auditor

General being one of those officers, need to be independent. In order to be independent they need adequate budgets, which means they cannot go on bended knee to the Prime Minister, who has the final say, every time they need extra funding to continue their work as watchdogs for the Parliament of Canada. Part of that independence is providing them with the funding they need to do their jobs, plain and simple.

The issue goes further than that. The government has consistently displayed a culture of secrecy and a continued determination to bypass Parliament. It is part of a pattern of the government as it attempts to shut down normal scrutiny. When the information commissioner seeks records, the Prime Minister takes him to court. Excuse me. It seems to me there is something wrong there.

When the Liberals promise an independent ethics commissioner, they break their word and turn the councillor into a clerk for the Prime Minister. The privacy commissioner is regularly ignored and the Auditor General's recommendations are habitually set aside.

Even the Auditor General's office, which is supposed to be independent of Parliament, has been attacked by Liberal members of Parliament because she has caught them breaking just about every rule in the book, and plans and intends to, as is her responsibility, to investigate these breaches of the law.

As far as I am concerned and my party is concerned, the only way to secure the dignity and responsibility of Parliament is to make sure the officers of Parliament are properly funded. That is absolutely what we need to do with the Auditor General.

Mr. Tony Tirabassi (Parliamentary Secretary to the President of the Treasury Board, Lib.): Mr. Speaker, it gives me great pleasure to take part in this debate tonight with my hon. colleague in the House. The issue being debated tonight is an important one. It is central to the operation of this institution of Parliament. One of the most fundamental missions of the House is to provide a forum in which the government can be held accountable for its actions, especially for how it spends public funds.

The people's right to control how public funds are collected and spent is one of the cornerstones of democratic government. In Canada, like other parliamentary democracies, this control is carried out on behalf of the people by their elected representatives, and that is us, the members of Parliament.

Over the years, Parliament has given itself the tools it needs to make sure that the government remains accountable to the people of this country, that the government lives up to its commitments to deliver results to Canadians, and achieves the best possible value for money with every decision, with every policy, with every program. The Auditor General has played an invaluable role in this regard.

Adjournment Debate

When the Office of the Auditor General was created by legislation, coincidentally 125 years ago today, it was seen as a means to promote good and effective governance in this country by ensuring that public funds would be spent wisely and effectively. The fundamental mission has remained unchanged to this day. For 125 years, a dialogue has been ongoing among the Office of the Auditor General, the government and Parliament. This dialogue is partly responsible for Canada being recognized today as having one of the most modern and efficient public services in the world, if not one of the best systems of government in the world.

The issue raised tonight by the member for South Shore is whether, given this important role, the Office of the Auditor General is being supplied an adequate level of funding by Parliament. It must be said that funding for the Auditor General's office already has increased considerably in recent years. Like most other government departments and agencies, the Auditor General's budget was reduced in the 1990s, after hitting a high of \$60 million in the 1993-94 fiscal year. As the public accounts records will show, the entire shortfall was made up fully by fiscal year 2000-01. Since then, the Auditor General's budget has climbed steadily from \$60 million to nearly \$72.5 million in 2002-03. This represents a 20% increase over three years.

In 2002-03 alone, the OAG was granted a \$9.2 million increase by Treasury Board. This represents a 13% increase in one year alone. I am sure that most members of the House and certainly most ministers who sit around the cabinet table would characterize a 13% increase as very sympathetic.

There is a process in place for the Auditor General to request additional funds from Parliament and it is through the Treasury Board. If recent practice by the government is any indication, it would seem that the Treasury Board has responded quite actively and supportively to requests for additional funding from the Auditor General.

● (1835)

Mr. Gerald Keddy: Mr. Speaker, I appreciate the comments from the member for Niagara Centre and the fact that he actually did some research and came back with some answers.

I am going to use my minute to wrap up my remarks. I want to say one more time that I appreciate the fact that funding has increased. It needed to be increased. The roles of the Auditor General and the Privacy Commissioner are much busier than they were a decade ago or even half a decade ago. There are more and more scandals about which Parliament has a right to know.

Again, I want to go back to the closing comments by the right hon. member for Calgary Centre. What he stated in *Hansard* on April 30, 2001 sums it up very succinctly:

There are several ways to muzzle the watchdogs of Parliament. One way is to deny information to the Information Commissioner. The other is to deny adequate funding to the Auditor General and to other agencies. The Auditor General's office needs at least \$8 million more to provide its in-depth audits of government departments. The government says no. Why is the Prime Minister trying to starve the Auditor General and keep her from doing the work that Parliament explicitly charged her and her office to do?

The Acting Speaker (Mr. Bélair): I am sorry to interrupt. The hon. parliamentary secretary has the last word.

Mr. Tony Tirabassi: Mr. Speaker, the hon. member mentioned that the roles of officers of Parliament have become increasingly complex and busier through the years, and the OAG is one. As the hon. member knows, it was this government that recognized that.

Under the former Progressive Conservative government, the Auditor General reported to Parliament once a year. It was this government that decided it was time to bring the Auditor General in four times a year. That was to increase accountability and to increase transparency. He or she, and she in this case, would report more often so we could identify the challenges and deal with them. As I said in my statement, the funding has been increased accordingly to help cover that.

● (1840)

IRAQ

Mr. Svend Robinson (Burnaby—Douglas, NDP): Mr. Speaker, it was on March 20 at the outbreak of the United States-led invasion of Iraq that I asked a question of the Prime Minister. I pointed out that federal New Democrats, our leader Jack Layton and New Democrats across the country believed that the war was both illegal and immoral.

I called on the Prime Minister at that time to, if he was not prepared to condemn the war, at the very least agree that the use of depleted uranium and cluster bombs would be inhumane and illegal. I called on the Prime Minister to ask both George Bush and Tony Blair not to use these weapons, which have already taken a terrible toll on innocent human lives in Iraq and elsewhere.

I personally witnessed the horrors of depleted uranium when I visited a hospital in Basra in the south of Iraq and met with a doctor there who showed me photographs of the children who had been born with massive congenital defects as a result of depleted uranium. There has been a huge increase in the number of children born with congenital defects in the Basra area as a result of depleted uranium. As well, we know that cluster bombs have been used already to devastating effects in Kosovo, Afghanistan and elsewhere.

The response of the Minister of Foreign Affairs was to say that the government was not going to suggest to the Americans that there was any problem at all in the use of cluster bombs or depleted uranium. The Minister of Foreign Affairs also said he was quite confident that the Americans would conduct themselves in accordance with the rules of humanitarian war.

The evidence is now clear. There is a humanitarian disaster unfolding in Iraq as a result of the presence of cluster bombs and unexploded anti-personnel mines and anti-tank mines. According to a report prepared by the humanitarian operations centre based in Kuwait and staffed by military personnel from the U.S., Britain and Kuwait, its intelligence assessment shows that there is a grave danger of unexploded weapons. There are literally thousands of these unexploded weapons, which pose a grave threat to innocent civilians, particularly those in built up areas such as Baghdad and Basra. Already civilians have been killed, including a number of children.

Adjournment Debate

I am calling on the Canadian government to speak out and to once again call for the abolition of these cluster bombs and to call for the banning of the use of depleted uranium, and to call as well for the freeing of Dr. Huda Ammash, a respected Iraqi environmental biologist who has been held by the United States. So far we have no information on her whereabouts.

In closing, I as well want to urge the government to call upon the United States and the United Kingdom to grant access to POWs to the Red Cross. So far some 3,000 Iraqis, a number of them civilians, have been gagged, bound, hooded and beaten at U.S. camps close to the Baghdad airport. The Red Cross has asked for access to these camps, but its request has been denied.

It is up to the Government of Canada to speak out strongly for the respect of international law, to call for an end to the use of cluster bombs and depleted uranium, and to contribute as much as possible to the clearing of these weapons that have such a devastating impact on innocent civilians in Iraq and elsewhere.

Ms. Aileen Carroll (Parliamentary Secretary to the Minister of Foreign Affairs, Lib.): Mr. Speaker, concerning the recent conflict in Iraq, I wish to respond to the hon. member's concerns about cluster bombs and the military use of depleted uranium.

Minister Graham clearly expressed the government's view when he spoke in the House—

The Acting Speaker (Mr. Bélair): Order, please. It may be an honest mistake, but the member cannot use the minister's name. It is the Minister of Foreign Affairs.

• (1845)

Ms. Aileen Carroll: Thank you, Mr. Speaker. The minister clearly expressed the government's view when he spoke in the House on this issue in March 20. He said:

—we are confident that the Americans will conduct themselves in accordance with the rules of humanitarian war to which they are obliged under the Geneva conventions and other conventions. Our American allies have always observed the rules of law and the rules of international law with respect to conflict and we expect that they would do so in this case as well.

In the aftermath of the conflict, this remains the government's view. Depleted uranium is even less radioactive than natural uranium. Although we are a large producer and processor of natural uranium, which we only use and export for peaceful purposes, Canada does not produce depleted uranium, which is the product of the enrichment of natural uranium.

In view of its low level of radioactivity, the main concerns about depleted uranium munitions are about its chemical toxicity and the affect of this on human health and the environment. The relationship between the use of such munitions and subsequent health problems experienced by veterans in the first gulf war and the Balkans, and civilians in both regions have been extensively studied by Canada, the U.S.A., the U.K., various other western countries, the World Health Organization, NATO, the UN environment program, and indeed, the International Atomic Energy Agency. None of these expert studies have to date found any conclusive linkage between the use of depleted uranium munitions and health problems experienced by veterans or civilians in the areas where they were used.

Indeed, since the hon. member initially asked his question, the latest findings on the use of depleted uranium munitions in Bosnia

and Herzegovina in the mid-1990s have been released by the UN environment program. Although it could still find traces of depleted uranium in the dust and even in ground water where it was used, the UNEP concluded the level of contamination was very low and did not present immediate radioactive or toxic risks for the environment or human health.

Although the Canadian Forces stopped using depleted uranium munitions several years ago, it is still used by the armed forces of the U.S.A., the United Kingdom and others. The use of depleted uranium munitions is not prohibited or restricted under the 1980 UN convention on prohibitions or restrictions on the use of certain conventional weapons and related protocols, nor is it otherwise prohibited by international humanitarian law. This is because it is not deemed to be excessively injurious or to have indiscriminate effects. I would emphasize as well that it has not been deemed a weapon of mass destruction by the United Nations, as some concerned Canadians have erroneously asserted.

In view of the foregoing, and as indicated by the Minister of Foreign Affairs, there is no justification, nor would it be appropriate in the current circumstances for Canada to call upon the U.S.A. and the U.K. to renounce their use of depleted uranium.

On the broader issue of cluster bombs, it should be noted that cluster munitions are considered throughout the international community to be legitimate and lawful weapons when they are used against military targets. Indeed, the international committee of the Red Cross has not called for a prohibition on these weapons and considers them as legitimate when used in accordance with existing international humanitarian law.

Our forces tell us that these can be very important munitions in specific circumstances and the removal of this capability could have a detrimental effect requiring the use of a less appropriate weapons system which could cause greater risk of collateral damage in order to achieve the same military advantage.

I would like to inform the House that the international community is undertaking steps to address the key problems associated with this type of weapon, that is, the humanitarian impact presented when the unexploded munitions remain on the battlefield after the end of active hostilities presenting a threat to civilian populations who may unwittingly detonate them causing injury and death.

However, this problem is not unique to cluster bombs and all types of weapons can malfunction or become duds. Canada has been playing a leading role in the processes leading up to these negotiations and will continue to do so. The U.S. is working closely with Canada in this regard.

Mr. Svend Robinson: Mr. Speaker, that answer shows an absolutely appalling disregard for human health and for the lives of innocent civilians in Iraq, and elsewhere, where depleted uranium and cluster bombs are used.

I want to ask a question of the parliamentary secretary who is speaking on behalf of the minister. She talks about the United States having always respected international law and the rules of war. I would remind her of the use of agent orange in Vietnam which continues to take a terrible toll on the environment and on human health.

Adjournment Debate

Could the hon. member clarify the position of the Government of Canada with respect to the use of cluster bombs in built up, urban areas, such as Baghdad and Basra? Is it the position of the Canadian government that this is legal? Is this acceptable and what steps are being taken to ensure that civilians are protected against the aftermath of the use of cluster bombs in those areas in defiance of international law?

• (1850)

Ms. Aileen Carroll: Mr. Speaker, it is difficult to respond to all of the hon. member's concerns in the space of one minute, but I want to refer to a comment that he made at the outset about children being found in Iraq with congenital defects as a result of these weapons.

I draw the member's attention to the fact that there is no empirical data that exists to support that. There has been no peer review. I

would be suspicious of such sources which indeed were the same sources that claimed, before the war—as the bodies of dead children were paraded—that these children had starved to death due to the embargo by the United Nations. We now know, and it has been shown, that the children had died in hospital and this despicable regime used them and paraded them to create such a charade.

[*Translation*]

The Acting Speaker (Mr. Bélair): The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6:51 p.m.)

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