



CANADA

# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Tuesday, June 10, 2003**

—  
**Speaker: The Honourable Peter Milliken**

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# HOUSE OF COMMONS

Tuesday, June 10, 2003

The House met at 10 a.m.

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*Prayers*

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## ROUTINE PROCEEDINGS

•(1005)

[*English*]

### NATIONAL DEFENCE

**Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, pursuant to Standing Order 32(2) I have the pleasure to table, in both official languages, two copies of the 2002-03 annual report of the Chief of the Defence Staff, "A Time for Transformation".

\* \* \*

[*Translation*]

### GOVERNMENT RESPONSE TO PETITIONS

**Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 11 petitions.

\* \* \*

[*English*]

### COMMITTEES OF THE HOUSE

#### PROCEDURE AND HOUSE AFFAIRS

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, I have the honour to present the 36th report of the Standing Committee on Procedure and House Affairs regarding political financing. In this report we set out issues and concerns that the committee, or some of its members, had during consideration of Bill C-24. The intent is to signal possible areas for legislative change or future study.

Mr. Speaker, I have the honour to also present the 37th report of the Standing Committee on Procedure and House Affairs regarding the associate membership of the Standing Committee on Justice and Human Rights. If the House gives its consent, I intend to move concurrence in this 37th report later this day.

I would like to thank the staff and researchers of our committee for their extraordinary work in recent weeks on legislation that has been before our committee.

#### ABORIGINAL AFFAIRS, NORTHERN DEVELOPMENT AND NATURAL RESOURCES

**Ms. Nancy Karetak-Lindell (Parliamentary Secretary to the Minister of Natural Resources, Lib.):** Mr. Speaker, I have the honour to present, in both official languages, the fifth report of the Standing Committee on Aboriginal Affairs, Northern Development and Natural Resources.

#### PROCEDURE AND HOUSE AFFAIRS

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, if the House gives its consent I move that the 37th report of the Standing Committee on Procedure and House Affairs presented to the House earlier this day be concurred in.

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

**Some hon. members:** Agreed.

(Motion agreed to)

\* \* \*

### PETITIONS

#### MARRIAGE

**Mr. James Rajotte (Edmonton Southwest, Canadian Alliance):** Mr. Speaker, I have three petitions to present today.

The first petition calls upon Parliament to remember that in 1999 it passed the definition of marriage as being the union of one man and one woman to the exclusion of all others, and asks us to maintain and preserve that definition.

•(1010)

#### RELIGIOUS FREEDOM

**Mr. James Rajotte (Edmonton Southwest, Canadian Alliance):** Mr. Speaker, the two other petitions I have to present deal with amendments to sections 318 and 319 of the Criminal Code. These petitioners, hundreds of them from my riding and area, are very concerned about the impact on the freedom of religious expression, one of the fundamental freedoms we have in Canada.

#### CHILD PORNOGRAPHY

**Mr. Jay Hill (Prince George—Peace River, Canadian Alliance):** Mr. Speaker, it is my pleasure this morning to present petitions on behalf of my constituents of Prince George—Peace River.

*Routine Proceedings*

First, I have two petitions that deal with the issue of child pornography, signed by constituents primarily from the town of Chetwynd and the cities of Fort St. John and Dawson Creek. My constituents would like to draw Parliament's attention to the fact that they believe the Liberal Bill C-20 does not adequately protect our nation's children. Therefore they call upon Parliament to protect our children by taking all necessary steps to ensure that all materials that promote or glorify child pornography are outlawed in law.

ADOPTION

**Mr. Jay Hill (Prince George—Peace River, Canadian Alliance):** Mr. Speaker, I have two more petitions to add to those I have already presented in this chamber. These come from Canadians from across western Canada who note that adoptive parents make a significant social contribution to our society, and they face significant adoption related costs. Therefore the petitioners call upon Parliament to adopt income tax deductions for expenses related to the adoption of children, as contained in Bill C-246, my private member's bill.

MARRIAGE

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, I rise to present two petitions, one from people in the Orillia-Midland area of Ontario and one from the Prince Edward—Hastings area of Ontario. These petitions are from people who have concerns about the definition of marriage. I am pleased to present them for the MPs of those ridings.

KIDNEY DISEASE

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, if I may, I again will rise to present a petition on the matter of the importance of kidney research. Kidney disease is a huge and growing problem in Canada. Real progress is being made in various ways of preventing and coping with kidney disease, but these citizens of Peterborough call upon Parliament to encourage the Canadian Institutes of Health Research to explicitly include kidney research as one of the institutes in the system, to be named the institute of kidney and urinary tract diseases.

I would like to thank Ken Sharp of Peterborough and his colleagues and friends for developing this petition and working so hard on this important issue.

COAST GUARD

**Mr. John Cummins (Delta—South Richmond, Canadian Alliance):** Mr. Speaker, it is a pleasure for me today to present a petition on behalf of many constituents, primarily from Sidney, British Columbia, who are expressing their concern about funding for the Coast Guard. In the petition they note that funds to the Coast Guard have declined and staffing and equipment provided for the Coast Guard are not sufficient to meet the responsibilities. They note as well that several people might have been saved if the Coast Guard had been properly equipped in some recent events in British Columbia.

They call on Parliament to restore funding to the Coast Guard and to separate it from its current home, the Department of Fisheries and Oceans. As well, they call on Parliament to provide adequate funding for a new hovercraft on the west coast.

RELIGIOUS FREEDOM

**Mr. Bob Speller (Haldimand—Norfolk—Brant, Lib.):** Mr. Speaker, I have three sets of petitions from constituents in my riding, who have done a lot of work to put together these petitions.

The first petition calls on the Government of Canada to protect the rights of Canadians to be free to share their religious beliefs without fear of prosecution. They are concerned about a private member's bill in the House on that subject and call upon Parliament to recognize the fact that people should have religious freedoms.

CANADA POST

**Mr. Bob Speller (Haldimand—Norfolk—Brant, Lib.):** Mr. Speaker, another petition from a group in my riding is calling upon Parliament to repeal section 13(5) of the Canada Post Corporation Act. This is about providing rural route mail couriers the right to have a union.

MARRIAGE

**Mr. Bob Speller (Haldimand—Norfolk—Brant, Lib.):** Last, Mr. Speaker, petitioners in my riding pray upon Parliament to pass legislation to recognize the institution of marriage in federal law as being a lifelong union of one man and one woman to the exclusion of all others.

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QUESTIONS ON THE ORDER PAPER

**Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, the following questions will be answered today: Nos. 213, 219, 220, 222 and 224.

[Text]

Question No. 213—**Mr. Scott Reid:**

With respect to the issuance of Performance Bonds (form IMM 1230) and Security Deposits (form IMM 0514): (a) how many of each have been issued in each of the last five years; (b) for which types of visas; (c) what was the money value of typical bonds and deposits; and (d) how many were forfeited for non-compliance with the conditions of the bond or deposit?

**Hon. Denis Coderre (Minister of Citizenship and Immigration, Lib.):** Insofar as Citizenship and Immigration Canada is concerned, the reply is as follows:

With respect to (a):

Fiscal year	Performance Bonds	Security Deposits
2002-03	(see note)	2,200
2001-02	(see note)	2,090
2000-01	(see note)	2,014
1999-2000	(see note)	2,107
1998-99	(see note)	1,619

Note: CIC has been in the process of implementing a national case management system, NCMS, since 1999 and the roll out will be completed in June 2003. Although the department has some data for some locations, it does not have a full count of performance bonds issued for the period requested. A performance bond is a promissory note to pay if an immigration condition is not met.

*Routine Proceedings*

With respect to (b), performance bonds and security deposits are not issued for visas. They are issued as a means of ensuring that any and all conditions imposed, either by an immigration officer or by a member of the Immigration and Refugee Board, are respected.

With respect to (c), individual risk factors, as well as the ability of the person or guarantor to meet the requirements of the performance bonds or cash deposit, are considered by the decision maker when setting the value of the bond or security deposit. There is therefore no typical value for performance bonds.

For security deposits, the value can vary substantially. The average value of bonds deposited for the five year period was approximately \$3,152.

With respect to (d):

Fiscal year	Performance Bonds	Security Deposits
2002-03	193	664
2001-02	184	624
2000-01	157	671
1999-2000	116	573
1998-99	136	602

**Question No. 219—Mr. Norman Doyle:**

Could the Minister of Finance confirm that if a Manitoba parent of three disabled children in a family with a total income of \$35,000 were to earn an extra \$1,000 working overtime in 2003, the following would be lost to taxes and clawbacks: (a) \$220 in federal taxes; (b) \$149 in provincial tax on taxable income; (c) \$10 in clawback of Manitoba family tax reduction; (d) \$50 in clawback of Goods and Services Tax credit; (e) \$321 in clawback of National Child Benefit and Child Disability Benefit; (f) \$50 in clawback Canada Child Tax Benefit; (g) \$15 in Employment Insurance net of federal and provincial tax credit; (h) \$36 in Canada Pension Plan net of federal and provincial tax credit; and (i) the total of the above being \$851 which equals to an effective marginal tax rate of 85.1 per cent of the additional amount earned?

**Mr. Bryon Wilfert (Parliamentary Secretary to the Minister of Finance, Lib.):** A Manitoba family with three disabled children and a total income of \$35,000 would not be subject to an effective marginal tax rate of 85.1% because it would not pay any federal or provincial personal income tax. The calculation of the effective marginal tax rate in the example does not reflect the fact that this family would be able to claim the disability tax credit for the children who have disabilities. In fact, a family under these circumstances would not pay any federal personal income tax until almost \$43,000 of total income.

Not only would this family not pay any income tax, but in 2003 it would receive about \$8,500 in federal net benefits through the Canada child tax benefit, the proposed child disability benefit, and the goods and services tax credit.

This being said, it is correct that some low and modest income families may face high effective marginal tax rates as a result of benefit reduction rates applying in addition to income tax rates over some income ranges. Benefit reduction rates arise from the need to income-test benefits to target government assistance to those who need it most. The budget presented in the House of Commons on February 18, 2003, indicates that “going forward, the federal government and the provinces will need to ensure that, as the welfare wall is overcome, low and modest income families with children

who realize greater earnings, for example, by taking up better paying jobs—keep more of the extra money they earn. This will include examining the reduction or ‘claw-back’ rates for the CCTB as well as other elements of the tax and benefit structure that may affect incentives to work and earn income for low and modest income families”.

**Question No. 220—Mr. Norman Doyle:**

Could the Minister of Finance confirm that if a Newfoundland parent of three disabled children in a family with a total income of \$35,000 were to earn an extra \$1,000 working overtime in 2003, the following would be lost to taxes and clawbacks: (a) \$220 in federal taxes; (b) \$162 in provincial tax on taxable income; (c) \$50 in clawback of Goods and Services Tax credit; (d) \$321 in clawback of National Child Benefit and Child Disability Benefit; (e) \$50 in clawback Canada Child Tax Benefit; (f) \$15 in Employment Insurance net of federal and provincial tax credit; (g) \$36 in Canada Pension Plan net of federal and provincial tax credit; and (h) the total of the above being \$854, which equals to an effective marginal tax rate of 85.4 per cent of the additional amount earned?

**Mr. Bryon Wilfert (Parliamentary Secretary to the Minister of Finance, Lib.):** A family living in Newfoundland with three disabled children and a total income of \$35,000 would not be subject to an effective marginal tax rate of 85.1% because it would not pay any federal personal income tax. The calculation of the effective marginal tax rate in the example does not reflect the fact that this family would be able to claim the disability tax credit for the children who have disabilities. In fact, a family under these circumstances would not pay any federal personal income tax until almost \$43,000 of total income.

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*Routine Proceedings*

**Question No. 222—Mr. Svend Robinson:**

Have Canadian tobacco manufacturers and importers provided reports to Health Canada under the requirements of the Tobacco Reporting Regulations and, if so, for each reporting period since January 1, 2001: (a) what is the total expenditure for all promotional activities reported under section 16; (b) which sponsored events were reported under section 18; (c) which permanent facilities were reported under section 19; (d) which services were reported under section 21; (e) what is the total payment to retailers and what is the total number of retailers receiving payments reported under section 22; and (f) which non-tobacco products displaying a tobacco brand element were reported under section 24?

**Hon. Anne McLellan (Minister of Health, Lib.):** A number of Canadian tobacco manufacturers and importers have provided reports to Health Canada in accordance with the requirements set out in the tobacco reporting regulations, TRR.

With respect to (a):

Reporting Period	Total expenditure
January 1 - June 30, 2001	\$140,156,028.72
July 1 - December 31, 2001	\$164,397,314.31
January 1 - June 30, 2002	\$171,711,800.61
July 1 - December 31, 2002	\$128,855,215.64

With respect to (b), a previous request under the Access to Information Act (ATIA) for information submitted under section 18 of the Tobacco Reporting Regulations was received in 2001. At the time, our decision to release this information was challenged before the Federal Court by the tobacco industry. The request was withdrawn by the requester and the determination of whether the information could be released under the ATIA was never resolved by the court. The information is not currently available for disclosure in this manner and the use of a statutory system such as the Access to Information Act (ATIA) is the most appropriate avenue for a request of this third party information.

With respect to (c), none. This section of Tobacco Reporting Regulations only comes into effect after October 1, 2003

With respect to (d), none.

With respect to (e):

Reporting Period	Number of Retailers	Montant total versé aux détaillants
January 1 - June 30, 2001	60,551	\$34,115,932.88
July 1 - December 31, 2001	73,218	\$40,353,758.40
January 1 - June 30, 2002	63,163	\$32,683,025.45
July 1 - December 31, 2002	69,954	\$44,540,242.51

Note: The number of retailers does not represent individual retailers as the different tobacco companies may have made payments to the same retailer and retailers would therefore be included more than once in totals.

With respect to (f), the following non-tobacco products that displayed a tobacco brand element were disclosed under section 24

of TRR: golf balls, pocket knife, pen, blanket, banner, display booth, bag, ballot box, clock, port glass, pipe, and filter tip tubes.

**Question No. 224—Mr. Garry Breitkreuz:**

With respect to the payment of licencing fees from Canadian Wheat Board pooling accounts contrary to section 7(3) of the Canadian Wheat Board Act: (a) what facts has the Minister Responsible for the Canadian Wheat Board discovered; (b) what corrective action has he taken; (c) what were the results of the investigation by his officials and law officers; and (d) since January 1, 2001, what is the total amount the Canadian Wheat Board has taken from pooling accounts to pay interprovincial and export licencing fees including the administrative and management costs for the national licencing program?

**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.):** This matter was referred to the Canadian Wheat Board (CWB) board of directors and their legal counsel.

Regarding (a), fees or costs associated with the administration of licences fall within the purview of the management of the CWB, which is conducted under the direction of the CWB board of directors. The CWB has indicated for the 2000-01 crop year that export licences issued for grain produced in the designated area amounted to 96% of the total licences issued. The administrative costs of issuing export licences in the 2000-01 crop year amounted to \$101,115. Almost all of this expense was incurred with respect to staffing. As such it is an administrative expense of the CWB and may be deducted from proceeds received into the pool accounts per paragraph 33(1)(a) of the act. The CWB's Export Licensing Department handles all aspects of issuing export licences and is composed of two full-time members. Given that most of the export licences are issued in connection with grain produced in the designated area, it would take both staff members to administer those licences alone. Accordingly, there are no incremental costs to the CWB for issuing the relatively small number of licences for grain produced from outside the designated area.

With respect to subsection 7(3) of the Canadian Wheat Board Act, the CWB argues that this subsection, in fact, deals with losses sustained by the corporation. Subsection 7(3) provides that such losses from its operations in relation to any pool period relating to interprovincial and export marketing of wheat by the CWB, and from other operations, for which no other provision is made under the act, shall be paid out of moneys provided by Parliament. Given that there are no incremental administrative costs regarding grain from the non-designated area, there are no losses sustained by the CWB from administering these export licenses.

Regarding (b), no corrective action was required.

With respect to (c), the answer to (a) above describes the facts discovered and the response to (b) above describes the conclusion reached.

With respect to (d), the administrative costs of issuing export licences in the 2000-01 crop year amounted to \$101,115.

•(1015)

[English]

**Mr. Geoff Regan:** Mr. Speaker, I ask that the remaining questions be allowed to stand.

*Government Orders*

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

**Some hon. members:** Agreed.

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## GOVERNMENT ORDERS

[English]

### CANADA ELECTIONS ACT

BILL C-24—TIME ALLOCATION MOTION

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

That in relation to Bill C-24, An Act to amend the Canada Elections Act and the Income Tax Act (political financing), not more than one further sitting day shall be allotted to the consideration of the report stage of the bill and one sitting day shall be allotted to the third reading stage of the said bill and, fifteen minutes before the expiry of the time provided for government business on the day allotted to the consideration of the report stage and on the day allotted to the third reading stage of the said bill, any proceedings before the House shall be interrupted, if required for the purpose of this Order, and in turn every question necessary for the disposal of the stage of the bill then under consideration shall be put forthwith and successively without further debate or amendment.

**The Deputy Speaker:** Pursuant to Standing Order 67.1 there will now be a 30 minute question period. It would be helpful to the Chair to get an indication of how many members have an interest or would be indicating their interest in asking questions during this 30 minute period. That sometimes gives the Chair a heads-up and reminds members of how many people want to actively participate in this 30 minute question period.

I ask all members to be cognizant, to the extent possible, of the number of members who want to participate. The Chair will attempt to facilitate as many participants as possible, but of course without your cooperation I will not come anywhere near meeting your test of fairness. I will do the best I can.

**Mr. Ted White (North Vancouver, Canadian Alliance):** Mr. Speaker, shame on the minister for introducing time allocation yet again.

The Prime Minister has repeatedly said that Bill C-24 is about ending corruption in the Liberal Party. Heaven knows there are plenty of examples we can use. There is the ongoing Shawinigate investigation, secret contracts given to relatives of Mr. Gagliano, millions wasted on non-existent reports and untendered advertising contracts, and all sorts of corporate welfare to companies like Bombardier.

I would like to know from the minister exactly how Bill C-24 will stop all of these scandals and the corruption in the Liberal Party of Canada. How will the snatching of \$10 million a year from taxpayers to fund the day to day operations of the Liberal Party of Canada prevent the Prime Minister from giving lucrative contracts to his friends and relatives? How will Bill C-24 prevent ministers from awarding lucrative contracts to their sons, daughters, uncles and friends?

Is the bill actually not about hiding the corruption and scandals in the Liberal Party? How exactly will Bill C-24 clean up the corruption and scandals in that party over there?

**Hon. Don Boudria:** Mr. Speaker, that was not a very serious question asked by the hon. member. We are supposed to be discussing this morning why time allocation at this stage of the bill is required. Instead we have these questions which are not really serious and it surprises me because the member is usually a very serious person, particularly as it pertains to election laws. I will be the first to recognize some of his valuable contributions. We do not always agree on election laws, but on Bill C-2, which we did before, he made a number of suggestions which were constructive. Even on this bill, which he also disagrees with, he has been helpful from time to time. But having him rhyming off what he perceives to be so-called scandals and to say he wants my response to that, it of course it has nothing to do with the issue before the House, and it has nothing to do with anything because they are largely in his mind.

**Mr. Dick Proctor (Palliser, NDP):** Mr. Speaker, I have just a couple of brief questions for the government House leader.

The first one is on the rationale for raising the public moneys in lieu of corporate and trade union donations from \$1.50 to \$1.75. I would just observe that the minister, when he came before the procedure and House affairs committee, indicated that \$1.50 was adequate and that no political party was going to be injured as a result of that stipend to offset the trade union and corporate loss of donations. That is question number one. What is the rationale for raising it by 25¢?

The other one deals with the fact that the vast majority of trade union locals will not be able to contribute to the political process, while corporations, or at least many franchise corporations, will be treated much differently. I am asking for the minister's response.

● (1020)

**Hon. Don Boudria:** Mr. Speaker, let me deal with the two issues separately. On the matter of \$1.50 and \$1.75, only a few minutes ago a report was tabled in the House by the Standing Committee on Procedure and House Affairs. The standing committee voted to let me have a copy of it in advance so that I could provide whatever improvements at report stage were necessary to reflect the views in the report, which was being drafted and which was tabled today. The increase from \$1.50 to \$1.75 is one of those recommendations that was brought to me today. As a matter of fact, it is recommendation 10 in the report. That is the rationale for that increase.

Second, I myself said, both through the media and elsewhere, that the view I had received was that \$1.50 was the appropriate amount. I said if the committee was of the view, and if it could convince itself and everyone, that the amount should be increased, or decreased if it felt it was the wrong amount, that I was prepared to review it. I have the recommendation which said to review it and I did, to the penny to the amount recommended by the committee.

On the other question regarding corporate contributions, that is not correct. A private enterprise is a private enterprise and that is determined in the Income Tax Act.

*Government Orders*

The Royal Bank cannot give \$1,000 for every branch it has. That is a branch of the same corporation. But if someone has a private enterprise, such as a store they own, whether the store is called Home Hardware or whether it is a GM dealer, the dealership does not belong to Home Hardware or GM. That is the brand of product they sell. The arrangement by which one sells a product is usually called a franchising agreement, but this does not mean the store is the property of the corporation that sells it the product.

The criteria is set out in the Income Tax Act. It is this reference in the Income Tax Act, which determines what a separate corporation is, that is used, so that if someone is subservient in any way to another corporation in a way that does not satisfy the Income Tax Act, it does not qualify. They have to be privately owned, period.

**Mr. Ted White (North Vancouver, Canadian Alliance):** Mr. Speaker, for the minister to say that the scandals and corruption in the Liberal Party are only in my mind is to deny the obvious at the very least.

During committee hearings on Bill C-24 the only witnesses who said that \$1.50 per vote was not enough were witnesses from the Liberal Party of Canada. Every other witness thought that \$1.50 was plenty of money. In fact a number of witnesses said that taxpayers should not give any money to political parties at all. It was only his trained seals who voted in committee to put that recommendation in the report that it should be raised to \$1.75.

I want to ask the minister why it was raised from \$1.50 to \$1.75. Was it solely because the Liberal Party president, Stephen LeDrew, said that the Liberal Party would be bankrupt if it did not get more money? Now Mr. LeDrew did not share any financial information with us, so where is the justification for this increase in the subsidy from taxpayers to support the day to day operations of the Liberal Party?

How can the minister claim that this bill is about fairness and transparency when it is obvious to everyone that it is simply about using taxpayer money to fund the Liberal Party of Canada?

**Hon. Don Boudria:** Mr. Speaker, the formulation in the bill for the subsidy arrangement is almost identical in terms of its construction to the one utilized at the provincial level in New Brunswick, Quebec and in Prince Edward Island. It is based on the result of the previous election. It is constructed in an identical way.

Maybe a little bit of the historical background of how the bill came into being would assist the hon. member and other members. Last summer I travelled the country and met with the chief electoral officer and the ethics counsellor or commissioner, in whichever case, in Quebec, Ontario, Alberta and B.C. I received materials from the smaller provinces as well. The regime for the subsidy comes from Quebec, New Brunswick and P.E.I. The system that forbids corporate contributions is based on Manitoba and Quebec. The one that registers constituency associations is largely modelled on the Ontario and B.C. models.

We sought to take the best model at the provincial levels across Canada. We topped that up with ideas of our own in order to produce what I think most Canadians, looking at it fairly, will say is very good legislation for Canada.

• (1025)

**Mr. Loyola Hearn (St. John's West, PC):** Mr. Speaker, I would like to ask a different kind of question. We have five parties in the House so logically we would have 1,505 associations throughout the country. I was going to say that the minister knows as well as I do, but maybe he does not because it depends perhaps on the area one represents how well organized one is, how much money flows into one's coffers. We hear stories of not only thousands but tens of thousands and hundreds of thousands of dollars in some of the associations. Whereas in a lot of other areas, especially rural areas, it is extremely hard to raise money so raising money is not the main objective of an association. They are there to help out volunteers who come in without any great responsibility or onus put on them.

However now they are going to have added responsibilities. My concern is that in many areas the volunteers who came forward to help out will no longer be there because of the pressures being put on them. How does the minister see that as it unfolds throughout the country?

**Hon. Don Boudria:** Mr. Speaker, this is a very useful question, if I may refer to it that way.

I was a volunteer at the political level for a very long time, even before I was elected, which has been a very long time.

**Mr. John Cummins:** Too long, Don, too long.

**Hon. Don Boudria:** I do not know. We will let my constituents decide that one. I usually trust their judgment better than that of some of the members across.

As it pertains to how that part works, in my own province, in my riding, which is a rural riding, and it would be the same for everyone here who represents an Ontario constituency, our constituency associations receive funds. They have an account and it is audited at the end of the year. They must provide a statement that is public. They must show the public what has been done with the money and so on. These are the exact same boundaries and the exact same ridings that we represent but no such transparency exists at the federal level.

It was not normal that we were able to satisfy that kind of transparency level for three decades at the provincial level and the identical riding, many times with the same volunteers, has not done so at the federal level. I think we are all in favour of augmenting that transparency.

Someone said that if a riding association is not very sophisticated, it only has a few volunteers and is a very small one and so on, of course it does not have to do that. It can be administered centrally. That is again the case in Ontario law, although I understand that in the Ontario law about 99% of all associations do have their separate reporting mechanisms and so on at the present time. It is very exceptional that the party does it itself, but it can. It has the residual power to do so which is provided here in the event that there is not a local constituency association at all in a certain area.

**Mr. James Rajotte (Edmonton Southwest, Canadian Alliance):** Mr. Speaker, the government House leader failed to answer my colleague's question on why the amount was increased from \$1.50 to \$1.75.



*Government Orders*

One week ago the Prime Minister stated that \$1.50 per vote was enough to cover the shortfall of the Liberal Party funding, so that would justify the funding increase. Faced with growing opposition within the Liberal caucus and with Liberal members themselves insisting that they would not vote for this legislation, it has been increased to \$1.75 per vote. It has been increased from \$7 million to \$9 million.

Aside from just quelling opposition within the Liberal Party's own ranks and aside from, frankly, buying off his own backbenchers, what justification can the government House leader give for increasing it from \$7 million to \$9 million, from \$1.50 per vote to \$1.75 per vote?

• (1030)

**Hon. Don Boudria:** Mr. Speaker, the object of the bill is to have revenue neutrality in that regard. Insofar as the public subsidy is concerned, members provided the recommendation. I have it here in front of me. That recommendation was put in a report stage amendment.

Second, I do not believe the members behaved in any way that is greedy or unfair. They put another recommendation in there about the financial impact. If that financial impact produces too much money or not enough, then it will be reviewed immediately after the next election.

I have also taken that recommendation and put it as another report stage amendment to ensure that it is correct. These are recommendations that were made to adjust the amount and then to review it later to be doubly sure that accusations of this kind, made unnecessarily, will be proven even more to be false because it will be reviewed to ensure that it is exactly the revenue neutral amount afterward.

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, like many other members here, I really am concerned about the decrease in participation in federal elections.

I have a private member's item that deals with youth voting. It is my hope that the virtual banning of corporate and union donations will help somewhat toward the perceived problem there.

When people come to me during an election and say that this time they really feel they cannot vote at all, although members opposite may find it very difficult, since they cannot vote for me I try to get them to vote for one of the other parties. However, failing that, I tell them to go to the poll and officially destroy or reject their ballot so that they can become a statistic in the electoral process.

However, with the new legislation it seems to me that I have an additional argument. I can say to those people that if they vote for one of the smaller parties, the non-parliamentary parties, they will, through this subsidy, be able to help them over the next three or four years to keep their campaigns going locally and nationally.

Does the minister not agree that this is a useful argument that would encourage people to participate in the electoral process?

**Hon. Don Boudria:** Mr. Speaker, arguably, there is a possible benefit there. How many times have political parties, the party across, mine or any other, gone to a voter and asked "What is the use in going to the poll in this constituency since his particular variety of candidate cannot win and, therefore, it just does not do anything?"

I, of course, always think that it is worth voting. Every Canadian should vote all the time for all the good reasons of contributing to this representative democracy in which we live.

An additional reason here, by ricochet, as it were, is that there is no such thing now as a vote, even a losing vote, that does not have a count to it because people are contributing to the voting process, not only to the election of the candidate but the actual support of the party which people happen to espouse, providing of course they are voting—

**An hon. member:** Where is freedom?

**Hon. Don Boudria:** Mr. Speaker, someone is heckling about freedom. People are free to vote and people do exercise that freedom by voting.

**An hon. member:** But you are charging them to vote.

**The Deputy Speaker:** I want to caution members that if we get sidetracked on other discussions besides the question and the comments it obviously could have a negative effect on those numbers of people participating.

**Mr. David Chatters (Athabasca, Canadian Alliance):** Mr. Speaker, as we have seen over the years in this place, when the government passes this kind of self-serving legislation it often ends up before the courts. The legislation is then either struck down or it costs the public treasury millions of dollars to defend the legislation.

The Liberal Party president, Stephen LeDrew, suggested before committee that parts of the bill were unconstitutional and went against the charter.

I would ask the minister how much the government has budgeted to defend the bill against court challenges.

• (1035)

**Hon. Don Boudria:** Mr. Speaker, every bill that is produced by the government, not private members' bills, but any government initiated legislation under our Constitution must be certified by the Minister of Justice, saying that to the best of his knowledge, ability and to the knowledge of all of his officials the bill is within the constitutional authority granted to the federal government to legislate. That is part of the Constitution. It was made that way in 1982 upon repatriation. I am sure the hon. member knows that. Therefore, that is the way in which all government bills are done.

**Mr. Gerald Keddy (South Shore, PC):** Mr. Speaker, the biggest issue with the bill, as I see it, is the whole argument surrounding the accusation of the benefits of incumbency. Without question, the bill benefits the incumbent much more than anyone else.

The government could easily have addressed that issue and yet chose not to. In the original bill the first date that the bill would apply would have been January 1, 2005. That has been changed to January 1, 2004.

Obviously that means that if the bill is passed it will come into effect prior to the next election. I cannot for the life of me understand why the government, in order to get around the argument and the accusation that the bill benefits the incumbent, did not make the bill effective January 1, 2006. It would be after the next election. All the players, the dynamics and the percentages are unknown at this point in time. Why did that not happen?

*Government Orders*

**Hon. Don Boudria:** Mr. Speaker, I know the hon. member has only recently taken on the position in his caucus, but I regret to inform him that the bill never said January 1, 2005. That is not correct. The hon. member can go to the first printing of the bill and he will see that was never there. What it did say was January 1, 2004 or six months after proclamation, whichever came later.

As I said in my testimony before committee, the reason we changed it was, for example, if the bill were approved on July 15, that would make it come into effect next January 15. We would have had some contributions at the old rate of return, those who made a donation, and some contributions at the new rate of return. Because our taxation year for individuals is based on January 1 to December 31, it would have been impossible to detect which contributions were made at which time of the year.

In terms of the business of benefiting incumbency, it is actually the opposite of the reality. I know the hon. member was not here, but he may remember after 1993, when his political party virtually disappeared from the map. If a relatively large number of Canadians had continued to vote for that party, this would have ensured stability in the funding of his party even though its parliamentary representation had fallen to a small amount. Therefore, because that party had such support from the voters, it would have reflected itself. It did not benefit incumbency at that time. It would have benefited parties that had lost all their status.

**Ms. Val Meredith (South Surrey—White Rock—Langley, Canadian Alliance):** Mr. Speaker, further to that, it is self-serving for a government to change the rules that will affect the existing party in power to the extent this bill does.

If the government were not self-serving, not thinking of how it could benefit or how it could pay off its debt and fill its coffers with this money, why did it not pick a date that would have been after the next election? It could have picked a date that would tie into the taxation year after the next election without causing any difficulty.

Why has the government bring in legislation that is self-serving to the government in power? Why did it not pick a date that would not be quite so self-serving, and go to the electorate with this?

• (1040)

**Hon. Don Boudria:** Mr. Speaker, the hon. member is telling us to go to the electorate with this. I do not know if that is a challenge her and her leader are making. Do we want to fight an election on this issue? Her leader can decide.

I remind her and others that the last time a leader of the Alliance or Reform Party decided to tell the Prime Minister to call an election, the guy lost his job and is now sitting over in the far corner, having been defeated by someone else as leader of his own party and having been trounced at the polls.

With regard to the issue that the hon. member raised in terms of why we would not delay the implementation, it is interesting that she would say that because a number of her own colleagues actually asked me to make the legislation retroactive. Insofar as the leadership campaigns were concerned, they wanted us to go back and apply it to a campaign that was already underway. This is the same as asking for rules on an election campaign which already had started. Some of her colleagues asked for us to push it back, in terms

of that part of the implementation, and she has asked us to push it further ahead in another part of the bill. That is not very serious.

**Mr. Joe Comartin (Windsor—St. Clair, NDP):** Mr. Speaker, the NDP's position was that there be no contributions allowed whatsoever from the corporate or labour union sector of our society. If we will not do that, and the government has rejected that, then we need to have a level playing field. The opening the government has left with regard to franchises does not provide a level playing field for the labour movement if it wants to contribute. The government was given the option.

Why did the government reject this? Why did it not take the definition of labour unions if it was stuck on letting the franchises make their contributions? There is an issue here about the directing mind. Anybody who has practised law and has looked at franchise agreements knows where that directing mind comes from, and it is no different there than it would be within the labour movement. There is as much independence in labour movement locals as there is in franchises, or as little, depending on how one looks at it.

Why did the minister reject the position the NDP took, that if the government was to go this route, why not use the definition of what a trade union was as contained in the Canada Labour Code?

**Hon. Don Boudria:** Mr. Speaker, that is not correct. With respect, the hon. member has a misunderstanding about how private enterprises, small businesses, work. Nobody is going to tell me that the little hardware store in my village is somehow directed by the people who sell it lawnmowers and who are based in Kitchener, Ontario or wherever. That is ridiculous.

For him to pretend that small businesses in his riding are subservient that way, I do not know what he will do the next time there is a dinner of the chamber of commerce, or if a representative from the Canadian Federation of Independent Business visits the hon. member. That is not an accurate representation of the reality.

I have met with the national labour unions over the issue of this bill. I had a meeting in my office here. My staff and the experts who drafted the bill had further meetings with them. We have totally discussed this issue. For the hon. member to say that small independent businesses in the country are somehow the equivalent of either branches of a bank, vis-à-vis head office, or branches of a labour union being a local, is not accurate as a representation, and I do not think anybody seriously believes that is the same.

**Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance):** Mr. Speaker, I find it astounding, this potentially being the last week of Parliament that we may be sitting, we are dealing with a bill that strictly is going to benefit the government in power, especially in light of this fact. Maybe the Liberals have not even noticed, because they are sitting here on their high horses, that Canadians have been facing crisis after crisis in recent months.

*Government Orders*

Across the country we have had the closure of the east coast cod fishery, SARS in the Toronto and Ontario area, mad cow in western Canada and the softwood lumber problem, which has been ongoing for years because of this lack of management on the other side. Yet the Prime Minister has avoided, evaded and outright ignored many of these concerns and these problems across the country. Instead his only priority is Bill C-24, which he is trying to push it through the House. It seems the only reason is to improve his own legacy and image.

Could the minister explain to Canadians why the attempts to clean up the Prime Minister's image have taken precedence over their health and livelihood?

• (1045)

**Hon. Don Boudria:** Mr. Speaker, I do not know who writes this stuff, but he or she would be fired right now if I were in the place of the hon. member.

The hon. member should know the legislative program of the government. We have dealt with everything from international agreements, aboriginal self-government in Bill C-7 and the budget implementation bill that transfers the funding to the provinces for the health accord to improve health in every way, and about which the hon. member has just talked.

What party voted against Bill C-28, the budget implementation and health transfers to the provinces to help in health? Hon. members across, who are asking me these preposterous questions, are the same people who voted against giving extra money to the provinces for health and all kinds of other things. They voted against the tax reduction measures and all those other things on which the government had been working so hard.

In terms of the Prime Minister's image, and I want to end on that note, the Prime Minister is at an historical high in his personal popularity. He has led Canadians in an absolutely magnificent way for all these years. In a year from now, or close to that, he will no longer be the Prime Minister, unfortunately in my view, but he will be remembered as being one of the great leaders the country has ever had.

**The Deputy Speaker:** There is time for a brief question. The hon. member for Leeds—Grenville.

**Mr. Joe Jordan (Leeds—Grenville, Lib.):** Mr. Speaker, I approve of this bill. It is a step in the right direction, and I want to emphasize that it is a step. I want to dispel a bit the myth that somehow the backbench of this party was pushing for the bill to be less than it was. In fact I was pushing very hard for us go further.

I would just like to say to the minister that in commenting on how and when over the next few years the bill might be reviewed, I would point out a couple of things that I think need attention. One, I think the—

**The Deputy Speaker:** If anyone is going to do any pointing and getting people's attention right now, I hope I can get the House's attention. Please direct the question to the minister. Time has run out on the clock, but I do want to allow a few seconds for a response.

**Mr. Joe Jordan:** Mr. Speaker, on the issue of the \$1,000 going to zero, because I think it is just overly complicated, and the regulation

of leadership expenses in addition to nomination expenses, is there a process that this could perhaps be looked at in the years to come?

**Hon. Don Boudria:** Mr. Speaker, on all issues there will be the statutory review of the bill, which was already the case, and now there is an additional threshold that not only must the Elections Act be reviewed after every election, but now there would have to be a review that takes into account the financial implications involved in the bill in that the additional threshold.

I conclude by thanking all members on all sides of the House for all of the good advice they provided to my officials and I, which assisted me in producing, I suppose, as many as 50 amendments to improve the bill to make it even better legislation for all Canadians.

**The Deputy Speaker:** Let me also thank members and the minister who participated in this question period for their cooperation which allowed for a good number of members to participate.

Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

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

*And more than five members having risen:*

**The Deputy Speaker:** Call in the members.

• (1130)

[*Translation*]

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

(*Division No. 182*)

## YEAS

## Members

Adams	Alcock
Allard	Anderson (Victoria)
Assad	Assadourian
Augustine	Bagnell
Bakopanos	Barnes (London West)
Beaumier	Bélangier
Bertrand	Bevilacqua
Binet	Blondin-Andrew
Bonin	Bonwick
Boudria	Bradshaw
Brown	Bryden
Bulte	Byrne
Caccia	Calder
Cannis	Caplan
Carignan	Carroll
Castonguay	Catterall
Cauchon	Charbonneau
Chrétien	Coderre
Collenette	Copps
Cotler	Cuzner
DeVillers	Dhalwal

### Government Orders

Dion	Dromisky
Drouin	Duplain
Easter	Eggleton
Eyking	Finlay
Folco	Fry
Godfrey	Goodale
Graham	Harb
Harvard	Harvey
Hubbard	Jackson
Jennings	Jordan
Karetak-Lindell	Kilgour (Edmonton Southeast)
Knutson	Kraft Sloan
Lebel	LeBlanc
Lee	Leung
Lincoln	MacAulay
Macklin	Mahoney
Malhi	Maloney
Manley	Marcil
Marleau	Matthews
McCallum	McGuire
McLellan	Minna
Mitchell	Murphy
Myers	Nault
Neville	O'Brien (London—Fanshawe)
Owen	Pagtakhan
Paradis	Parrish
Patry	Peschisolido
Pettigrew	Phinney
Pickard (Chatham—Kent Essex)	Pratt
Price	Proulx
Provenzano	Redman
Reed (Halton)	Regan
Robillard	Rock
Saada	Scherrer
Scott	Serré
Shepherd	Simard
Speller	St-Julien
St. Denis	Stewart
Szabo	Thibault (West Nova)
Thibeault (Saint-Lambert)	Tirabassi
Tonks	Torsney
Vanclief	Venne
Whelan	Wilfert
Wood— 129	

### NAYS

#### Members

Abbott	Ablonczy
Anderson (Cypress Hills—Grasslands)	Bachand (Saint-Jean)
Benoit	Blaikie
Borotsik	Breitkreuz
Burton	Cadman
Cardin	Casey
Chatters	Comartin
Davies	Desjarlais
Doyle	Duncan
Epp	Fitzpatrick
Forseith	Fournier
Gallant	Girard-Bujold
Godin	Gouk
Grewal	Guimond
Harper	Hearn
Hill (Prince George—Peace River)	Hilstrom
Hinton	Jaffer
Johnston	Keddy (South Shore)
Lalonde	Lanctôt
Lunn (Saanich—Gulf Islands)	Lunney (Nanaimo—Alberni)
MacKay (Pictou—Antigonish—Guysborough)	Martin (Winnipeg Centre)
McDonough	Meredith
Merrifield	Mills (Red Deer)
Moore	Nystrom
Obhrai	Pallister
Penson	Picard (Drummond)
Proctor	Rajotte
Reid (Lanark—Carleton)	Reynolds
Ritz	Robinson
Rocheleau	Sauvageau
Schellenberger	Skelton
Solberg	Sorenson
Spencer	St-Hilaire
Stinson	Strahl
Thompson (New Brunswick Southwest)	Thompson (Wild Rose)

Toews  
White (North Vancouver)

Vellacott  
Yelich— 74

### PAIRED

Nil

**The Deputy Speaker:** I declare the motion carried.

Order, please. I wish to inform the House that, because of the proceedings on the time allocation motion, government orders will be extended by 30 minutes.

\* \* \*

● (1135)

[English]

### CANADA ELECTIONS ACT

The House resumed from June 9 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. Joe Comartin (Windsor—St. Clair, NDP):** Mr. Speaker, the one motion in Group No. 2 that we are speaking to is one that the NDP supports, although we have serious reservations about several other sections of this bill. This motion would allow us the opportunity at some point in the future to review the bill. We expect the bill to be law, subject to whatever amendments may go through before it gets to third reading. so in that regard, we think the motion is appropriate.

There has been much criticism that this legislation has come on too quickly. Detail that should be in this bill in a number of fairly critical and crucial areas is lacking. We have heard that from all sides of the House. We have heard it from a number of members on the government side. We have heard it from the Liberal Party, for that matter, to a great degree, both in the public and in committee.

What it speaks to is the division within the Liberal Party over this bill. However, it also reflects negatively on the Prime Minister for having insisted to push this through as rapidly as he did, including what just happened a few minutes ago in terms of the Liberals cutting off debate once again in the House on an issue that is of significant importance to not only the House and the political parties, but to democracy in Canada.

There is no question that the bill addresses concerns that we have expressed as a political party over the dominance of big money on the political process in a number of ways. Probably the best example we have ever seen was in the 1988 election when the free trade agreement was being debated in the country as the principal issue. I do not think it goes beyond the pale to say that big business helped buy that agreement by pressing the issue so strenuously as it did and using its financial means to do so. It jumped out very clearly at that point that reform was needed.

The other point that would be made with regard to reform is to look to the United States and see the way big money there has come to totally dominate the electoral process. It calls out for the need for reform. The Americans have been totally unsuccessful, at least from my perspective, at the federal level in that reform. This bill would go some distance to at least addressing the issues.

*Government Orders*

This particular motion would allow for a review of this legislation six months after the next election. It would allow us to look at the points that we believe have not been properly addressed or addressed extensively enough in this legislation.

I want to speak to at least a couple of those issues, assuming the bill goes through with either no amendment or very minor amendments by the end of this week and then comes up for its final vote. We believe these are issues that will have to be addressed because they have not been properly addressed in this legislation.

The one that is at the top of the list concerns the use of private trusts. They are a scandal, quite frankly. We are hearing of literally hundreds of thousands of dollars sitting in these trusts to be used at the whim of the particular member of Parliament, or his or her trustee.

● (1140)

Part of the problem is that there is no accountability for these funds. From what we have been able to ascertain, the funds clearly were raised to assist in the electoral process, whether it be for a nomination meeting at the riding association level, for leadership runs by various candidates or whether they were donated during the course of an election or between elections for local riding association purposes. In each one of those cases the money was clearly raised. The people who donated it knew that the money would be used for the electoral process.

There is absolutely no accountability, no transparency and no regulations as to how the money can be raised and how it can be used. The bill does nothing to deal with that problem. The wording in the original bill attempted to address it; I will give it that much credit, even though I do not know if I believe it. That prior wording has been completely removed. There is no attempt at all now to regulate the trusts. The attempt to simply roll them over with no accountability and no transparency is a scandal and should not be allowed.

When the legislation comes around for review, if that particular section is not changed and nothing is done about the trusts, we are saying to the government that we will have to look at this again. We will have to put into place a methodology that will totally prohibit the use of those trusts.

Another point I would like to make that will require a review if the legislation goes ahead as prepared is the ability of franchises to donate money under the corporate heading. Earlier in the day I had an exchange with the minister on this point. I want to reiterate very clearly that the federal NDP's position is that there should be no donations allowed whatsoever from the corporate or labour sector. There should be an absolute ban. The government has rejected that position, in spite of the fact that it touts across the country that it is eliminating them. The reality is it is not and it will still allow for reasonably significant contributions coming through the corporate sector. It is not providing a level playing field.

I want to quote some numbers in this regard. Today there are in excess of 1.2 million corporations registered in this country at the federal level. There are a lot more of those at the individual provincial level. At the same time there are 16,000 unions and locals in existence in the country. That is the ratio we are talking about.

We are saying we will allow for those donations of \$1,000, but with regard to labour unions, we will only allow in effect the federal labour union to donate \$1,000. As opposed to that however, in the corporate sector, Tim Hortons and franchises of that nature will each be allowed to donate \$1,000. I counted the number of Tim Hortons in my riding. There are 10 or 11; I am not quite sure about one small one. I also have a good number of locals in my riding because Windsor is a heavily unionized city and we have a number of local unions.

The Tim Hortons franchise alone can donate as much as the whole labour movement. If the labour movement in my community was able to say to the national headquarters that it wants to donate the \$1,000, all of the labour unions in my area would only be matched by the Tim Hortons. Then there are all of the other franchises.

We have to go back to the principle behind the legislation. If the Liberals really believed in the principle behind the legislation as they have enunciated, they would close the loophole. The principle is it is a question of where is the directing mind, who controls? The answer is that the franchise agreements in this country at times have been heavily criticized by our courts as to how restrictive they are, the individual franchise owners versus the corporate conglomerate that controls.

● (1145)

I have looked at a number of those franchise agreements in my professional career. The reality is that control is exercised at the upper corporate level, not at the local level.

In that regard, we need to look at this again. When this legislation comes up for review, we have to have monitored and we have to be able to show that labour unions donated certain amounts and the franchises, as a separate sector of the corporate world, donated hundreds and hundreds, if not millions of dollars. I am sure we will see that a great deal of that money is still going to go to the Liberal Party. I believe when one looks at the facts, that will call for a change. When the review comes up, that is one of the areas that will have to change in this legislation.

**Mr. Paul Bonwick (Simcoe—Grey, Lib.):** Mr. Speaker, this is one of those rare occasions in Parliament when we have an opportunity to debate proposed legislation that is somewhat radical in nature, somewhat of a reform, somewhat far reaching. I think the vast majority of Canadians would agree it is for the very betterment of our political system and this House.

I cannot express in words the level of support I have for this piece of legislation. It provides for greater transparency. It provides an opportunity to address any perceived conflicts that may come in the future. It provides a clean slate for this Parliament and for future parliaments for generations to come. For those reasons, I suggest that this is one of those rare occasions when Parliament should be united. Parliament should be united behind a vision and a principle which Canadians by and large all across the country support.

There has been some disinformation brought out about this piece of legislation. I would like to take an opportunity to address that disinformation.

*Government Orders*

Suggestions have been made by people outside Parliament as well as by some people inside that this is creating a mechanism whereby the taxpayer will simply be subsidizing the political system, the democratic system in this great land of ours. While that is true, it has been true for generations.

Most people do not realize that in our federal political system we issue substantial tax receipts, tax credits if I may, for significant donations or contributions from individual citizens, unions and corporations. What that does on a contribution of up to \$500 for example, is it effectively subsidizes that contribution to the tune of \$350.

That subsidy by way of lack of revenue is the same as a direct subsidy. Whether we are effecting the revenue in the form of giving more, or cutting off the revenue that we have coming in, either way it equates to the same thing. The taxpayers in this country subsidize our political system, and I think rightly so.

The situation in this country is somewhat unique to the rest of the world. We have a good system in this country right now and this will only make it better, and I would suggest much better.

Canadians do not expect, they deserve to have an independent Parliament. They deserve to have a Parliament that is independent from corporate influence. One of the ways to establish corporate or union influence is by having massive contributions. Certainly there is a perceived conflict at the very least and over the years and decades, we have seen those types of perceived conflicts hit the floor of this House and have had significant debates over them.

That is why I suggest that this is not only a good piece of legislation for today's Parliament. It is a good piece of legislation for tomorrow's parliament and for the next generation's parliament and the parliament for the generation beyond that.

When I talk about perceived conflicts, when I look at large corporations that are able to deliver significant funding to individual members of Parliament and parties, I suggest that the system is not so bad that there is conflict. I am suggesting that there is the potential for conflict.

One only needs to look to our neighbours to the south to see why this is such a critical piece of legislation. When one looks at the system in the United States, effectively what has been created is the ability for large corporations to have massive influence within congress and the senate. I would suggest that we never want to get into a situation where we allow that to take place in this country. This piece of legislation would eliminate that possibility once and for all.

● (1150)

I read in the newspaper today that Senator Clinton has released her book. It was interesting to note that in her senate district, when what she spent in U.S. dollars is converted to Canadian dollars, she spent the same, if not more, for one senate seat than all 301 of us in the House spent in the last federal election. That was for one senate district.

We do not want to see our country move into that domain. We want a system that is clear and transparent. We want a system that is

independent of corporate and union influence. We want a system that is driven by Canadians. That is exactly what this legislation will do.

There will be an opportunity, as I understand it based on the amendment brought forward by the government House leader, for a review to see what impact this has had within our political system. The review will be mandatory. It will be a statutory review. Parliament can count on the fact that the Chief Electoral Officer will do an in-depth and detailed review of this legislation after the next election to determine the impact not only on individual members of Parliament but on the parties as well.

That is an absolutely brilliant move. I say that because I believe with some of these far-reaching pieces of legislation we have an obligation not only to ourselves, but to future parliaments and to Canadians to make sure that we review how these things impact. This will provide us with that opportunity.

I was in the U.S. in 1999 for a bilateral negotiation with the standing committee on agriculture from congress. Back in 1999 we were having a pork crisis in Canada. Hence there was the need for parliamentarians to travel down to Washington to meet with their counterparts in the U.S.

It was interesting to note at that time the level of contribution made by, I believe it was, the Pork Producers Association of America. The level of funding that organization gave to members of the committee, more specifically the chairperson, was unimaginable, something that the majority party in the House could even dream about by way of a contribution. I could be wrong, but I believe the figure was \$300,000. Imagine, and that was one contribution. When I told them the maximum spending in my riding was \$67,000, they kind of chuckled and suggested that would be considered a mediocre fundraiser for them.

When I sit here in the House and I see that the maximum spending is approximately \$67,000 and that the bill is moving in the direction of eliminating any perceived or real outside influence by corporations or larger unions, I say it is a good thing. It is not simply a good thing for me. It is a good thing for my children and my children's children. It is a good thing for this Parliament and it is a good thing for parliaments to come. If Canadians deserve anything out of this political system, it is to make sure we are representing the people of the country and not simply some large corporation or large financial institution that is able to make a whopping contribution as is done in the U.S. and in many other countries for that matter.

I am not saying that our system is perfect and that the U.S. one is broken. The Americans have some models within their democratic system that we could certainly borrow, not only in the House of Commons but by way of our parliamentary system.

In closing, this legislation deserves the support of every member in the House because Canadians deserve it and future parliaments deserve it.

● (1155)

[*Translation*]

**Mr. Robert Lanctôt (Châteauguay, BQ):** Mr. Speaker, it is a pleasure for me to speak on Bill C-24 and, of course, on Amendment No. 11 to create section 536.1.

*Government Orders*

First, it must be said yet again that the Bloc Québécois is delighted that the government has introduced this bill, nearly 30 years after Quebec adopted its own political party financing legislation. It is a matter of ensuring a more public financing system, so as to avoid the situation that has existed for a number of years, particularly in the last two, with the sponsorship program.

It is not for nothing that this independence needs to be reworked, so as to ensure that donors have no ties to political parties, as is the case with the sponsorship program and all the money that has been transferred. Groupaction and Everest are just a few examples. So, all the ill effects on society are obvious.

I am my party's public works critic. It is no fun for me to expose the existing corruption or the schemes used to fill the Liberal Party's pockets with public program funding.

It is clear that this bill had to be introduced and the Bloc Québécois, as I said, agrees with having ceilings on contributions. Why do we agree with this?

It is easy to see that if an individual or a company can finance a political party, he or she certainly will not do so simply so that the political party can win elections, especially if the person gives astronomical amounts of money in the hundreds of thousands of dollars. In the troubling cases that are currently in the hands of the RCMP, we are talking about contributions of \$63,000 and \$100,000. Those are big contributors. When someone gives that much money, they expect something in return.

Unfortunately, the sponsorship program was purposely introduced to boost Canada's visibility in Quebec. Of course this was after the 1995 referendum. Nevertheless, the sovereignist movement is still strong in Quebec. People are trying to show and to have everyone believe—especially the media—that the sovereignist movement is on the decline in Quebec after a general election that truly had nothing to do with sovereignty. The only polls that are talked about are those which show a drop in the number of people intending to vote in a general election. However, no one talks about the polls which show that support for sovereignty is still over 40%.

That is why there is an interest in having legislation that sets out ceilings both for individuals and companies. Why? Naturally when we look at these sums of money, \$5,000 could be considered a lot for an individual. It is true. There are not too many people who are able to give \$5,000, but that is the ceiling; and for companies the ceiling is \$1,000.

This also has to be monitored. The legislation specifies that the ceilings of \$1,000 for companies and \$5,000 for individuals will allow everyone to donate to the party that represents their vision.

Will this be a democratic party? Will it be a party that prefers to be authoritarian and anti-democratic, as the Liberals have been since 1993? Only the leader of this government, the Prime Minister, surrounded of course by the staff of the PMO, has controlled this government and even each of the ministers. People will therefore have a choice of contributing to the financing of a political party that represents that authority and one vision of Canada, but not the one held by Quebec.

Once again, the approach of this government is to try to assume all power, use all the money, notwithstanding the current fiscal imbalance, in order to be able to encroach upon provincial areas of jurisdiction. Then there are others—certainly over 40% of the population—who will want to finance a party that will represent them.

• (1200)

Those people are, of course, sovereignists. They will have the choice of making contributions without any imbalance between a party that receives tens, or hundreds, of thousands of dollars and a party people want to finance because its ideology differs from that of the government. That is what this bill will allow. It will re-establish a balance between those wishing to finance a political party.

So, from the democratic point of view, people will feel far more protected. They will know where their money is going. It will serve to promote their ideas and to let them know what sort of future they will be leaving their children.

This situation does not involve everyone. Probably not all members on the other side are involved with the sponsorship scandals. It is not a hot potato any more. The proof is there and they are refusing to have a public inquiry.

I cannot understand the reaction of hon. members who have no connection whatsoever with this situation, which has been stirred up as the result of a program using the money of our fellow citizens of Quebec and of people everywhere in Canada. This money has allowed friends and companies with which the Liberals have connections to misuse the taxpayers' money.

You read the three Groupaction reports. That is only one of the files. We now know that the problem is even bigger. This is not just about reports that were paid for and never produced. Quite the opposite, some were produced, very well produced indeed.

This money was given to advertising agencies and then contracts were awarded to people with ties to these agencies, to people from their families. And it is not limited to the agencies. Yesterday, you heard question period, like I did. We learned that the minister responsible for this program helped out not only friends of the party, family members of advertising agencies' directors, and his friends, but also his son.

Imagine that. This minister was then given an ambassadorship in Copenhagen, Denmark. Incidentally, I was in Denmark, and do you want to know what people asked me about? They wanted to know if the issue involving Mr. Gagliano was resolved. Imagine the image Canada—but also indirectly, Quebec—is projecting having this type of person as an ambassador.

However, what is most ridiculous is that this person, Alfonso Gagliano, wants to become ambassador to the Vatican. After all of the proof tabled here in the House of Commons, which is now in the hands of the RCMP, they want to appoint this type of person to the Vatican. What kind of image will that project for Canada abroad?

*Government Orders*

You know as well as I do that a country's image is becoming more and more important given globalization. We saw what Canada did in its decision regarding Iraq. It is a good thing that the Bloc Québécois was around and that Quebeckers took to the streets, because our government would have supported George Bush.

These are images that we project abroad. I must conclude, but I will come back to this. I think there is one more amendment that will be moved later today. I simply want to say that the time has come for public financing of political parties.

● (1205)

**Mr. Mark Assad (Gatineau, Lib.):** Mr. Speaker, we are all aware that Bill C-24 will bring significant changes in the way political activities are financed and the way all participants in the political process report on their financial operations.

I would like to point out to the House that five or six years ago, I introduced a private members' bill in the House, a bill which unfortunately was not voted upon. I based my argument on a thesis by a doctoral student at the University of New Brunswick, a Mr. Stewart. He proposed a revolutionary change that was really quite simple. He felt that it was time for the state—the government, the people—to finance the political parties.

Why? Because the democratic process is such that political parties are the most fundamental part of our democracy. If the method we use to elect our representatives is not transparent and clear, democracy will suffer.

In any case, the private members' bill that I introduced in the House was inspired, as I said, by his thesis that the state should foot the entire bill for an election. It may seem like a large amount, but I did some research before introducing that bill. I gathered information from Revenue Canada, Elections Canada, and even the Department of Finance, in order to find out how much the current system was costing us with tax credits, corporate tax deductions, and so on. To my great surprise, the total was over \$25 million per year.

Thus, we will have gone through all that paperwork and all those procedures, when it would have been simpler for the government to take responsibility, saying that if it already costs over \$25 million, it would be much easier to have an equitable system, as Bill C-24 recommends.

Obviously, this is a step in the right direction. I was well aware that the state was not going to provide funding overnight. I reasoned that if ten people were stopped in the street and asked, "Do you believe that the political party financing system is fair, just and transparent and that the wealthy have no undue influence?", obviously, nine out of ten people would say, "Hey, do I look stupid?" Everyone knows that there are minor problems and that there is a lack of transparency.

So, my argument was as follows. If the electorate is not convinced that the political party financing system is open and transparent, we have the obligation to change it. If we believe that it is just, then we must defend it and prove to our fellow citizens that it is fair and transparent. But this is not the case. So, we have bills such as this one. The argument is quite simple. We represent the people, but if they have a very poor perception of something, it must be changed.

But, it must be said that Quebec was the first province to have taken the initiative to introduce such changes. I remember, in 1964, the Lesage government took the first steps. It limited nomination expenses per riding. Previously, there were slush funds. People know a little bit about our provincial history in this regard.

In any case, this turned out to be the first step in limiting riding expenses.

● (1210)

Later, in 1977, the year René Lévesque came to power, the government set limits on the donations individuals could make to political parties. These were all steps forward.

Of course, when I proposed my private member's bill at the time, I thought there was eventually going to be a much more open and transparent system. If we believe profoundly in our democratic system—I do and I am convinced that we do have a democracy—we must ensure that the party financing process, which is the very basis of democracy, is fair, equitable and above all, transparent. The whole idea of the wealthy or large corporations unduly influencing the government is no longer valid. I am convinced that this will be a great step forward.

As I indicated, in preparing my bill I consulted many people and organizations not only in my region but also across Canada. I spoke to a number of people and everyone said the same thing, "It goes without saying that, in our system, people have a perception that must be changed".

Bill C-24 marks a step forward. There is no doubt the day will come—I hope I will live long enough to see this—when the state will take over party financing and fund-raising campaigns will no longer be necessary. I know that for many of my hon. colleagues, this is a big burden. We spend a great deal of time raising funds for election campaigns. All this could end.

I will conclude by saying that it is not complicated at all. In fact, it is very simple. We must correct the misconception our fellow citizens have. This is a step forward. I hope that in coming years, in spite of the great many problems experienced in the past, we will be able to show that our system works. It is a start. Let us hope that this is the beginning of a future party financing system that will be the most equitable and democratic in all democratic countries.

● (1215)

**Ms. Jocelyne Girard-Bujold (Jonquière, BQ):** Mr. Speaker, I am very pleased to speak today on Bill C-24, and particularly on Motion No. 11 which will make it possible for a review to be carried out after a certain period of time. This is a normal practice; Quebec has provision for it in its legislation governing political party funding.



*Government Orders*

I have never been prouder to be a Quebecker than I am today. Quebec has set an example for the people across the floor. The Government of Quebec took a real step on behalf of democracy in 1977 on the urging of René Lévesque.

I do not know if it is his approaching retirement that has wakened the Prime Minister of Canada up and moved him toward transparency, but for the second time in only a few weeks I want to congratulate him for taking his inspiration from Quebec legislation.

As hon. members are aware, democracy has many faces. Democracy takes on the face governments want the public to see. At the present time, federal political parties are financed in such a way that the public gets a very negative image. As my colleague in the Liberal Party has just said, we found our constituents discouraged. They told us, "On the federal level big corporations have control over the government, with hidden funds that end up filling the coffers of the party in power".

At last a new day has dawned in Canada. Things are not perfect, of course, but this is a very important first step. For the years we have been here on the federal scene, all Bloc Québécois members have been constantly calling upon the government to take action to at least bring in some transparency, for there at last to be some guidelines for political party financing.

Yes, that day is soon to be with us and at last we will be able to speak. We Bloc Québécois MPs are financed by donations of \$5, \$10 or maybe \$100. As a result, there are no strings attached and we can go and talk to people, ask their opinions on bills, on what is going on in their daily lives.

That is why Quebeckers identify with the Bloc Québécois. In order to get \$5, we often have to go five, six or seven times before we get the chance to talk to someone. We tell people that it is important they fund political parties through a small contribution of \$5 to get a membership card, because that is what democracy is about. It assures them that their representative will never be bound by slush funds and big money, as we have seen in federal politics for decades.

There were some serious problems. I do not know why it took the Prime Minister so long to wake up to this, but as they say, "better late than never". So, this is slow in coming, but it is finally being done and we will finally be able to have democracy. However, I think that we need to keep talking about this because democracy has many faces. For political parties, the first criterion of democracy is transparency when it comes to funding.

•(1220)

Earlier, my colleague, the member for Châteauguay—whom I commend for the work he has done on the file involving Mr. Gagliano—gave us some examples. He was telling us how, in the past, Mr. Alfonso Gagliano, who acted as the Prime Minister's right hand man in Quebec, had set up a patronage system involving funding, cronies and friends of the party. The tentacles even reached to his own son.

How many times—we are doing it still today—have we denounced this way of doing things? This has had an extremely serious impact on democracy and on the accessibility and

independence of politicians, given that this was an issue that concerned the fundamental values of an individual.

We need to denounce this type of activity. We must not say that the slate is wiped clean with this new bill and that is the end of the story. We must continue to denounce what happened with Alfonso Gagliano. There need to be independent inquiries; we must get to the bottom of this. In fact, with this bill, people will say, "Finally".

Still, we cannot say we are turning our backs on the dishonest practices of the past, wiping the slate clean and starting over. No. Things have been done in the past. In January 2004, this bill will take effect and introduce a new mechanism. Then we will have to be very vigilant to ensure that all political parties in this House of Commons are fully onside and ready to follow the new rules. We must not forget that it is not easy to change longstanding fundraising habits.

My hon. Liberal colleague was saying that in Quebec in 1964, under Jean Lesage, some faint questions began to be raised. We must never forget that the Liberal Party of Quebec was a carbon copy of its federal counterpart when it came to such practices.

So we are indebted to the foresight of René Lévesque, whose memory I want to honour today; this man was truly a trailblazer and a guiding light for the people of Quebec. René Lévesque was a democrat in the broadest sense. He was a man who believed that the individual should take precedence over society.

The Prime Minister of Canada is wise to take a page from his book. If Mr. Lévesque were alive today, and sitting in this House, I think he would walk across the floor and say to the Prime Minister, "Bravo. I have been a Liberal in the past, but congratulations". Sometimes, perhaps, when one is approaching one's twilight years—because the Prime Minister is getting close to his announced retirement—one steps back and regards one's political adversaries in a different light, and can look to them for inspiration. This is a historic moment for the House of Commons as we consider Bill C-24.

The hon. members of the Bloc Québécois, my constituents in Jonquière, and I, myself, will finally be able to say that all the rules are the same. No one is going to have a slush fund and everyone will be on an equal footing. Finally, we will be able to debate the real issues in future election campaigns and membership and fundraising drives, without our constituents saying, "That person will not speak for me, because his financing comes from the slush fund".

Bravo. There are other groups of amendments and it will be my pleasure to speak to them at a later time.

•(1225)

[*English*]

**Mr. Jim Abbott (Kootenay—Columbia, Canadian Alliance):** Madam Speaker, there are a few bills that are very important for most members of Parliament to speak to, and certainly this bill is one. Unfortunately, the government House leader has chosen to cut off debate simply because the Prime Minister has his legacy in mind and particularly wants the bill passed before the House rises for the summer.

*Government Orders*

I for one am scheduled to be here until a week Friday. I intend to be here until a week Friday unless the government decides to cut the session short for whatever reason.

We have time to get into the bill. We have time to get onto the record the items that are of concern to our constituents, yet the government has chosen to move forward with closure.

With respect to Group No. 2, Motion No. 11, which we are currently debating, we do support the fact that there should be a review of the act to assess the impact after the first election.

Clearly, we should get as close as we possibly can to reviewing the bill and the impact it will have on politics in Canada and on Canadians in general, but I would suggest that if we were not under this closure by the government, if we had not been shut down, we would have been able to bring out all the issues, or at least most of the issues, that show the bill to be, frankly, in contempt of the people of Canada.

Let us take a look at the stated reason of the Prime Minister for the bill in the first place. The stated reason for the bill is that the Prime Minister has been caught doing a tremendous number of things, first by the *National Post* when it was governed by Conrad Black. We all know the relationship that is not there between the Prime Minister and Conrad Black. Many events have taken place around the government, for instance with the former public works minister who is now in charge of our embassy in Denmark. These events are all things for which the Canadian public has a right to know and indeed for which the Canadian public has an extreme distaste. These are things that are very sorry, very sad and certainly put the honourable profession of being a politician into serious question and into great disrepute.

Because of the actions of the Prime Minister and his cabinet, we now have this bill. That is rather ridiculous. If the Prime Minister had not undertaken the kind of questionable activity in which he was involved and if he had kept proper control over his front bench, over the cabinet, over the government of the day, the Canadian public would not be questioning this.

What is his solution? His solution is to dig deeper into the Canadian taxpayers' pockets.

As the political system presently works, a number of rebates are available to people who choose to contribute to my campaign, to any other member's campaign or to a recognized political party. Through those rebates and tax credits, the people of Canada are currently providing about 60¢ of every dollar that political parties spend. Sixty cents of every dollar that political parties spend currently comes out of taxpayers' pockets as it is. Therefore the Prime Minister's solution to his questionable ethics and his questionable activity is to dig deeper into taxpayers' pockets and go after 80¢ on the dollar.

Now that is bad enough, but what is worse, which to me is the nub of the issue, is that the financing of political parties will be based on the number of popular votes that they received in the last general election.

If we were to go back to 1988 and 1989, when the Reform Party first came on the scene, and then we fast forward to 1993, when the Reform Party at that particular point had so few votes, where would

my party have had the resources to fight against the well financed Liberals and Conservatives? We simply would not have been able to do it.

• (1230)

We are now in a position where, if the bill passes, a party like the Reform Party, coming out of whatever jurisdiction in Canada and following whatever interests the party may have, will not have access to all the largesse that is being provided by the bill out of taxpayers' pockets. In other words, we now have a closed shop situation.

The member across asked where we got the money. I will tell him where we got the money. We got the money from people \$1, \$5, \$20 at a time who were really concerned about the way in which the government of the day, the Conservatives, were completely mismanaging and completely out of touch with the people of Canada.

The people of western Canada, in particular, voted very strongly for the Conservatives, both in 1984 and again in 1988, to maintain the Conservatives in power because they believed, unfortunately falsely believed, that the Conservatives would be paying attention to the concerns of the people west of the Manitoba-Ontario border. They did not and, as a consequence, many people, \$1 at a time, \$5 at a time, \$20 at a time, ended up contributing large amounts of money to the Reform Party. Hence, we had the ability to fight the election in 1993, 1997 and again in 2000. My point is that the bill would stop another reform party.

Perhaps there are people in the House who would jokingly, or even with a pointed joke, ask what the problem is with that. The problem with that is that it is a case of freedom of speech. If I, as a small "d" democrat, believe that the people of Canada should have people who are representing their views, their wishes, their desires and their direction, then I must also expect that there will be some in the community who will oppose my point of view. That is what democracy is all about.

Now, however, to repeat, as a result of Bill C-24, fundamentally new political parties in Canada are not welcome. There is no place for them because there is no way for them to function. There is no way for them to get their message out. There is no way for them to compete with organizations like the Liberals have with all the political staffers.

Where does the money come from for them? Where does the money come from for the computer programs that they run with? Where does the money come from for the storefronts or for the offices? Historically it has come from 60¢ on the dollar from the Canadian taxpayer and 40¢ on the dollar from their supporters, many of which are the large corporations, which is fine. Now we have reached a point where 80¢ will come from taxpayers and only 20¢ from volunteers.

*Government Orders*

There is another smaller problem but, nonetheless, a serious one. I would be hard-pressed to find anyone in my constituency who had any appetite for supporting the BQ. Conversely, I rather suspect that my colleague from the Bloc Quebecois would tell me there are very few people in his province who would be interested in supporting my party, which is fine. Those are the choices. At least they were the choices up until Bill C-24.

Under Bill C-24, people in my constituency in the Rocky Mountains will be obliged to pay for the Bloc Quebecois. Conversely, there will be people who feel very strongly about certain issues and oppose the Canadian Alliance Party with all their might. That is democracy. However those same people will be compelled to pay support to the Canadian Alliance.

This bill, although it had questionable intentions to begin with, has gone downhill from that point. In fact, this bill is just fundamentally anti-democratic.

**Mr. Roy Cullen (Etobicoke North, Lib.):** Madam Speaker, I am pleased to rise today at report stage of the various amendments to Bill C-24.

I support transparency in donations that are made to political parties, to candidates and to members of Parliament. I support full disclosure and full transparency, and I say that unequivocally. Members of parliament should have transparency in disclosing the kind of support we receive across a broad spectrum of Canadian society.

I know there have been many discussions and negotiations at committee on the bill and it looks like some progress has been made. However I still have a number of concerns and they fall into essentially three categories.

First, my most fundamental questions are: Why do we need the bill? What problem are we trying to fix? I will come back to that in a moment.

Second, I have concerns about the limits to corporations and to unions. I will come back to that in a moment.

Third, we have had a serious lack of effective consultation on the bill. I understand that many of the parties are agreeable to some of the amendments but I wonder if we are not rushing into this without having a proper review of the implementation and without having the major stakeholder groups onside and supporting this important legislation.

I would like to come back to my first question. Why is the bill needed? As I said earlier, we need full transparency, and I certainly support that aspect of the bill, but the bill goes beyond that. It seems to me that the government is trying to deal with perceptions among Canadians, perceptions that perhaps politicians are not totally honourable people and perhaps are influenced by donations from corporations and unions.

It seems to me that government should be leading, not by dealing with perceptions but by dealing with substantive issues. If the perceptions are wrong, then the government should be communicating to Canadians that parliamentarians are honourable people and are not influenced by donations in their service to the Canadian public.

We did have some problems with the sponsorship program in the province of Quebec, which was a very unfortunate circumstance. The Minister of Public Works has taken it upon himself to remedy that situation. Sponsorship contracting has all been brought back in-house and I think that will deal with that particular problem.

Therefore why do we need legislation to respond to one particular circumstance? My perception is that this legislation is partly in response to some of the very difficult situations the government found itself in with respect to the sponsorship program in the province of Quebec. However does that mean we need legislation to limit donations for corporations and unions as a matter of general policy? I have some difficulty with that.

I do not have any difficulty limiting corporate donations and donations from unions because some of the amounts can get quite large, which can become a problem, although maybe not consciously. However to limit corporate and union donations to \$1,000 is somewhat overkill.

In my riding it makes absolutely no difference whatsoever. I think I can count on my left hand the number of corporate or union donations I have received that have exceeded \$1,000. In fact, if I did see one I would probably ask myself why they were doing that.

Typically, my fundraisers include a reception at which corporations, individuals and organizations might pay \$200 to attend and support the process. Do they really feel that by buying a ticket to my fundraiser for \$200 they will be creating all kinds of access or opportunities for them to influence government?

•(1235)

I am sorry, while I very much appreciate their support, a \$200 donation at my fundraiser will not exactly pave the way for instant access to the government, or to me for that matter. I have very much of an open door policy in my riding. Citizens can pick up the phone and say that they want to see me, and that will happen. It may not happen that day or that week but it will happen. Access is not a problem.

If we look at the Canadian bankers for example, they are one of the largest donors to political parties. In fact they are like many large corporations, they donate to all the major political parties. They might donate to the governing party in a larger amount but they donate to all the political parties. They support the process.

If we recall, in 1988 the bankers wanted bank mergers very badly. The government said no. They must have asked themselves what value their corporate donations made or what value they had. I suspect that really when we look at it, they probably would not necessarily put the question to themselves in that way because they are supporting the democratic process. They also know that in the formation of public policy, sometimes one is successful and sometimes one is not, depending on the issue and the validity of the issue being pursuing.

The way the bill is presented and the one we will probably vote on will have no impact on me at the riding level. I just want to make that clear.

*Government Orders*

One of the difficulties is we disengage corporate Canada and unions. When we go to big fundraising dinners with the Prime Minister, we meet people and network with them. Sometimes we put a face to a name or there is a fleeting moment where someone could raise an issue. It is a matter of communications, networking and having corporate Canada and unions engaged in the process. The bill is somewhat of an overkill to deal with something that seems to be a perception problem.

The other problem I see with the bill is we will end up going to the public purse for more subsidies for the political process. We have a system that is frankly working, where we have corporate Canada and unions already supporting the political process. I do not really believe it buys them that much influence. There have been some exceptions, but in general terms I do not believe it does. Nor do they look upon it that way. They want to make contact, support the process and engage in the public policy process in the politics of the country.

I could support certain limits to the corporate and union donations but I have difficulty with the \$1,000 limit. If in my riding of Etobicoke North, I get a donation from the president of a local company for \$2,000, will I really think that person, on a personal level, thinks I am a nice guy and that I do a good job? If I get a donation from the president of a local company for \$2,000, my bells will start to ring, that there is something people want. It will not be that individual; it will be that individual on behalf of the corporation.

• (1240)

We all have to deal with these realities. When I get a large donations, maybe \$500 or \$750, I do ask myself what those people might be looking for. At that level, I do not spend too much time thinking about it but I appreciate that the corporate world and unions in my riding are engaged in the political process.

I personally support full transparency. Every Canadian should know exactly who has donated to my campaign and to every member in the House, every candidate. However I have difficulties with the current limits that are proposed in the bill.

I understood there were to be report stage amendments which unfortunately were ruled out of order. That of course is the prerogative of the Chair. However I was hoping for that kind of relief on the bill. It did not happen. I will now have some difficulty supporting those limits where we are basically disengaging corporate Canada and unions from the political process.

• (1245)

**Mrs. Bev Desjarlais (Churchill, NDP):** Madam Speaker, I am pleased to have an opportunity to speak to Bill C-24, an act to amend the Canada Elections Act and the Income Tax Act.

There is no question we have heard a variety of perspectives from different parties and from within the parties as to how we need to approach the bill. My Liberal colleague who just spoke has indicated he does not feel a few thousand dollars will buy influence with members of Parliament or the governing party. The perception out there among Canadians from coast to coast to coast, because it is not a regionalized issue by any means, is that a lot of money does buy influence. Whether it is a huge amount of dollars given by corporations or by unions, the perception is that democracy will

be influenced. That is a major issue. To suggest in some way that it is not a real problem, is turning a blind eye to what we are hearing from Canadians.

I do not think there is any question that we need to see some changes through the process of elections in Canada, and in a number of other areas within Parliament. I do not believe for one second that this is the only thing we have to do to ensure a real democratic process and to ensure there is a process that is not influenced by certain sources.

There is a lot more to be done and part of that will come from maybe an independent ethics commissioner responding to particular things. The key factor that has Canadians so enraged in the last while has been the number of patronage types of expenditures that have appeared within the public works department and within the government.

The former minister who is no longer with us, Minister Gagliano, received an appointment after all those huge expenditures, with indications of patronage. He resigned and received an ambassadorship in Denmark. However the Vatican has indicated it is not willing to accept him as an ambassador there. From the perspective of Canadians, that is a plus, because there were a lot of upset people, Canadians and parliamentarians, over the blatant type of patronage contracts within the government.

There is an issue, even though my Liberal colleague said there is not. Whether it is a perception or reality, that may have to be proven. From my perspective, it is a reality. There is no doubt in my mind, judging from some of the things that have come up, there is an issue.

Quite frankly within the New Democratic Party we have not accepted large donations from corporations. We have accepted them from unions, but from a broad spectrum, and unions give to other parties as well. We will support the legislation that will ensure there are limitations put in place.

As has been indicated so far in the discussion, we think the legislation is unfair in that corporations at every level can make donations but unions cannot. I want to speak to this directly.

United Food and Commercial Workers is a union to which I still belong. I pay my union dues every year. I have benefited from a unionized workforce, a contract that has given me an opportunity to be away from my employment. Should I not have the opportunity to be elected at some point, I will be able to go back to that employer, so I have benefited from that. However I have paid my union dues.

The United Food and Commercial Workers has a number of locals throughout Canada. I specifically belong to local 832 within the province of Manitoba. There are numerous locals throughout the country with which I never have contact at any given point. To suggest that UFCW, as a nation, can only make one donation is unacceptable. I have been a contributing member of my union.

*Government Orders*

•(1250)

We have a signing agreement to allow money to be taken from our union dues for political donations. I believe there is a democratic process in place for any members who do not want that to happen, if they really want to pursue it. I was given an opportunity as to whether I did.

However I want to emphasize what is unfair within this legislation. The union local that I belong to by rights could not make a donation to myself if the Canadian UFCW, as a whole, made one donation of so much money. That is unfair. If we are working at fixing the system, then we need to fix it to be fair, not continue with it as a one-sided issue.

If we look at the amount of donations that corporations make as a whole compared to what unions make as a whole, there is an imbalance. There is no question that a number of times corporations have made rather large donations and appear to have benefited from that in the way of government contracts. I would challenge anyone to show me how a union contribution has benefited an individual corporation or individual union and not the Canadian public as a whole.

Any legislation, which I have seen in the House or elsewhere, that unions have supported have not just been legislation that says only unions will benefit, such as health and safety legislation. It has been legislation that would benefit every Canadian. It was not legislation that said this union would get this much money for this contract. That is not how it works, and that is because union members as a whole want to see improvements throughout the nation. That is generally how things have worked.

We have seen a lot of major social changes as a result of the efforts of unions throughout the country. There was a statement made from someone within the New Democratic Party, as a CCF member. The individual said that what we desired for ourselves, we wished for all. That is our perspective as well. That is what we want to see. We are not just out for ourselves.

Within this election reform bill, if it is allowed to go as is without some changes to whether a small union local can give some dollars to someone in its area, that is unacceptable. We have 301 ridings across the country right now. I would be willing to guess that probably every riding has some union in place. To suggest that of those 301 ridings a union can only make one donation of a certain amount or that it spreads it so thin with a \$2 or \$5 donation to each and every candidate, if so desired, is unacceptable.

An other statement that came up from my Liberal colleague was what was the rush to get this through. Like so many pieces of legislation that come before the House, if we are ever going to see anything done, we have to get on with doing it. I know if there is a will to see things change and improve, it can happen. If there is a will to really not do anything, it can be dragged out.

There has been one issue that has been on the forefront for me and for members within my party, and that is bringing in legislation on corporate liability and corporate accountability. It was lost in the last Parliament because an election was called. This time around it came up again. We were to see legislation before us, but that has not

happened. We risk possibly losing that again if we do not get on with it.

What is the rush? The rush is if we do not just damn well go ahead and make these changes, they will never happen. If it has to be done in the name of the Prime Minister wanting a legacy, then so be it, let us make some changes. I would like to have seen a legacy that might have turned out a whole lot fairer than what this bill may imply but it is a step in the right direction.

•(1255)

I hope Parliament will support this legislation. Obviously we have some problems with bits of it and we will deal with them, but there is no question that it is a move in the right direction. I think it is something Canadians want to see. My time is up, but I will come back on the next round.

[*Translation*]

**Mr. Claude Bachand (Saint-Jean, BQ):** Madam Speaker, it is a pleasure for me to also speak today on Bill C-24 at report stage.

Just last week, I was speaking on the Lobbyists Registration Act. I think that today's debate is a bit similar to the one we had last week. I had suggested that differences between lobbyists be established. Of course, lobbyists with a \$400,000 lobby campaign probably exert more influence than lobbyists with a \$40,000 lobby campaign.

Today's debate is somewhat similar, in terms of setting limits on political party contributions and financing. Last week, I had an idea—an ideal, some would say—about how the electorate should be served. Is it normal that a voter, who cannot afford a membership card or to make contributions to a campaign fund, would receive much fewer services than someone who makes major contributions? People will say that this is not an ideal world. That may be true, but one fact remains: politics is a bit like justice, there must be, at the very least, the appearance of justice for it to work.

In politics, everyone knows full well, no matter what people say, that if they call the Prime Minister, they are much less likely to get him on the line than the President of the Royal Bank is.

Given the implications of this system, I support voters who say, "Is it possible to better serve voters by implementing rules to ensure some fairness for all?" Even if we know that this could never be totally true, one fact remains: the system, in its current state, cannot continue if the goal is the appearance of transparency in politics.

So, it was important for me to consider these bills in relation to each other. In both the Lobbyists Registration Act and the political party financing legislation, such individuals can exert an influence both on the executive branch, or cabinet, and the legislative branch. Quite obviously, those who want to be truly effective will hire the best lobbyists at top dollar and will likely make significant contributions to the campaign funds of political parties that promote or might promote their values.

*Government Orders*

Today's debate is important. Finally, after nine years, we in the Bloc Québécois are having the satisfaction of seeing this bill being brought in, as we had been asking for the longest time. Ever since I was elected to this place in 1993, we have been calling for a reform of party financing along the lines of what was done in Quebec, where this reform took place more than 20 years ago now. I will remind members that, in Quebec, corporate and union donations are prohibited; only individual donations are allowed. This limits the influence of large corporations and big unions.

We could look at several examples. One example is election funds. It is not often mentioned that election funds are political party funds. There is a double distortion in election funds and in contributions, in that contributions can be made to candidates running for the leadership of a party, as is the case right now. There are clearly distortions. The more people get the impression that corporations and unions are making contributions, the more they get the impression that these corporations and unions are exerting influence. That is probably also true.

Not so long ago, the Liberal Party was complaining to the leadership candidates that hardly any money was going into the party's coffers, since large corporations were investing in one leadership candidate or another, which left less money for the party.

We can see that there are great distortions and a great lack of transparency in the existing system. I think that the bill before us will put this right.

There are many examples. Everyone talks about sponsorships. This was a program established by a former minister who is currently the ambassador to Denmark and who may be appointed to the Vatican. We shall see. There was indeed a program whereby contracts were consistently awarded to friends of the party in exchange for contributions to the Liberal Party.

• (1300)

The result is that there is no longer any transparency in politics. The voter can no longer keep track of things and can become very cynical. Afterward, we wonder why the turnout at various elections is so low. Maybe it is cases such as these that make voters lose confidence.

If we look at the government's behaviour toward big contributors it is no wonder. Every year, we see how much is given by the big banks, the oil companies, Bell Canada and so on. We can understand why a voter would say, "That explains the government's reaction".

For instance, we have been asking the government for years to control the service charges imposed by the banks. There are fixed charges and all sorts of charges. The big banks have not stopped making exorbitant profits over the years. We have realized that the government is very reluctant to put an end to this. If people knew who the top 20 contributors to the Liberal Party were, they would see that in fact the big banks are among.

The same goes for the oil companies. We have been asking the Minister of Industry for months to work with the commissioner of competition and fully enforce the Competition Act. The minister says, "It is not up to us to regulate the price at the pumps". That is not what we are asking it to do. We are saying that it is not normal

for four gas stations on the same street corner to increase or decrease their prices at the same time.

There is definitely collusion among the oil companies. The minister keeps playing the same old tape, which is that the price at the pump comes under Quebec's jurisdiction. Clearly, he has no regard for the Competition Act. If people knew who the main contributors were to the party's coffers, they would perhaps understand why the Liberals want to put the ball back in Quebec's court. They do not want to upset those who contribute the most.

To take the banks as just one example, one of my Liberal colleagues has said that the banks probably donated to everybody. That is not so. When the Bloc Québécois was established, it adopted Quebec's approach to political donations, and so it was all personal contributions. Imagine what I heard from the banks, "Mr. Bachand, if you complied with the federal legislation, there would be some nice little cheques of \$500 or \$1,000 waiting for you at our bank. We are prepared to make donations to you, but you see, you do not comply with the federal legislation".

In 1997, a debate was held at the Bloc Québécois convention, and we decided to fight on an equal footing with the federal parties, to accept cheques from major corporations and banks. I went to the banks that had so kindly told me off and I told them, "Well, are you aware that we are now accepting cheques from corporations and companies? So could I have this year what you were offering me last year?" Then I heard a different argument. "We would be glad to donate to you. We know you comply with the federal legislation, but unfortunately you are not running candidates in all ridings in Canada". Will the Bloc Québécois have to create an Ontario wing, a Manitoba wing, and so on, in order to comply with the new rules the banks have adopted?

Clearly they have intentions. We have seen that the money they contribute is for very specific purposes, to protect their turf. That is as much the case with the banks as with the oil companies or Bell Canada.

I sit next to representatives from Bell Canada at meetings of the Haut-Richelieu chamber of commerce. They tell me, "You know Mr. Bachand, we do not give any political contributions. We would love to go to your cocktail party, but we do not contribute. We do not want to get involved in politics". I learned from the chair that Bell Canada gives \$50,000 to the Liberal Party and the same amount to both the Progressive Conservative Party and the Canadian Alliance. Yet, we do not get anything.

So, this is important. Democracy cannot be bought. I think that \$1.50 or \$1.75 per voter, as proposed, is perfectly suitable. People must understand that governments must not be influenced by money in our society. Until this bill is passed to do away with the whole issue of influence over political parties in return for special treatment for businesses, there will not be any transparency in politics. That is what voters want right now.

*Government Orders*

We are very happy about this bill. Obviously we will be supporting it. I would invite all of my colleagues in the House of Commons to support this bill to get our house in order, once and for all, and to restore voters' confidence in politics.

• (1305)

**Mr. Jeannot Castonguay (Madawaska—Restigouche, Lib.):** That is right, Madam Speaker, Madawaska—Restigouche, in New Brunswick, a beautiful place to visit over the summer.

Madam Speaker, Motion No. 11 proposes that, following the next general election, the Standing Committee on Procedure and House Affairs be called upon to consider the effects of the provisions of this bill concerning political financing.

I think this significantly improves Bill C-24. As we know, the bill will result in major changes to the way political activities are financed and to the reporting of financial transactions for all involved in the political process.

As we have heard in committee, these changes will require serious efforts to adjust, particularly at the level of riding associations. The bill proposes major changes to this institution, to bring greater transparency to the transactions made by the associations and greater rigour to their financial management.

The bill also proposes changes which are likely to make these new rules more palatable to those who work, often without pay, in our associations.

I would like to say a word about transparency. Back in the early 1990s, the Lortie Commission said, and I quote:

Full disclosure of information on financial contributions and expenditures is an integral component of an electoral system that inspires public confidence. Essential to enhancing the integrity of the political system are the principles of transparency and public accountability.

Sharing this vision, the Chief Electoral Officer has been harsh in his criticism of the current system. His reference to a "black hole", by which he means the activities of riding associations, has often been quoted.

Most hon. members will agree with me that there is nothing very mysterious going on in our associations. Complete disclosure, once a year, of the contributions received and expenses incurred by riding associations would show this.

We at the federal level are not the first to demand transparency of our riding associations. Seven provinces already do this. Those of us who represent ridings in Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Alberta and British Columbia can attest that provincial riding associations already have to provide this kind of information every year.

The bill provides that on or before May 31 of every year, the financial agent of each registered association shall submit the association's financial transactions return for the preceding fiscal year to Elections Canada. In that return, the financial agent will provide a statement of contributions received by the association, by class of donor, as well as a list, with names and addresses, of donors who have made contributions of over \$200 to the association during the year. This is the same rule that already applies to parties and candidates in an election.

Special rules will also apply for the initial return, when the association registers with Elections Canada. It will not be necessary, at the time of registration, to disclose the source of contributions received before the last general election, simply the total assets of the association, including bank balances.

The bill also provides that if the association is eliminated by changes in electoral boundaries, it will be possible to transfer funds to other riding associations. In that case, the bill recognizes the extent to which it would be difficult for an association receiving funds from another association to be expected to disclose the source of funds. Thus, if the transfer is made within six months after the riding association is eliminated, it will not be necessary to disclose the source of funds but only the total actually received from the former association.

I would like to mention an important improvement that was made to the bill in committee. This improvement will significantly reduce the impact of an electoral boundary review on riding associations.

Under the new rules, the deregistration of an association following the readjustment of electoral boundaries will not be automatic. In fact, it will be possible for the registered association to continue as the association for a particular electoral district simply by filing a notice with the Chief Electoral Officer, without having to deregister and re-register.

• (1310)

Furthermore, it will be possible for an association to pre-register once a representation order has been given, so that the association can be automatically registered once the order comes into force.

The aim of the bill is not only transparency, but also greater responsibility for the riding associations. It makes registered riding associations responsible for respecting certain basic rules of financial administration, such as appointing a financial agent, an electoral district agent and an auditor.

The bill provides for the auditing of the association's accounts if it has accepted contributions of more than \$5,000 or incurred expenses of more than \$5,000 in a fiscal year. This obligation to conduct an audit therefore applies only to associations that remain active between elections.

Under the bill, those riding associations that must conduct an audit of their books will receive a refund of up to \$1,500 of their audit expenses.

The obligation to conduct an audit for riding associations that remain active between elections is not new. This is already being done in the majority of provinces where riding association reports are required.

There are a number of other provisions in the bill concerning riding associations. Seeing that these take up 15 pages, one cannot avoid asking oneself some questions. Most of the provisions, however, are adaptations of the rules that apply to the parties and there are many to protect riding associations in the event of disputes.

*Government Orders*

There is a special rule for the associations, however: no more than one riding association can be registered in each riding.

Riding associations of registered parties that accept these rules and register with the Chief Electoral Officer will acquire the following rights: the right to accept contributions, the right to provide services and to transfer funds to a candidate supported by the party and, finally, the right to accept surplus electoral funds from a candidate, leadership contestant or nomination contestant.

What is more, they may issue receipts for income tax purposes themselves when they receive contributions. They will no longer need to forward these contributions to the party between election campaigns in order to have receipts issued, or to pay the charges levied by some parties for issuing these receipts.

All in all, I believe that the provisions of this bill, which are aimed at the riding associations, will enhance transparency. They will also facilitate better management of the financial operations of these associations. Finally, in connection with the authorization to issue tax receipts for contributions made outside of election campaign periods, we must admit that this will relieve the associations of a major irritant.

Some of us have justifiable concerns about adding to the burden of the volunteers who run our riding associations. The bill, with all its clauses, does nothing to allay those concerns. On the other hand, if one reads the bill carefully, it is clear that with the exception of some new reporting requirements, the new rules are entirely consistent with good financial administration. In many cases, I bet we will find, in discussing this with our riding association presidents and treasurers, that the association will have already put these rules, or something similar, in place.

Moreover, the addition proposed by Motion No. 11 provides assurance that an examination of these issues will be carried out after the next general election.

Given the importance of the changes proposed by Bill C-24—and I have only addressed the ones affecting the riding associations—I believe this is a wise measure and one which ought to reassure the members of this House.

• (1315)

[*English*]

**Mr. Larry Bagnell (Yukon, Lib.):** Madam Speaker, I am pleased to speak to report stage of Bill C-24.

I have not had a lot of constituent input. Only a couple of people raised concerns about any onus this might put on local associations and the difficulty in getting volunteers for such work, and the concern related to the financing of the political system by taxpayers. I support the motion for the review of the implications of Bill C-24 and I hope that the views of my constituents are taken into consideration.

The measures contemplated in the bill are of great importance to us as members of the House. They are even of greater importance to Canadians. They are about solidifying and improving public trust in our political institutions. All members would agree that a healthy, democratic process is the most valuable asset that a society can have.

We are all here because we profoundly believe in the importance of the democratic process. We recognize that our capacity to inspire respect for the rule of law is dependent upon it as is our ability to make difficult yet necessary decisions on a wide spectrum of issues such as criminal law reform or the environment.

We are fortunate in this country to have one of the most highly regarded electoral systems in the world, but this does not mean that it is a perfect system and that there is no room for improvement. I would like to take this opportunity to address what is the fundamental core of the bill, the establishment of limits on political contributions.

There is no dispute that money is indispensable to the electoral process. Parties and candidates need money to develop a platform, to communicate with Canadians, and to compete for their support. It must also be recognized that besides voting and running for election, making a political contribution is a legitimate form of political participation. Political fundraising allows the pooling of individual resources in order to pursue common goals. That is why our system, as well as many other regimes around the world, encourages individual contributions.

Yet, a system of unregulated fundraising can adversely affect our system of democratic governance by undermining public confidence in political institutions. When a party or particular candidate relies heavily on a handful of large individual or corporate contributors, there is a concern about the existence of a quid pro quo that can lead to perception of undue influence and a perception of undue influence is just as bad as the reality.

In this regard, the absence of any actual corruption does not diminish the importance of the harm done to our political institutions. One of the most important values underlying our electoral system is that of equality. Where it is perceived that some, because of their wealth, are able to command a disproportionate attention then there is a feeling among citizens that they are not equal participants in the political process.

Obviously there will always be differences in wealth and some individuals have the capacity to spend significantly more than others. Absolute equality in this area cannot be imposed, but setting limits on contributions leads to a broadening of the funding base for political parties and instills some measure of political equality.

In doing so, we take an important step toward improving public trust in our political institutions. That is why a number of other jurisdictions that share a commitment to democratic governance have come to accept the importance of imposing limits on political contributions.

Internationally, these jurisdictions include the United States, France, Spain and Japan. Here in Canada more than half of all the provincial and territorial jurisdictions have imposed limits on contributions, including Quebec, Alberta, Ontario, Manitoba, New Brunswick, Northwest Territories, and Yukon.

The experience of these jurisdictions shows that a system of political financing that includes contribution limits is not only worth pursuing but also feasible in practice.



*Government Orders*

As the government House leader pointed out during his appearance at the Standing Committee on Procedure and House Affairs, the setting of an appropriate contribution limit is by its very nature a line-drawing exercise. There is no magical number.

If we look at the existing limits in other regimes we see that there is a significant range. Some provinces, such as Quebec and Manitoba, have opted for a low limit of \$3,000, although it has already been pointed that the \$3,000 limit imposed in Quebec would amount to nearly \$10,000 today had it been indexed.

• (1320)

In Alberta, by contrast, the annual limit for contributions to a party is \$15,000, plus a maximum of \$3,750 to the district associations of the same party. This brings the Alberta limit closer to the \$20,000 range. In Ontario, there is a limit of \$7,500 for each registered party per year.

In the end, the issue is one of balance. One of the key objectives in this legislation is to remove the perception that wealthy individuals have undue influence on political participants.

At the same time, we recognize the importance of financial contributions for an effective electoral system. This was certainly a point made very clear during the hearings by political parties and individual members.

As the minister has indicated at his appearance before the standing committee, he was open to hearing suggestions about what the appropriate limit should be. As he made very clear, however, the ultimate limit chosen must respect the fundamental principles of the bill. In other words, it would have to meet the bill's objective of restoring public confidence in our electoral system while, at the same time, ensuring political participants have access to the resources that they need.

On a positive note, there was virtually no one who appeared before the standing committee who said contribution limits were a bad thing. Most witnesses recognized the need for limits as a way of restoring confidence to our political system. The vast majority of those who addressed the issue of contribution limits focused on the actual level of the limit and many felt that the original \$10,000 limit was too high. Suggestions for contribution limits were as varied as the number of witnesses. They ranged from a suggestion by a few members that limits should be as low as \$600 for candidates and electoral district associations, to a few witnesses who felt the \$10,000 limit was just fine. However, most suggestions seemed to fall into the range of \$3,000 to \$6,000.

There was also a debate about corporate limits. As a result of the strong sentiment expressed on this issue, the limit for individual contributions was ultimately reduced to \$5,000. As part of the amended limit, it is also important to note that candidates would be allowed to contribute an additional \$5,000 to their own campaign in election years.

In the end, I believe the committee found an appropriate compromise. The \$5,000 contribution limit would provide a necessary balance. It is low enough to combat the perception of influence while, at the same time, providing political participants the funds they need to function effectively.

I would like to conclude by emphasizing the importance of the bill. As I have indicated at the outset, public trust in the democratic process is the lifeblood of public governance and the foundation upon which every member of this House stands.

I believe that imposing reasonable limits on contributions would significantly contribute to enhancing public confidence in the integrity and fairness of our system of representative government.

The contribution limits, when combined with the expanded disclosure measures, the prohibition on corporate and union donations, and the enhanced public financing provisions would mark an important and necessary milestone in our political financing system.

For these reasons, I will be supporting the motion and encourage other members to do so. That being said, I also support the review of this bill as proposed in the motion.

The last point is in refutation to a point that came up the other day. I was astonished that the Alliance spoke against our trade efforts around the world, particularly outside the United States. It was much to our astonishment that the Tories started questioning NAFTA and free trade in North America. In fact, it was not the new leader; he was being democratic. It was the third most popular candidate and a significant portion of the party.

But yesterday, the Alliance member questioned our trade with the rest of the world and its effectiveness. The Alliance was questioning trade that brings so many jobs to Canada and supports so many businesses, especially in these difficult times. The Prime Minister has led these trade missions around the world to Russia, Germany, Japan, Mexico, Brazil, Argentina, South Korea, Thailand, India, Pakistan, Indonesia and Malaysia, along with 2,800 reps from Canadian businesses bringing a \$30.6 billion increase in trade to Canada. So, if I was working in a company that trades around the world, I would be worried about the Alliance's criticism of Canada's efforts to trade around the world.

• (1325)

[*Translation*]

**Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ):** Madam Speaker, it is my great pleasure to speak to Bill C-24, especially since it provides for an overhaul of political financing in Canada. Moreover, the Prime Minister himself admits that the system, as set out in Bill C-24, was very much inspired by the one that has existed in Quebec since 1977.

I would remind the House that the system that has existed in Quebec since 1977 was created by someone who did a great deal for the Quebec cause, someone whose goal in public life was to clean up politics. The person who adopted this system in 1977 was René Lévesque.

When this bill was introduced, we heard the Prime Minister, a well-known adversary of sovereignists—whom he detests—praise the system implemented by René Lévesque. Rest assured that to us, as sovereignists, this was sweet music to our ears, a lovely symphony indeed.

*Government Orders*

Since I have very little time, I should focus on three aspects of the amendments. We know that Bill C-24 was reviewed by the Standing Committee on Procedure and House Affairs, of which I am a member as chief whip for the Bloc Québécois.

In the amendments I put forward in committee, there were three aspects that I strongly insisted on. Perhaps we can still convince our colleagues from all the parties here. The first one had to do with corporate financing. We know that the system in Quebec prohibits outright any type of financing from corporations, unions or associations of individuals.

Unfortunately, the bill still allows this. It is true that the contribution a large corporation may make is quite small. We are talking about \$1,000. However, to clean up politics, the bill should ban any form of corporate financing.

One of the underlying principles of political financing reform, and consequently of cleaning up politics, is to eliminate any undue influence that certain people or groups of people may have on the machinery of government or the elected members of this House.

Of course, under the current system, among the 10 largest contributors to the Liberal Party of Canada are the big banks, like the Royal Bank of Canada, the Bank of Montreal, the CIBC, and so on. The big oil companies are also on the list, the same ones that gouge drivers, the small users. Once again, the gas tax suits the government, just like the issue of competition, the close ties between the oil companies, which control the refineries, distributors and retailers.

• (1330)

When a party receives hundreds of thousands of dollars in election contributions, it is not necessarily motivated to solve the competition problem among oil companies. That is why we must ensure that corporate funding, and union funding, even amounts of \$1,000, be completely prohibited.

Since I am running out of time, I want to talk about the second concern we had with the draft bill. I am happy to say that this has been a victory for the Bloc Québécois. At report stage, we put forward an amendment to lower the limit for individual contributions.

In the bill introduced at first reading, the limit for individual contributions was set at \$10,000. I would challenge any member in the House, or anyone here in the galleries or at home, to tell me if they knew many people who could make a \$10,000 individual contribution to a candidate. It was completely ridiculous. It lowered the likelihood of members being accountable to middle income or lower income people, those who do not have the means to give that kind of money.

Imagine that a constituent comes to us and says, "I am going to give you \$10,000 for your electoral campaign". Is that person going to carry exactly the same weight as the ordinary person who comes to see us? The current bylaws of the Bloc Québécois prohibit contributions of this size, in any event. Our current bylaws specify a ceiling of \$5,000. But imagine what would happen if our amendment had been defeated. Fortunately, the Bloc Québécois amendment was accepted by the government majority, and the maximum individual contribution will be \$5,000.

Most of the contributions to Bloc Québécois members come from ordinary people who give \$2, \$5 or \$10 to help with our election campaign. During a campaign, our election headquarters receives telephone calls from people who say, "I would like the MP or candidate to come and see me at home. I will have a contribution to make". Sometimes we cover quite a few kilometres and when we arrive, the caller takes \$5 from his wallet and says, "I know that the day after the election you will represent us, because you are a party that represents ordinary citizens and the middle class, not just people who can afford to give \$10,000". Therefore, we were very happy that our amendment was accepted.

There are other amendments that we suggested for Bill C-24. We could have taken advantage of this bill to change the current process for appointing returning officers. I am getting the signal that I have only one minute left so I will try to be brief.

Under the current system appointments are made by the governor in council. It is the government that appoints friends of the party, good Liberal organizers. They are the ones who are appointed returning officers. Unfortunately, although some of them are competent, this practice sometimes leaves the door open for incompetence. Even the chief electoral officer, Mr. Kingsley, asked parliamentarians on the Standing Committee on Procedure and House Affairs to put forward amendments to model the system after the one that exists in Quebec, in other words, a system of open and transparent competition where job offers are published in the papers so that anyone can apply to become a returning officer in Quebec ridings. This fosters a system free of any political interference or patronage.

• (1335)

Unfortunately, the government did not accept this amendment. Nonetheless, the Bloc Québécois is stubborn. As long as this is not cleaned up, we will keep coming back to this demand that members of the Bloc Québécois have been making since 1993.

Since the Speaker is indicating that my time is up, I will conclude.

[*English*]

**Mr. Alan Tonks (Parliamentary Secretary to the Minister of the Environment, Lib.):** Madam Speaker, it is my pleasure to rise with respect to this debate and make further comments on something that was raised during the debate on the subject of trust funds.

It was said that the government had not dealt with trust funds. I beg to differ. I will elaborate with respect to the overview, which I think will bring members of the opposition to the proper conclusion that the matter of trust funds has in fact been dealt with.

*Government Orders*

There has been a lot of confusion with respect to Bill C-24 and the use of trust funds for political purposes. I believe it is time to correct these misconceptions and to try to set the record straight. In this regard, it is important to be clear about what Bill C-24 will do and what it will not do with respect to trust funds.

Three types of trust fund activity must be clearly distinguished: improper use of trust funds that is caught by Bill C-24; improper use of trust funds that is not caught by Bill C-24 but is dealt with by other means beyond the context of the bill; and finally, the use of trust funds that is not improper and is therefore not caught at all.

By way of overview, first and foremost, Bill C-24 contains a number of safeguards which would ensure that political trust funds cannot be used for election purposes which in fact would evade prohibitions or limits on political donations or deliberately avoid disclosure requirements. The proposed legislation would ban indirect political contributions and provide for a system of full disclosure to ensure that hidden donations are not possible.

Bill C-24 does not, however, and I emphasize this, attempt to address every type of wrongdoing or improper conduct involving political trust funds. It is about political financing specifically in the context of elections. Where trust funds are used for non-election purposes, for example to confer a personal or private benefit, other mechanisms in fact apply. Most specifically, these include the proposed code of conduct for parliamentarians, to be administered by an independent ethics commissioner.

There are also potential uses of trust funds that are not improper and need not be prohibited at all. For example, like other citizens, politicians may wish to involve themselves with charitable work or non-profit causes that have no electoral purpose. This is entirely legitimate, and most members would accept that we are attempting to encourage community based organizations to participate in improving the quality of life in our communities. This is entirely legitimate. In no way could it be suggested that it undermines democratic principles generally or circumvents the electoral finance system in particular. So the fact that trust fund activity can be used for non-electoral purposes is not caught up by Bill C-24 and cannot be regarded as a loophole.

I will discuss the use of trust funds that are caught up by Bill C-24. Later, a colleague will discuss the use of trust funds that are not caught up by Bill C-24 but are caught up by other means, as I illustrated a little earlier.

Let us talk about the use of trust funds for electoral purposes that are caught up and included within the context of Bill C-24. While Bill C-24 does not address trust funds directly, the effect of its provisions would be to prevent the use of trust funds as a way to funnel money to political candidates and parties, thereby deliberately circumventing contribution limits and the disclosure requirements. Bill C-24 provides that any money donated to a candidate, a riding association, a political party, a nomination contestant or a leadership candidate can only come from an individual out of his or her own money.

• (1340)

This is subject to two very limited exceptions for donations from corporations and trade unions and from unincorporated associations

made only at the local level and up to a maximum of \$1,000 per year. Not being an individual, trust funds cannot contribute in their own right. But what about indirect contributions from the fund through its trustee or trustees?

Where the trustee of the fund is a single individual, no contributions would be possible. This is because Bill C-24 expressly prohibits indirect contributions received from another person or another entity. Thus an individual trustee, like any other individual, could only donate his or her own funds and not funds received indirectly from others.

There may be circumstances however, such as where the trust fund is administered by more than one trustee, where a trust may be treated as an association. Bill C-24 provides a minor exception to the prohibition on indirect contributions by allowing associations of individuals to contribute funds received from other individuals. The names and addresses of original contributors must be disclosed, along with the amount of their contribution.

This is the only way a trust fund could contribute money for electoral purposes. It is not in any way a loophole in the system or an oversight in the bill, but a carefully limited exception. It directly parallels the exception allowing minor contributions from unions and from corporations. Moreover, as I indicated before, contributions are subject to full disclosure of original donors.

This exception in no way undermines the system of contribution limits, since any donations made by an individual to such a trust fund must be deducted from his or her overall contribution limit.

Subject to this very limited exception, the provisions of Bill C-24 would, for example, prevent the use of a trust fund to finance a nomination contest or electoral campaign, or to facilitate the transfer of funds collected by one candidate indirectly to other candidates. Trust fund donations to a political party or leadership contestant would be prohibited altogether, since contributions from unincorporated associations would be confined only to the local level.

In addition to these provisions, the anti-avoidance clause of Bill C-24 is also relevant to the use of trust funds. This section prohibits any attempt to circumvent the bill's contribution limits to conceal the identity of a source or of a donation, or to collude with any person for these purposes. This represents a further protection against the nefarious or unscrupulous use of those trust funds for electoral purposes which in fact would subvert the spirit and scheme of the act.

The Chief Electoral Officer has recognized the extent to which Bill C-24 would solve the problem of unregulated election money being channeled through trust funds. As he stated at a recent international symposium "If Bill C-24 is enacted, the Canada Elections Act will do much to eliminate the perception of, or potential for, undue influence from political contributions"—and I emphasize—"including contributions made from trust funds".

For these reasons I will vote against Motion No. 12, but of course I will support Motion No. 11.

*Government Orders*

That deals quite comprehensively with the issue of trust funds as it relates to those that fall within the context of Bill C-24 and the use of those trust funds for electoral purposes which are caught by Bill C-24.

• (1345)

[Translation]

**Mr. Benoît Sauvageau (Repentigny, BQ):** Madam Speaker, it is also my pleasure to rise in debate on Bill C-24 about which, if I am not mistaken, we are considering the second set of amendments. I also want to say right off that it seems absolutely normal, legitimate and desirable to me that this legislation be reviewed following the general election.

Why review the operation of an act after a trial period? Simply to determine whether the original objectives have been met, whether the act could be improved on and whether the desired objectives could be better met.

When it was put forward and debated in committee initially—it was later debated on numerous occasions in the media and the public—the idea was simply to democratize the party financing process as well as to correct a perception, often borne out in fact, about mismanagement or dishonesty in the dealings between donors and political parties concerning financing in general.

All too often, rightly or wrongly, the public has come to realize that those who initiate bills or private member's bills may unfortunately have done so, after being the object—I almost said the victim—of corporate donations of \$5,000, \$10,000, \$50,000 or \$200,000.

There have been many instances, in recent parliaments, of questionable situations. The bank merger bill comes to mind.

The government party introduced a bill respecting bank mergers. When we look at the current situation, we see that major Canadian banks are contributing \$100,000, \$200,000 and even \$300,000 to the Liberal Party coffers. Our fellow citizens witnessing this situation are telling themselves that decisions are certainly made on the basis of these donations by large corporations.

What is true of banking institutions is also true of pharmaceuticals, steel, and industry in general, which makes generous donations to the Liberal Party. One can definitely wonder.

I am not suggesting nor stating that political decisions are always influenced by such donations from large companies or big corporations. I am saying that it is normal, up to a certain point, for the general public watching us to believe that these decisions may be influenced by such large sums of money given to the Liberal Party.

Bill C-24 attempts to correct this negative public perception of politics and the relationship between large companies and the political world.

But, more importantly, there are the recent scandals—and, after much thought, I am using the word scandal correctly—involving, for example, the sponsorship companies. The government gave untendered contracts to Groupaction, Everest and Lafleur Communications. New details are being uncovered every day. The longer the House sits, the more question periods there are, and the more

scandals that will be discovered. It seems clear. This is happening more and more. Contracts of \$500,000, \$200,000 and \$300,000 are being awarded to companies who are told, “Look, you have to remit 5%, 10% or 15%, depending on the size of the contract, to the Liberal Party's coffers”.

Perhaps, in terms of the first example, people may think that there is some wrongdoing going on among the large companies, the big corporations and the government. But when consulting firms, public relations companies and friends of the government take with one hand, deduct a certain amount and give with the other to the party in power, it seems essential, then, to rectify this type of political party financing. If we are to some small extent a banana republic, we must avoid any further transformation into a system that would be financed the way political parties were financed long ago or during the Middle Ages. Unfortunately, this is still the case today in some countries that have a bad international reputation for the way they finance their election campaigns and their political parties.

• (1350)

This government has reached the bottom of the barrel with the schemes whereby companies give back part of their money to the government. In order to improve the situation before it went too far, the Prime Minister used what works well as inspiration. It is not perfect, there are no perfect, marvellous or paradisiac political systems, otherwise, everyone would adopt them.

In Quebec, what helped, to some degree, the reputation of political parties or politicians in general, was what is known as the René Lévesque act, which was passed in 1976-77. This was one of the first policies implemented after the election, in order to democratize the funding of political parties. Under the legislation, it is the eligible voters who fund political parties.

This form of funding for political parties has been around in Quebec for more than 20 years, for almost 30 years now, and there is no way that anyone would question it or backtrack on it.

Yes, we want to improve certain aspects of this legislation in Quebec that has been in place since then. Yes, we want to improve certain problems, but that does not mean that we question the fundamental principle of Quebec's democratic life being funded by contributions from individual citizens.

That is what Canada wants to do now; it is seen as a good thing, and it is a good thing. Some people, like members of the Canadian Alliance, have said, “We do not want citizens, through the government, to fund election campaigns or political parties”. It seems to me that it would be much simpler for democracy if funding came from citizens instead of from the Royal Bank of Canada, the National Bank, or big P.R. companies like National, that take money from the government and then give it back to the government. If that is a healthy democracy, if that is the modern way of giving political parties the tools and the elements they need to work, then we have not made any of the progress toward the 21st century that we should be able to expect.

*Government Orders*

In this end of session, after discussions in committee, the government has introduced a bill that is essential to follow up on events and to change the relationship between people and politicians, between business and politicians, this triumvirate in which we live.

If we look at the popularity ratings of the members of this House, we see that a considerable change is required to the way we operate, particularly the way we campaign.

When I sat in on some of the committee meetings on this bill, I heard Liberal MPs saying, "Yes, but now we will have trouble organizing \$5,000-a-plate dinners with the PM as guest speaker". Exactly. We will organize suppers for larger numbers of ordinary folks and will invite them to come to hear the party leaders speak. It seems to me perfectly normal for the Prime Minister or the party leaders, when they travel to major cities, not to just see the people who are able to afford to pay \$1,000, \$5,000 or \$10,000 for the opportunity of meeting them. They should meet others equally entitled to vote.

This is the intent of the bill we have before us today, and is why it indicates to us that we absolutely must look to the future.

Why a review after the election? As I have said, it needs to be revisited in order to make the necessary corrections. There has not been enough of this review process when it comes to other pieces of legislation, for instance the Official Languages Act, which have been in place for nearly 20 years and are absolutely not meeting their intended objectives.

This bill, and the others we will be considering, ought to be automatically subject to this review process, in order to improve them and achieve the objectives set when the discussions prior to their enactment were held.

•(1355)

[English]

**Mr. Peter Adams (Peterborough, Lib.):** Madam Speaker, I am pleased to join this debate today.

I would like to begin by thanking the members of the committee, members from all sides of the House and the staff of the Standing Committee on Procedure and House Affairs for their extraordinary work on this legislation. Like any other important piece of legislation, this bill has created a certain amount of controversy and a great deal of discussion.

The committee heard from almost 40 witnesses from across the country. We contacted at least another 40, perhaps 50, some of whom sent us written testimony and some who felt that their testimony, although we were interested in it, would not add to the discussion the committee had so far. That gives the House an idea of how closely these people had been following this important legislation.

It seems to me that the purpose of these changes to the Canada Elections Act, which, in principle, eliminate corporate and union donations and puts something in the place of those donations, have various purposes. One of them, which is very important to everybody here, is to increase confidence in the electoral system.

I think there is a perception, and I believe that it is almost entirely a perception, that large corporations and large unions unduly influence the system and influence members of Parliament operating in their ridings or here in the House of Commons. I think the bill would help take away that particular stigma.

However I think the bill would also increase confidence in the system and increase participation in the electoral system in some other ways.

With regard to participation, I think all members know that there has been a decline, not a large decline, but a significant decline in participation of voters in recent federal elections. That is almost entirely explained by a reduction in the number of people under the age of 30 participating. The age groups over the age of 30 are participating more or less as they always have, but younger people are not. I think that is a particularly unhealthy sign.

It is my hope that the legislation would encourage confidence and interest in those people. I will try to explain why. Sometimes in an election people come up to me and say that they simply cannot vote for me this time. They say that they do not believe it is worth their while voting for one of the other parties, so they will not be voting at all. Those people drop out of the system.

When I am faced with that kind of situation I always try to encourage them, first, to vote for a candidate who is in the race, but failing that I encourage them to go to the poll and to officially refuse their ballot. I explain to them that if they do that the numbers are recorded and at least someone knows that they went to the poll and refused the ballot, presumably because there was nobody for whom they could vote. If someone does not show up at the polls it is difficult to tell whether they were just sick or just disinterested. Only if they go to the polls and are recorded do we know if they have participated in the electoral process.

When I am faced with that situation in the future I will be able to say to voters that if they vote for one of the minor parties—with due respect, I am not using that in a pejorative sense—one of the smaller parties in the election, even though they will only get a handful of votes they will truly be helping them because in the future, between now and the next election, they will get a small amount of money for every vote that they receive across Canada. These would be parties like the Green Party, which appeared before our committee.

All 13 registered federal parties were invited to appear before the committee, parties like the Communist Party of Canada (Marxist-Leninist). Those parties, if they run a candidate, wherever they get a vote they will receive some support between elections.

Although I disagree with some of those parties, I strongly agree with the idea that a parliamentary system should generate new parties and there should be different parties in play out there. I believe the legislation would assist with that.

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## STATEMENTS BY MEMBERS

• (1400)

[English]

### MILLENNIUM EXCELLENCE AWARD

**Mr. John Harvard (Charleswood—St. James—Assiniboia, Lib.):** Madam Speaker, I am very pleased to announce today that one of my constituents, Karen Bees, has been chosen to receive a millennium excellence award from the Canada Millennium Scholarship Foundation.

The foundation was established to help Canadians meet the challenges of a rapidly changing economy and society by creating opportunities for them to pursue their post-secondary education.

Karen was selected as one of 37 Manitobans to receive this award based on a national competition for her academic performance, community service, leadership and interest in innovation. Karen, along with Kyla Pederson, Jennifer Pommer and Melissa Therrien, was also a recipient of my own Member of Parliament Canadian Student Award.

These students are dedicated and hard-working young people who give selflessly to their school and community, all the while maintaining high academic achievement.

On behalf of everyone in the House, I would like to congratulate Karen, Kyla, Jennifer and Melissa on their outstanding achievements and wish them all the best in the future.

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### AGRICULTURE

**Mr. Scott Reid (Lanark—Carleton, Canadian Alliance):** Madam Speaker, the trade restrictions imposed on May 20 on all ruminants as a result of BSE are affecting farms and farm support workers across Canada. The beef and cattle industries continue to lose \$11 million daily. Sheep and goat farmers are also being affected by the trade ban.

Last week I met with beef farmers on one of the many cattle farms in my riding and I have also received representations from the sheep farmers of eastern Ontario. They are hurting.

Tragically, the concerns of rural Canada do not even enter the Liberal radar screen.

While all this is going on, the internal strife within the Liberal Party remains the only issue about which the government actually cares. While not a nickel goes toward mitigating the crisis in rural Canada, the Liberals are suspending the rules of Parliament in order to ensure immediate passage of a law that will give the party a \$9.1 million taxpayer funded gift on January 1 to make up for the fundraising shortfall caused by its leadership race.

Beef farmers and sheep farmers across the country deserve a higher spot on the government agenda than the internal concerns of the Liberal Party of Canada.

### MILLENNIUM EXCELLENCE AWARD

**Mr. John Finlay (Oxford, Lib.):** Madam Speaker, the Government of Canada created the Canada Millennium Scholarship Foundation in 1998 to assist Canadians in pursuing their post-secondary education goals. Each year through its bursary program, the foundation awards over 90,000 bursaries to Canadian students based on financial need.

Also, through its excellence award program, the foundation recognizes academic achievement, community service and interest in innovation with grants to hundreds of Canada's top students each year.

Again this year, it is my sincere pleasure to name two students from Oxford who will receive millennium excellence awards. I want to congratulate Jaclyn Rodenburg of College Avenue Secondary School and Kaitland Gray of Woodstock Collegiate Institute.

While the cost of post-secondary education is great, so too are the rewards. I am proud that through the excellence award program the federal government is helping Canada's top students reach those goals. I send my best wishes to Jaclyn and Kaitland.

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### P.J. IMPEX

**Mr. Massimo Pacetti (Saint-Léonard—Saint-Michel, Lib.):** Madam Speaker, it is a pleasure to rise today to congratulate a proud and successful Canadian company on the occasion of its 15th anniversary.

P.J. Impex of Montreal opened its doors in June of 1998 to begin serving clients in the food supply industry. Since that time, the company has enjoyed steady growth, rising to a position of leadership among Canada's food exporters. Today, with a multi-lingual and multicultural staff, along with a network of reputable suppliers, that leadership role is played out on the world stage. The company's reputation for making the safest and best quality food on the market available to clients in over 35 countries is testament to its international success. In short, millions of customers around the globe have come to rely on P.J. Impex's bond of quality assurance.

In closing, it should be said that it is thriving companies like this one that form the backbone of our economy and represent Canada proudly around the world. May this 15th anniversary be just one of many important milestones for P.J. Impex as it continues in its role as the strongest link in the international food supply chain.

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• (1405)

### NATIONAL MARITIME DAY

**Mr. Paul Harold Macklin (Northumberland, Lib.):** Madam Speaker, I rise today to bring to the attention of hon. members, National Maritime Day, which has been proclaimed for September 3 in the city of Belleville. On behalf of the hon. member for Prince Edward—Hastings, I am pleased to bring this issue to the attention of the House.

The resolution of the city of Belleville reads, "In peace and in conflict, ships and seafarers have held a special place in our nation's history".

This resolution goes on to speak of the historic importance of seafaring in the history of both the European settlers of our region and country and the aboriginal peoples before them.

I ask all hon. members to join me in paying tribute to the countless Canadians who have a close attachment to our seafaring past and present and congratulating the city of Belleville on commemorating these historic roots.

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#### ATLANTIC INSTITUTE FOR MARKET STUDIES

**Mrs. Carol Skelton (Saskatoon—Rosetown—Biggar, Canadian Alliance):** Mr. Speaker, the Atlantic Institute for Market Studies has been awarded the Sir Antony Fisher International Memorial Award by the American Atlas Economic Research Foundation, an international honour for excellence in public policy work.

AIMS has won this prestigious award four times in just eight years, an impressive record of achievement.

AIMS was presented the award for its innovative project on Canadian health care reform. The study is a comprehensive proposal for reforming the Canadian health care system.

The report was written by: Dr. Brian Lee Crowley, the founding president of AIMS; Professor Brian Ferguson, University of Guelph; Dr. David Zitner, Dalhousie Medical School; and Brett Skinner, University of Western Ontario.

The Atlantic Institute for Market Studies deserves credit for its internationally recognized contribution to a more informed debate on health care for the 21st century.

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#### NUNAVUT YOUTH ABROAD PROGRAM

**Ms. Nancy Karetak-Lindell (Nunavut, Lib.):** Mr. Speaker, 20 Nunavut youth accepted into the Nunavut Youth Abroad Program will gather in Ottawa for orientation before travelling to their placements, which stretch from Calgary to Halifax as well as Botswana, Africa.

These young Nunavummiut range in age from 16 to 21 and come from 15 communities across Nunavut.

The Nunavut Youth Abroad Program is in its sixth year and is a very successful pre-employment program providing education through work and travel to the participants.

I would like to congratulate and thank all the volunteer board members, the mentors who guide the students through the program, as well as the very important funders and supporters.

I wish all the participants a wonderful summer of learning, broadening their horizon and having fun.

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[Translation]

#### COMIC BOOK FOR PEACE

**Mr. Benoît Sauvageau (Repentigny, BQ):** Mr. Speaker, I am pleased to bring to this House's attention, and particularly to the

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Prime Minister's attention, a project by the grade 6 students of École Jean XXIII in Repentigny.

At the instigation of their teacher, Évelyne Parent, and student teacher, Janie Lacombe, the pupils designed a comic book about peace and the effects of war on civilian populations.

Looking at this little masterpiece created by these young people, we can see their talent and their awareness of others, and appreciate how they have expressed their compassion for women and children, the innocent victims of armed conflict.

As the member for Repentigny, I thank Évelyne and Janie for their commitment and I congratulate Group 601 for their wonderful work in making others aware.

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[English]

#### MILLENNIUM EXCELLENCE AWARD

**Ms. Paddy Torsney (Burlington, Lib.):** Mr. Speaker, each year the Canada Millennium Scholarship Foundation provides over 900 scholarships to outstanding students across Canada.

This year Burlington students Brenna Dickison, Jayde Duncombe, Shirine Usmani, Amir Ali and Andrea Gulyas won millennium excellence awards. These bright young Canadians are among the most promising of our students entering post-secondary institutions this fall.

Since its creation in 1998, the Canada Millennium Scholarship Foundation has recognized the achievements of Canada's top students, awarding some 3,600 millennium excellence awards. While these awards help these outstanding young people pursue their post-secondary education, at the same time the foundation is helping to ensure a bright future for Canada and Canadians.

I ask my colleagues to join me in congratulating all the recipients of this scholarship across Canada and especially Brenna, Jayde, Shirine, Amir, and Andrea from Burlington.

Way to go. Bonne chance les étudiantes.

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● (1410)

#### RELAY FOR LIFE

**Mrs. Betty Hinton (Kamloops, Thompson and Highland Valleys, Canadian Alliance):** Mr. Speaker, on June 7 I once again participated in the Relay for Life with teams of people who want to help beat cancer.

The Highland Valley Hoffers team, of which I am a proud member, raised nearly \$18,000. I want to thank my colleagues in the Canadian Alliance caucus for contributing 1,000 of those dollars. In total, the relay teams raised an impressive \$135,000.

This event would not be possible without the hundreds of volunteers who organize the event and the generous sponsorship of the Kamloops business community.

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Personally, I walk in memory of my sister Doreen Buss and my girlfriend Laurie Benteau who lost their battle with cancer. I walk also for Ron Shindell, a neighbour I love, who will win his battle and join my colleague from Saskatoon—Rosetown—Biggar as a survivor.

Cancer can be beaten, and the people of Kamloops, Thompson and Highland Valleys will lead the way.

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[Translation]

**MILLENNIUM EXCELLENCE AWARD**

**Mr. Marcel Proulx (Hull—Aylmer, Lib.):** Mr. Speaker, it is with great pleasure, and on behalf of my fellow citizens, that I salute the two winners from the riding of Hull—Aylmer who have received Excellence Awards. They are Katherine Charbonneau, a student at the Collège de l'Outaouais, and Sarah Lawrence, a student at Heritage College.

The Excellence Awards identify, support and encourage young men and women who stand out in terms of their academic achievement, leadership, and community involvement.

The Canada Millennium Scholarship Foundation was created by an act of Parliament and, through it, all Canadians invest in the future leaders of our country and express their confidence in them.

These young women are undoubtedly among the most promising in the school system. My hearty congratulations to the winners in my riding; I wish them great success in their studies.

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[English]

**FISHERIES**

**Mr. Norman Doyle (St. John's East, PC):** Mr. Speaker, Canada was a world leader in the fight for the 200 mile limit, but the 200 mile limit by itself has not been enough to stop the rapid decline in world fisheries resources. The recent cod fishery closure in eastern Canada, with all of its social and economic hardship, is the most recent example.

The current international fisheries conservation regime is long on promises but short on action. Something needs to be done. It is time for Canada to again take a leading role in developing a more comprehensive and enforceable fisheries conservation program on the international scene.

A nation is known not by the challenges it encounters but by the challenges it has the courage to take up. A hungry world is crying out for leadership on fisheries conservation while there are still some fish left. It is time for Canada to take up the challenge and answer the call.

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[Translation]

**MAISON GRANDI OSE**

**Mr. Marcel Gagnon (Champlain, BQ):** Mr. Speaker, today, I am pleased to draw the attention of the House to the contribution of a organization in my riding to the community.

The Maison Grandi Ose in greater Trois-Rivières, Cap-de-la-Madeleine sector, is a leader in providing assistance to families of handicapped children. In addition to providing a recreation centre to handicapped children and their families, this organization offers respite to families who need a break.

This charitable organization par excellence—and it is very community-minded—is the first of its kind in Quebec and Canada.

I want to pay tribute to Dorothée Leblanc and all her associates who give the word dedication its true meaning. Thanks to Ms. Leblanc and her generous team for the love they provide to those in need.

At a time when all we hear about is bad news and war, Ms. Leblanc is a breath of fresh air, and she makes the world a better place. I wish her and the Maison Grandi Ose all the best.

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[English]

**FOREIGN AFFAIRS**

**Mr. Irwin Cotler (Mount Royal, Lib.):** Mr. Speaker, on Friday, May 30, the convoy of Myanmar's democracy leader Aung San Suu Kyi was attacked, members of her entourage were killed and wounded, and 19 colleagues, along with her, were arrested. She is being held by the military junta in protective custody, though it appears that the only group from which she requires protection is the junta itself.

Indeed, as I speak, all universities have been suspended, all NLD Party members have been placed under house arrest, and the country's fragile pro-democracy movement is under siege.

We need to seek the immediate release of Aung San Suu Kyi, the freedom of all prisoners of conscience, the reopening of the universities and the promotion of this nascent democracy.

To that end, we should propose that the issue be raised at the UN Security Council, lobby Asian regional members later this month to take a stronger stand on Burma, give political and financial support to civil society groups, and seek the unilateral and multilateral enactment of targeted sanctions.

I thank the Minister of Foreign Affairs for his strong statement in this regard.

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● (1415)

**JUSTICE**

**Mrs. Bev Desjarlais (Churchill, NDP):** Mr. Speaker, I rise to call on the Liberal government to finally introduce corporate criminal liability legislation. Eight months ago, following a unanimous justice committee recommendation, the Minister of Justice assured the House that legislation would be tabled this spring.

May 9 was the eleventh anniversary of the killing of 26 miners at Westray. The Liberal government has for more than a decade failed to ensure justice for the miners and their families.



*Oral Questions*

Canadian workers are still being killed by unsafe conditions created by employers who value cutting corners and increasing their profits over the lives of their workers. A slap on the wrist for a corporation that allows the killing of a worker is not justice.

When will the Liberal government honour its commitment to the families of the Westray victims and to the steelworkers and all the others who have fought for justice to be done?

Where is the legislation that the government assured Parliament would be tabled this spring? How many more workers must be killed before the Liberal government stops protecting corporate killers and tables the legislation it promised?

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[Translation]

**HUGO BONIN**

**Mr. Jean-Guy Carignan (Québec East, Lib. Ind.):** Mr. Speaker, I am proud to tell the House that the Laurentian neighbourhood of Quebec City has given Hugo Bonin, of Ancienne-Lorette, the Mérite municipal 2003 citizen award.

Mr. Bonin is a founding member of the Association des gens d'affaires of Ancienne-Lorette. This association was created to bring small local businesses together to better resist pressure from superstores opening nearby.

The overall goal of the association is to sustain and promote local services, the sense of community and economic development for small and medium sized businesses. It also seeks to contribute to the development of the community and social life.

As a result, the association identified a certain number of projects it wants to implement, such as developing a multigenerational park, constructing a new building for the Maison des Jeunes, improving the city woodlands, restoring the parish church's Casavant organ, renovating La Fenière theatre and illuminating the magnificent church that was consecrated in 1910.

We congratulate Mr. Bonin and wish him continued success in his work.

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## ORAL QUESTION PERIOD

[English]

**AGRICULTURE**

**Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, for weeks we have been urging the government to address the crisis in the beef industry. Industry has proposed a modest compensation package targeted at feedlots. The western premiers have agreed to pursue this kind of package. All we are doing now is waiting for the Prime Minister to get interested.

I understand the Prime Minister is supposed to have spoken by telephone with the western premiers today. Could he tell us about that conversation and can he commit the federal government to get involved in this compensation package?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I have not yet talked with the premier of British Columbia. I am

supposed to talk with him later on this afternoon. We know that it is a very important and urgent problem and we are working diligently. We would like to collaborate with the provinces to deal with this crisis, because we both have responsibilities in the matter.

**Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, we had the time this morning to start shoving Bill C-24 through the House. I wish we had the same urgency for beef farmers as we do for the Liberal Party coffers.

The compensation that will be required will be a lot less if we get the borders open. We were told by the United States that when the science was complete the border would be open. The science is now complete, but the border remains closed. Has the Prime Minister yet called the president to get the criteria we will need to get the border with the United States open for our beef products?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, when I met the president in Europe I mentioned this problem, informing him that we had one cow that had been affected. At that time we were waiting for the report from the scientists who came to Canada and who have issued their report today. The Minister of Agriculture has been in daily talks with his counterpart in the United States. We hope we will make progress on that, but it is up to the American administration to decide. The Minister of Agriculture has worked with great diligence on this file since the beginning.

**Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, I am glad the president has had some conversation, but now that the science is complete I would really urge the Prime Minister to get on the phone and deal with this leader to leader for the sake of our industry.

The longer the border remains closed, the greater the jeopardy that this will place our industry under and the greater the damage to our long term market share in the United States. Has the government considered and is it developing a package to promote and market Canadian beef products in the United States and abroad?

• (1420)

**Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, just as soon as this happened we started working with our embassies and the industry, with the Beef Export Federation, with all of our embassies in the countries in which we trade beef, informing them of the situation and keeping them up to date as we went along. That science is now complete. We will continue to work with them and all of those in the export business in order to get all of our markets open as quickly as we possibly can.

*Oral Questions***HEALTH**

**Mr. Rob Merrifield (Yellowhead, Canadian Alliance):** Mr. Speaker, it appears that SARS has now infected 12 patients from a clinic east of Toronto. Meanwhile a North Carolina man has been diagnosed with SARS after a trip last month to Toronto. He flew back to North Carolina in mid-May.

The WHO recommended specific screening measures and the minister promised to implement them. Why were these measures not in place when this man flew out of Toronto?

**Hon. Anne McLellan (Minister of Health, Lib.):** Mr. Speaker, as I have indicated in the House as recently as last week, our measures for both inbound and outbound are now in place.

Let me indicate to the hon. member that based on our information and investigations to date there was no indication when the individual left Toronto for North Carolina that he had any symptoms that would have been detected in relation to SARS. Therefore I suggest again that the hon. member stop trying to mislead the Canadian public and actually work with us to deal with this public health challenge in a responsible way.

**Mr. Rob Merrifield (Yellowhead, Canadian Alliance):** Mr. Speaker, how would the minister know, when the measures were not in place when he left?

The WHO uses three criteria in issuing a travel advisory. We are vulnerable on the first two, which are the numbers and the local transmission. Now we are exporting SARS again. We know the economic disaster of a travel advisory. Given these events, how is the minister going to prevent another travel advisory?

**Hon. Anne McLellan (Minister of Health, Lib.):** Mr. Speaker, my officials are in constant contact with the WHO. We know, obviously, that there are three criteria, as do public health officials in Ontario, and we continue to inform WHO officials about the situation here in Canada.

Let me reassure the hon. member that we have procedures in place that the WHO is fully aware of in relation to both inbound and outbound passengers. I go back again to the point that on the basis of our medical knowledge at this time, the individual he is referring to who returned to North Carolina showed no symptoms of SARS until long after he had returned to North Carolina.

\* \* \*

[*Translation*]

**GOVERNMENT CONTRACTS**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, two years ago, the Prime Minister's ethics counsellor concluded that Alfonso Gagliano did not extend preferential treatment to his son's employer. Now we hear that Howard Wilson cleared Alfonso Gagliano, the Prime Minister's lieutenant in Quebec, without even auditing the books.

Will the Prime Minister admit that Howard Wilson's real mandate was to protect Alfonso Gagliano, to clear him at all cost, as he did for the Prime Minister, in the midst of an election campaign, in the Auberge Grand-Mère affair?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, Mr. Wilson has a very difficult job to do, which he has been

performing very well for the past nine years. It was at Mr. Gagliano's request that he looked into the matter. He concluded that there was no conflict of interest. It is because the then minister requested it that he investigated and reported on the matter. I have nothing to add.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, Howard Wilson is doing a very good job, which is to clear any member of the government at all cost. I can understand why the Prime Minister would be proud of him.

The Prime Minister can try as he might to distance himself from this issue, the fact remains that Alfonso Gagliano was his right-hand man and was totally devoted to his employer, saying, "He's the boss. I served the way he wanted me to serve". He did exactly what the Prime Minister wanted him to do. Alfonso Gagliano took his orders from the Prime Minister.

Will the Prime Minister admit that the reason he is clinging to the bogus advice of this so-called ethics counsellor is to protect himself and not have his reputation tarnished just weeks from his retirement?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the question has been answered. I will repeat that an investigation was initiated at Mr. Gagliano's request, and that it has been carried out. Previously, there was no ethics counsellor. Until then, there had been no one to refer such matters to. This is an innovation by this government, one which has been most useful. We have now moved on to the next stage. A bill has been introduced to improve the situation. The hon. member should recognize that the degree of ethics now found in our institutions is the result of this government's initiative.

• (1425)

**Mr. Robert Lanctôt (Châteauguay, BQ):** Mr. Speaker, throughout the sponsorship scandal, the government used the ethics counsellor as one of its main defences to cover up its involvement and avoid launching a public inquiry into a member of the government at the time, Alfonso Gagliano.

Since Alfonso Gagliano was the Prime Minister's right-hand man in Quebec, is it not logical to conclude that the government used the ethics counsellor as a front to protect the Prime Minister?

[*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, flatly, no.

[*Translation*]

**Mr. Robert Lanctôt (Châteauguay, BQ):** Mr. Speaker, former minister Gagliano confirmed that he did the work he was asked to do with respect to the sponsorships.

Is that not a damning revelation about the Prime Minister, from whom Alfonso Gagliano took his orders, and does that not explain why the government, in a panic, used the ethics counsellor to cover up an operation that has all the makings of a very serious conflict of interest?

*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, as I have indicated on various occasions, all matters that merit investigation are in fact being investigated by all the proper authorities. This issue has been properly dealt with in the public arena by this government.

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC):** Mr. Speaker, section 23(4) of the ethics guidelines clearly states that a minister should not hire or contract with companies where members of their immediate family are employed.

The ethics counsellor, after investigating the former Minister of Public Works and the lucrative contract received by his son's contract, did not think to check if there was a direct benefit to the minister's son. In light of new evidence showing this internal credit for Mr. Gagliano Junior, will the Prime Minister order his ethics counsellor to reopen this investigation?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the ethics counsellor takes any case that is referred to him. Many of the cases have been initiated by the opposition. If they want to do something, they can do it.

The problem is he did an inquiry on that at the request of the then Minister Gagliano, and he reported his findings publicly. If hon. members are not happy with his work, why are they regularly sending cases to him?

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC):** Mr. Speaker, I doubt the ambassador is going to order an investigation into himself.

According to reports, the Prime Minister's former Quebec lieutenant and ambassador to Denmark will not be posted to the Vatican. During informal talks, it appears that officials in Rome made it clear that they would veto any such appointment. This is a serious condemnation of the former minister which speaks directly to the credentials he has as a foreign diplomat.

Will the Prime Minister immediately recall him and avoid tarnishing the distinguished reputation of Canada's foreign service, or will he perhaps recall his ethics counsellor as well?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, in relation to the appointment, he is not factual. Mr. Gagliano was not refused by anybody. He has been the ambassador in Denmark for a year and a half, and he will keep doing his job.

\* \* \*

**EMERGENCY ASSISTANCE**

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, it is not easy to alienate Toronto and the west all at the same time, but the Prime Minister seems to be making a good job of it these days. Perhaps he wants to do what Brian Mulroney managed to do in his dying days in office.

When will the Prime Minister put his surplus where his mouth is and come to the aid of the beef industry in western Canada and hospitality workers in Toronto? He has a surplus. Will he use it to help Canadians who are in trouble?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, we have put forward elaborate programs and changes. Toronto is faced with this very difficult problem. The ministers have been involved on a daily basis on this very difficult file.

On the question of the problem in the west, the Minister of Agriculture has been in touch with them, and I am to talk with the president of the conference of the premiers later on today. I am anxious to speak with him.

● (1430)

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** You could have fooled us, Mr. Speaker, that the Prime Minister is anxious to deal with these problems. Weeks have gone by with respect to SARS. Weeks are now going by with respect to mad cow disease. I say to the Prime Minister, through you Mr. Speaker, that this is a time for national leadership. It is a time for the Prime Minister to show that we are a Canadian family and that when people are in trouble, we help them.

When will the government do something, not just talk, for people in Toronto and for people in the west who are affected by these various crises?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, he is repeating the same argument that he made the first day. When we do something, they never recognize that we are doing something or we have done something. Rather than trying to find a concrete solution to very difficult problems, they just try to score some little political points.

\* \* \*

**AGRICULTURE**

**Mr. Howard Hilstrom (Selkirk—Interlake, Canadian Alliance):** Mr. Speaker, the scientific investigation turned out as expected. There is no more BSE in Canada. However we do have a trade and economic problem.

The Prime Minister has talked about compensation coming from farm safety net programs, which is really a ridiculous statement. The producers cannot apply for those programs until 2004, and most of the provinces have not signed on to them.

The western premiers are calling for \$360 million for a three month emergency plan. Will the government commit to giving that money to those cattlemen in western Canada and across other parts of Canada?

**Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, the proposed business risk management program that is before the industry and the provinces could very conceivably pay out considerably more than \$360 million because that is what the program will be there for, to cover and help in situations like this.

We are also looking at ways in which we can help the industry cashflow and get through the immediacy of the circumstance as well.

**Mr. Howard Hilstrom (Selkirk—Interlake, Canadian Alliance):** Mr. Speaker, the agriculture minister better check with his own bureaucrats because they have said that is not true.

### Oral Questions

I have a question with regard to opening the U.S. border. Dr. Ron DeHaven, the U.S. deputy administrator of veterinary services, has said that the report is fine and dandy so far but it might take them an awfully long time to review it and get an answer.

What assurances do Canadian farmers, ranchers and feedlot owners have that in fact the minister and the Prime Minister have a commitment from the United States Department of Agriculture that the review will not go on forever?

**Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, we got the conclusion of the science yesterday, and that review is going on. Today officials are discussing the results of that science with the Americans, as is the beef industry itself, the processing industry and the politicians. Everybody is involved in that.

Now that we have the science, then that type of work can take place because we are on good ground. Can I guarantee exactly what the results will be from the United States? No. However I can say one thing. It is just not as simple, unfortunately, as telling them to raise the gate because the cattle cruisers and the reefers are coming through with beef. We have to work it out based on the science and their—

**The Speaker:** The hon. member for Roberval.

\* \* \*

[Translation]

### GOVERNMENT APPOINTMENTS

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, the Prime Minister has just stated that Alfonso Gagliano has not been assigned to the Vatican because he has been assigned to Denmark for some time, and it appears he is going to continue his work there.

How can the Prime Minister tell us this in the House, when the Queen of Denmark's web site announces that there will be an official farewell dinner on June 17 for Alfonso Gagliano, the Canadian ambassador?

**Hon. Bill Graham (Minister of Foreign Affairs, Lib.):** Mr. Speaker—

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

**The Speaker:** The Minister of Foreign Affairs.

**Hon. Bill Graham:** Mr. Speaker, I can assure you that Mr. Gagliano is listed on our web site as assigned to Copenhagen, and he will continue to be our ambassador in Copenhagen.

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, we have a problem if the Government of Canada does not know that the Queen of Denmark is marking the departure of Alfonso Gagliano. The government is in serious diplomatic trouble.

I would like to ask the Prime Minister this: If Alfonso Gagliano is no longer officially in Denmark, and no longer able to go to Rome for confession, will the Prime Minister ask him to come back to Ottawa for confession? We have some questions for him.

**Hon. Bill Graham (Minister of Foreign Affairs, Lib.):** Mr. Speaker, I would offer my hon. colleague across the way some down-to-earth advice. He should not spend his time surfing foreign web sites, but should instead consult the Canadian sites, which

would give him reliable information on this diplomat, who is still working in Copenhagen.

\* \* \*

•(1435)

[English]

### AIR INDIA

**Mr. Kevin Sorenson (Crowfoot, Canadian Alliance):** Mr. Speaker, the Solicitor General has hoisted high the SIRC report contending that CSIS acted properly when it erased the wiretap evidence and when it destroyed files regarding the Air India disaster. This report is contradicted by the RCMP assistant commissioner of the Air India task force, Officer Bass.

Who does the Solicitor General believe? The SIRC report or the RCMP?

**Hon. Wayne Easter (Solicitor General of Canada, Lib.):** Mr. Speaker, I believe the report that has looked at the most documents. I do not believe in the blame game which the member opposite seems to believe in, where we pull one document out of the air and accept that as if it is all fact.

The fact of the matter is, and I refer to the 1991-92 SIRC report again, it analyzed thousands of pages of documents, numerous interviews, including one with the commissioner of the RCMP at the time, and it laid to rest this issue.

**Mr. Kevin Sorenson (Crowfoot, Canadian Alliance):** Mr. Speaker, the assistant commissioner of the Air India task force stated, "the gross inaccuracy of the SIRC review report will be immediately evidenced to anyone who reads it". Perhaps it is the Solicitor General who needs to pick up this report and read it again.

When will the Solicitor General just admit that SIRC's findings are highly questionable and when will he step forward and initiate a full public inquiry into the Air India investigation?

**Hon. Wayne Easter (Solicitor General of Canada, Lib.):** Mr. Speaker, if we were looking at an inquiry, this is about the objectives that we would follow. The SIRC report objectives were first, to learn what information CSIS possessed about any threats of terrorist action against Air India and second, to learn whether CSIS assisted government and law enforcement agencies by providing all information relevant to the criminal investigation of the disaster.

This report did that. The member should read this report. Maybe he would learn something. It laid to rest the issue.

\* \* \*

[Translation]

### SOFTWOOD LUMBER

**Ms. Jocelyne Girard-Bujold (Jonquière, BQ):** Mr. Speaker, one month ago, the Coopérative forestière de Laterrière announced that it would be claiming protection under the Bankruptcy and Insolvency Act; this threatens the savings of 450 members and the jobs of 600 workers, 450 of whom have already been laid off.

*Oral Questions*

Will the Minister of Industry finally understand that the end of softwood lumber operations for this cooperative could very well mark the end of a formerly successful business, unless the government immediately comes up with a new assistance plan to meet the needs of today's reality?

**Hon. Claude Drouin (Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.):** Mr. Speaker, what is important for members of the Bloc Québécois to understand is that we want to help the industry, but we do not want to prolong the problem with the U.S. by helping the industry directly.

We have set up a \$110 million fund to encourage economic diversification. We are seeing results: 110 project applications have been received and 19 projects have been accepted worth \$1.3 million. As well, more than \$5,000 has been invested in this business.

**Ms. Jocelyne Girard-Bujold (Jonquière, BQ):** Mr. Speaker, did the minister just answer that he does not wish to help this business? The time to act is now, because our businesses need help now.

The Prime Minister's political legacy will be unemployment in the regions, an exodus to urban areas and the shutting down of municipalities that depend entirely on the softwood lumber industry.

How long will this government continue to turn a deaf ear to softwood workers and businesses that are crying for help to save their jobs and their businesses?

[*English*]

**Hon. Herb Dhaliwal (Minister of Natural Resources, Lib.):** Mr. Speaker, the hon. member is wrong when she says we are turning a deaf ear. In fact the hon. member knows the government put up \$350 million to help the workers, and to ensure that we look at diversification of trade.

Also, on community adjustment, as the hon. member has heard many times in the House, those programs are working. They are ensuring that we work with communities and local community groups to look at employment opportunities and diversify their economy.

At the same time we have said that we will monitor the situation. If more needs to be done, we will be there to support our industry and our workers.

\* \* \*

**GOVERNMENT CONTRACTS**

**Mr. Gerry Ritz (Battlefords—Lloydminster, Canadian Alliance):** Mr. Speaker, Alfonso Gagliano doled out contracts and cash to his friends and relatives and then was the bagman for the Liberal Party.

When questioned about the Prime Minister's directions to him he said, and I quote, "He's the boss. I served the way he wanted me to serve".

The RCMP did its job 10 years ago when it warned the Prime Minister not to appoint Gagliano to cabinet in the first place. Is the Prime Minister refusing to call a public inquiry into the activities of his hand-picked minister because he knows it will lead directly back to the PMO?

• (1440)

**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, in respect of the activities of the Department of Public Works and Communication Canada, all the management issues are subject to a government-wide audit now, being conducted by the Auditor General.

The activities of specific public servants are being pursued under the Financial Administration Act. Any possibility of illegality is being clearly examined by the RCMP.

As I have said on every occasion, the government is pursuing the matter and ensuring the proper result is obtained.

**Mr. Gerry Ritz (Battlefords—Lloydminster, Canadian Alliance):** Mr. Speaker, we have ventilated everything but the truth in this matter.

It is clear to everyone that Gagliano is in the witness protection program in Denmark. Now they are going to serve him cold shoulder on June 17. Not even the Vatican can forgive this guy. It will not accept him as ambassador.

When will the Prime Minister call an independent judicial inquiry with Alfonso Gagliano as the star witness? When will the government do that?

**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 the hon. member, indeed all members of the House and the general public, are anxious to get to the bottom of things and have a thorough ventilation of these issues, and would rely upon the two most effective investigative authorities, the Auditor General on one hand, the RCMP on the other.

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**HEALTH**

**Mrs. Judi Longfield (Whitby—Ajax, Lib.):** Mr. Speaker, the troubling news that SARS may have spread east of Toronto to the dialysis unit at Lakeridge Health in Whitby is of considerable concern to all public health officials and to the residents of Whitby and Durham in particular.

Could the Minister of Health tell the House what measures she and her department are taking to assist Ontario health officials in determining the origin of this potential new SARS cluster?

Are there any additional federal resources available to the Greater Toronto Area, including the region of Durham, to battle and contain this outbreak?

**Hon. Anne McLellan (Minister of Health, Lib.):** Mr. Speaker, while local and provincial health authorities are the lead in handling medical cases, we have been working very closely with them in efforts to control and investigate SARS. Health Canada epidemiologists are involved with local officials in the investigation of new cases.

*Oral Questions*

Today I am announcing that Health Canada will invest five million new dollars to support the fight against SARS and other infectious diseases. Two million dollars will strengthen Canada's ability to help provinces and territories better respond to infectious disease through a new national public health and epidemiology network.

Additional funds will support SARS research by the Canadian Institutes of Health Research and Health Canada's Winnipeg lab to recruit additional staff to work on—

**The Speaker:** The hon. member for St. John's West.

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**PRIVACY COMMISSIONER**

**Mr. Loyola Hearn (St. John's West, PC):** Mr. Speaker, yesterday when the Privacy Commissioner appeared before the government operations and estimates committee, questions were asked about his expenses.

When the Privacy Commissioner was appointed, he was given one year to relocate to Ottawa and during that time he was supposed to receive a \$1,200 a month housing allowance, plus a travel allowance. For some reason, the Privy Council Office granted him two extensions on the housing allowance, as well as thousands of dollars in other expenses.

Why was the Privacy Commissioner granted these extra allowances and not treated like ordinary Canadians looking for a job with the government, where they either have to move it or lose it?

**Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, we are not talking here of a government official. We are talking about an officer of Parliament.

The hon. member will know that the arrangements in that regard are similar to arrangements that have been made in the past for other officers of Parliament, not only government officials but indeed officers of Parliament. As recently as just a few years ago, at least in the last decade, arrangements similar to that have been made for others.

**Mr. Loyola Hearn (St. John's West, PC):** Mr. Speaker, in light of a backroom deal that the Privacy Commissioner signed with the Privy Council Office, it has become obvious that this independent officer of the House may not be so independent. Instead of releasing the details of his expenses on the standard expense form to be scrutinized by Parliament, many extra claims were submitted directly to the Privy Council Office because of a secret deal designed to exclude Parliament.

How can the government maintain that the Privacy Commissioner is independent when he goes begging for money from the Prime Minister's own bureaucracy?

•(1445)

**Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I repeat what I said before. We are not talking here of a government official. We are talking about an officer of Parliament. We are talking about an official, like a librarian of Parliament, an official of this

House and the other house. It is the same as if we were talking about the Commissioner of Official Languages, the same as if we were talking about the Chief Electoral Officer and others. It is an officer of Parliament, not a government function. I am sure the hon. member knows it, or at least his critic does.

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**FOREIGN AFFAIRS**

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, the defence minister now acknowledges that Bush's missile defence will become star wars. With *Alice in Wonderland* logic he argues that helping the U.S. escalate the arms race will help change Bush's mind in weaponizing space. Even the U.S. air force secretary says no matter what any ally thinks, Bush will proceed with star wars.

When will the government stop pretending that joining star wars is the way to stop Bush from wasting billions of dollars on weaponizing space?

**Hon. John McCallum (Minister of National Defence, Lib.):** Mr. Speaker, I do not accept any of those premises to the extent I follow them. I thought I made it as clear as I could yesterday. I have said hundreds if not thousands of times that the government is firmly opposed to the weaponization of space. I do not know how many times one has to say that before it sinks in with the NDP.

I also said and will repeat that if one is at the table in discussion, one may have a better chance of advancing one's views opposing the weaponization of space than if one is not there.

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**JUSTICE**

**Mr. Svend Robinson (Burnaby—Douglas, NDP):** Mr. Speaker, my question is for the Prime Minister.

Today is a historic day for gay and lesbian couples in Canada, who now for the first time have the legal right to marry in Ontario. In fact, earlier today a number of gay couples were married in Toronto. Four courts have now ruled in favour of equality, including the B.C. and Ontario Courts of Appeal.

Will the government now stop wasting taxpayers' money fighting equality in the courts and accept this ruling without an appeal? Will the legacy of the Prime Minister be one of respect for gay and lesbian people, and of respect for the right of gay and lesbian people to marry?

**Hon. Martin Cauchon (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, we received the judgment of the Ontario Court of Appeal this morning. The government will take the time to look at it. We all know that it needs to be enforced immediately, so the government's position will be known quite shortly.

Having said that, I have stated many times that it is an important social issue for Canadians. I have said that I want to have parliamentarians involved. They did proceed with a huge consultation over the past few months and we expect to have their report shortly. More than that, we also need to have a national solution here in Canada.

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#### GOVERNMENT APPOINTMENTS

**Mr. Monte Solberg (Medicine Hat, Canadian Alliance):** Mr. Speaker, it sounds like the Danes are saying to Mr. Gagliano "Here's your hat, what's your hurry?"

The ethics counsellor is now admitting that he declared Alfonso Gagliano not guilty of wrongdoing without doing a proper investigation. The ethics counsellor kind of forgot to check the books of the companies that Gagliano's son works for to see if Vincenzo received a personal benefit from those companies that received government contracts.

Given the massive hole in the ethics counsellor's investigation, will the Prime Minister recall Alfonso Gagliano so that he can answer questions about his involvement in this mess? Where is the public inquiry?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, as I said earlier, this investigation had been requested by Mr. Gagliano himself.

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

**Right Hon. Jean Chrétien:** Yes, because he wanted to clear up the matter. The ethics counsellor looked into that and reported publicly. The work of the ethics counsellor, it is his work. They say he did not do a good job, but very often the opposition refers cases to him for investigation, so they must have confidence in him if they request him to look into matters.

**Mr. Monte Solberg (Medicine Hat, Canadian Alliance):** Mr. Speaker, obviously Mr. Gagliano set the guidelines for the investigation. What is the matter? Do we not have an extradition treaty with Denmark? Why can we not bring him back?

The ethics counsellor makes Inspector Clouseau look like a genius. We need a serious investigation into this matter and to do that, we need Alfonso Gagliano back in Canada to face the music.

Why is the Prime Minister blocking attempts to return Alfonso Gagliano to Canada?

**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, large parts of the activities of the Department of Public Works and Communication Canada in the timeframe that is being referred to here are already under thorough investigation on at least three different levels: under the terms of the Financial Administration Act; by the Auditor General; and where appropriate, by the RCMP.

Whatever the demands the opposition may make today with respect to a public inquiry, regardless of that, the proper investigations are already underway.

● (1450)

[Translation]

#### EMPLOYMENT INSURANCE

**Ms. Monique Guay (Laurentides, BQ):** Mr. Speaker, Quebec's minister of employment has insisted that the federal government show more flexibility in the employment insurance program in order to better meet regional needs.

With a \$45 billion surplus in the EI fund, does the Minister of Human Resources Development not feel that she possesses a powerful tool that could be used to help the regions and contribute to their development?

[English]

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, let us be clear. We want to work very closely with the new government in the province of Quebec. I feel very fortunate to have had a personal meeting with Monsieur Béchard last week. It was a full and complete meeting about issues that are important to him and issues that are important to me. I expect that we will continue to work positively together on this issue and many others.

[Translation]

**Ms. Monique Guay (Laurentides, BQ):** Mr. Speaker, I repeat what the Quebec minister of employment said, "We can talk for months about our provincial consensus, but at some point some money is going to have to be put on the table".

Beyond her fine speeches saying that employment insurance is reaching all its goals perfectly, is the Minister of HRDC prepared to put the money on the table as Quebec and the provinces are demanding?

[English]

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, the hon. member's question gives me an opportunity to advise the House that last week in fact I did have a historic meeting with the ministers of education from the provinces and territories and the ministers of labour together.

We agreed jointly that we need to turn our attention to the issues facing Canadians when it comes to skills and learning. We have four areas upon which the governments of Canada, the provinces and the territories will focus together and provide Canadians with what they need in the 21st century, the knowledge based economy.

\* \* \*

#### JUSTICE

**Mr. Vic Toews (Provencher, Canadian Alliance):** Mr. Speaker, following the brutal killing of 10-year-old Holly Jones in Toronto, there have been a string of attempted kidnappings in the same Toronto neighbourhood. Parents across Canada are concerned about the failure of the government to implement an effective national sex offender registry.

*Oral Questions*

When the Liberal registry comes into effect, it will be absolutely blank with no names on it. Why, after 10 years, has the government failed to do anything to install an appropriate national sex offender registry?

**Hon. Wayne Easter (Solicitor General of Canada, Lib.):** Mr. Speaker, the legislation that is before the House and before committee would get through a lot faster if the party opposite would just support it and pass the bill. We had a motion from the member opposite to restrict it. Do those members think the system would be better without having a national sex offender registry?

We moved and we moved rapidly. We obtained federal, provincial and territorial consensus in October. We tabled the bill in December. The bill would move a lot faster through the House if we could just get cooperation from that side.

**Mr. Vic Toews (Provencher, Canadian Alliance):** Mr. Speaker, we do not protect sex offenders in the way that the Liberal government does.

On another issue, the definition of marriage is a matter that falls within the exclusive jurisdiction of Parliament. In 1999 the House affirmed the definition of marriage as being between one man and one woman. Today the Ontario Court of Appeal made a fundamental error of jurisdiction in redefining marriage.

Will the Minister of Justice protect the jurisdiction of Parliament by immediately appealing this decision and having the Supreme Court correct the Ontario court?

**Hon. Martin Cauchon (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, as I said earlier, we have the decision of the Ontario Court of Appeal as well as the one in British Columbia. It is an important social issue. I have asked parliamentarians to be involved in the debate. We need to have a national solution. The government's position will be known quite shortly since the decision tabled this morning has an immediate effect.

\* \* \*

• (1455)

[Translation]

**CANADIAN HERITAGE**

**Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.):** Mr. Speaker, my question is for the Minister of Canadian Heritage. It is no secret that the Cultural Spaces Canada program to help improve the material conditions for artistic creativity and innovation in Canada has been a great success.

I would like the minister to confirm to us that the 2003-04 budget for this program will enable her to provide a positive response to all eligible projects from the regions.

**Hon. Sheila Copps (Minister of Canadian Heritage, Lib.):** Mr. Speaker, I would like to be able to say yes to all projects from the regions.

It is true that the project as it stands represents \$28 million in infrastructure investments throughout the country, whereas last year the total infrastructure program budget was \$360 million. In other words, more funding is needed, and we must also forge a partnership

with the department responsible for infrastructure, in order to really be in a position to renew regional infrastructure.

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[English]

**IMMIGRATION AND REFUGEE BOARD**

**Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance):** Mr. Speaker, the more the information leaks out about the immigration and refugee judges corruption investigation, the worse it gets. Now we find that one of the IRB judges was convicted of theft and also disbarred as a lawyer. This tells Canadians a lot about Liberal standards when it comes to patronage appointments.

What does it say to newcomers to Canada when they are made to answer to someone who is a known thief and who has been kicked out of his profession?

[Translation]

**Hon. Denis Coderre (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, as I have always said, we take these allegations very seriously.

Since the hon. member is also a lawyer, she understands the importance of respecting the legal system, so we are waiting for the RCMP to finish its investigations. If there are charges, the RCMP must be allowed to do its work. Then justice must follow its course.

[English]

**Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance):** Mr. Speaker, here is something else that the minister could take seriously.

Michel Venne is a Liberal supporter from the Prime Minister's riding. Last fall he pleaded guilty to five counts of professional misconduct and resigned from the law profession. Not to worry, he wound up with an IRB appointment.

Why would the Liberal government put someone who admits he is unethical and dishonest in a position of high public trust?

[Translation]

**Hon. Denis Coderre (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, once again, I will not comment on specifics, but I think that it is quite unfortunate that today an attempt is being made to discredit the Immigration and Refugee Board of Canada, an independent board that has proven itself and whose members are doing an excellent job.

So instead of getting into specifics, let us instead congratulate the Immigration and Refugee Board on the job it is doing.

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**PARENTAL LEAVE**

**Ms. Diane Bourgeois (Terrebonne—Blainville, BQ):** Mr. Speaker, the Quebec Minister of Employment reaffirmed yesterday his intention to go ahead with his own parental leave program, which is more generous than Ottawa's program.



If the Minister of Human Resources Development truly wants to help young families, what is she waiting for to accept the conditions put forward by Quebec, which are supported not only by the previous Government of Quebec, but also by the current one, the Bloc Québécois and young families?

[English]

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, the government is responsive to Canadian families and that is why we doubled parental benefits. The hon. member will know, if she looks at the report, that in the first year alone we have had an 80% increase in fathers staying home with their newborns.

As we have always said, we would encourage the provinces to add to our programs whenever they see fit, and such remains the case in this circumstance.

\* \* \*

[Translation]

#### ELECTION EXPENSES

**Ms. Pierrette Venne (Saint-Bruno—Saint-Hubert, Ind. BQ):** Mr. Speaker, my question is for the Leader of the Government in the House of Commons.

If Bill C-24 had been in effect in 2001, the annual allowance of \$1.75 per vote obtained would have allowed the five official parties in the House of Commons to pocket staggering profits.

Since the Leader of the Government knows full well that all the parties would fill their pockets with this disguised cash advance, can the minister explain why he rejects the idea of only reimbursing actual expenses?

**Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, there are two different issues here. Election expenses are reimbursed. The hon. member in question, who is from Quebec, is certainly also familiar with its system for annual contributions to political parties. The amount of \$1.75 that she is referring to relates to that.

As for knowing whether \$1.75 is enough, too much or too little, we maintain that it is the right amount for the bill. Nonetheless, following the next election, this will be reviewed to ensure that—

• (1500)

**The Speaker:** The hon. member for Manicouagan.

\* \* \*

#### EMPLOYMENT INSURANCE

**Mr. Ghislain Fournier (Manicouagan, BQ):** Mr. Speaker, the 125 workers at the shellfish plant in Baie-Trinité will not be able to work the 420 hours required to qualify for employment insurance. It would cost approximately \$120,000 to put in place a program similar to the one on the Lower North Shore to save these workers from living off welfare for the next few years.

Will the government extend the temporary income support program to the plant workers and fishers affected by the drastic drop in shellfish landings?

#### Government Orders

**Hon. Claude Drouin (Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.):** As you know, Mr. Speaker, this program was put in place for specific regions affected by the cod situation. We will look into the matter raised by the hon. member, but I do not think that the program is applicable in this case.

\* \* \*

[English]

#### AGRICULTURE

**Mr. Rick Borotsik (Brandon—Souris, PC):** Mr. Speaker, the Minister of Agriculture and Agri-Food finds himself on the horns of a dilemma, or more appropriately on the horns of a mad cow. On March 23, 1990, the minister is quoted as saying:

If we look around the world it does not matter how a country is trying to survive, if it does not have a strong, viable, economically strengthened agriculture industry, then the economy and the future of that country is certainly in question.

There is no doubt that the agriculture industry is in peril and that the economy of this country is in jeopardy.

The dilemma is, does the minister help the industry or does he let it die? Or will he stop floating trial balloons and come up with real money for the cattle industry?

**Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, as I have explained to the hon. member in committee, the strength of the proposed business risk management program has, along with the programs we have had in the past year, paid out over \$2 billion to Canadian farmers because of situations beyond their control, be it drought, poor markets, or whatever.

That program which is being offered now is even better than the programs that we have had in the past. We will work with the industry to build upon that in order to help the beef industry get through this situation.

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### 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. 2.

**Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance):** Mr. Speaker, it is a pleasure to speak today on an amendment to Bill C-24 put forth by the government House leader with which we agree.

*Government Orders*

However, let us take a look at the nuts and bolts of the bill as it pertains to the amendment and why we would like to see this issue revised and looked at a year from now. We agreed with the objective of Bill C-24. How do we limit public or private influence in public policy? How do we limit the ability of deep pockets to have influence on public policy, something we all agree has to be removed? Does the bill do that?

I would submit that Bill C-24 does not do that at all. The bill wants to ensure that corporations and individuals do not get special favour on public policy, but the government is unable to eliminate that. The fact of the matter is that the big money donations, the \$100,000 and \$50,000 donations, do not happen above board. Those are the donations that have access to change government policy and enable certain groups to have access to untendered government contracts. Therein lies the problem. The bill does not address that. The bill deals with preventing groups from donating more than \$1,000 and individuals from donating more than \$5,000. That is not where the big money comes from. That is not what causes the influence.

What creates the influence are those big moneys that are happening under the table. There is also the fact that contracts may or may not be untendered and the awarding of contracts, in fact, violate Treasury Board's own guidelines.

How can we address this? An interesting thing happened in Europe where this issue was addressed. The question that was asked was, how can we ensure that big money cannot influence public policy? One option that was proposed was called: publish what is paid. I would extend that to something about publishing what is received.

I would suggest and submit that the way to prevent private influence of public policy is to ensure that individuals who donate to a political party or to an individual cannot donate more than \$5,000, otherwise they must ensure that those moneys will be made public every year. Not only that, the recipient of those moneys, or the party that receives those moneys, will also have to publish the donor and the amount that they received. That would eliminate private influence of public policy.

The second is the issue of government contracts. We saw with the Groupaction scandal millions of dollars of taxpayers' money being wasted on three contracts that were utterly useless. Those contracts were given to a company that was a large donor to the governing party. The problem is, how do we eliminate that? How do we ensure that contracts will be awarded on the basis of merit and that money will not be passed under the table in return for those lucrative government contracts that exist?

Two things must happen. First, Treasury Board guidelines must be followed, and second, contracts above a certain amount of money, say \$25,000 or \$50,000, must be put out to tender. That, in fact, is the law and should be applied.

There is quite a debate between members of the NDP and our party on the concept of whether the taxpayer should be on the lamb for funding political parties. My party and I would say, absolutely not, not through the taxpayers' purse. If we, as elected individuals, choose to run for elected office, or if we, as a political party, cannot

get the moneys from the individuals in the public ourselves, then we should not be running for office and should not be elected. We would ask the public as individuals seeking elected office or as parties seeking to be elected. We would ask the public individually for support, but we should not obligate the taxpayer through the public purse for those moneys.

• (1505)

That is what the bill does. The people who are watching would be shocked to know that for every single vote a political party received in the last election, the taxpayer will be giving us \$1.50 every single year. Where could that money be better spent? Could it not be better spent for MRIs, hospital beds or hiring nurses and physicians to ensure that people will get the health care they deserve? Is that not a better use of the taxpayers' money? Or is it better to give those moneys to a political institution?

We would submit that those moneys should be spent on priorities like health care, defence, education and the social programs on which people who are less fortunate rely on. That is a better use of taxpayers' money. Taxpayers should not be giving millions of dollars to political parties every single year. In our view that is not a good use of taxpayers' money.

The amendment by the government House leader is a good one because it proposes that the bill be reviewed in one year. We hope it will be dramatically changed if it is not changed during this period of time. It is completely unfair that a billionaire in Ottawa received millions of dollars from the Canadian taxpayer, from our government, for projects. Viewers out there would be shocked to know where their money is going.

There is something called a technology partnership Canada fund which has handed out close to \$2 billion to the private sector. How much of that money has been repaid? A shocking \$35 million. This is taxpayers' money. It is not money that somehow appears from the ether in the middle of nowhere. This money comes from hardworking Canadians who made \$16,000, \$20,000, \$40,000 a year and who pay a lot of taxes which are being given to multi-billion dollar Canadian companies and only a fraction of those moneys are repaid. That is absolutely ridiculous.

• (1510)

More shocking is that the people who receive those moneys make donations to the government. We have a multi-billionaire with multi-billion dollar companies receiving taxpayers' money in the form of loans that more often than not are never paid back to the government and by extension, to the people of our country. That is not right. Furthermore, that individual was a prime donor to the governing party.

The bill is deeply flawed. We are thankful in our country that we do not have the situation south of the border where it costs millions of dollars to run for political office. Thankfully we have limits on what we can spend. Let us never change that. Our current system enables people from all socio-economic groups to run for the highest office in the land and that is a good thing.

*Government Orders*

It is not a good thing that our current system, even with the bill, will enable big money to be used to influence the tendering of government contracts and potentially the implementation of public policy. The government could deal with that by publishing what it pays and what it receives. That would add the element of transparency in a system and improve the objective of the bill, which is a good one, by eliminating deep pockets from having influence in public policy.

On the issue of tendering of government contracts, we must ensure that Treasury Board guidelines are fulfilled, adhered to, and that the tendering of public contracts is indeed a public and transparent process. If we do not do that and the bill does not address that, then we will still have the influence of deep pockets and big money in public policy and in the tendering process. At the end of the day, it is not our money. It is taxpayers' money we are using. It is not the government's money. Above all, we must be respectful of that because it is our duty to use the money as wisely as possible.

• (1515)

**Mr. John Harvard (Charleswood—St. James—Assiniboia, Lib.):** Mr. Speaker, I appreciate the opportunity to speak to Bill C-24 and the amendments under consideration at this time.

Let me say at the outset that I will be speaking in support of Bill C-24, not just because I happen to be a Liberal and a member of the governing party. I support Bill C-24 because it is the kind of issue that I have felt strongly about for a good many years. I have felt for a good many years that it is time for the public to take a much wider financial participation in our democracy.

I want to say some congratulatory remarks to the government for bringing Bill C-24 before the House at this time. I think it is an idea whose time has come. When the bill is passed and becomes law and when the law has been enforced for some years, I think it will be a model for many other countries around the world to follow. I believe it is that progressive.

I also want to congratulate the Prime Minister. In the months leading up to his retirement toward the end of this year or the beginning of next year he could have just sat back and done nothing, but he has not done that. He has been very active. Evidence of that is bringing forward Bill C-24, which I think in political terms and in legislative terms is a very bold act. I think he deserves our congratulations. This is going to be a long-lasting legacy in his name.

The particular amendment before us would allow for a review roughly a year from now, after the next election, let us say, and I think that is a good amendment. The opportunity to look at something that we parliamentarians have done in the recent past and to assess and evaluate the efficacy and value of the legislation is a good direction to take. Certainly I will be supporting not only the legislation but this particular amendment allowing for that kind of review. I think it is a good amendment and a good decision to take.

Now I want to ask myself a question and provide the answer. Why do I support Bill C-24? I happen to believe, and I have felt this way for a long time, that elections are at the centre of our Canadian democracy. Democracy belongs to all of us and we all have to take responsibility for it. That includes paying for it. There is no other way. If we are going to take financial responsibility for our

democracy, that means we are going to have to take on our responsibility as taxpayers and share in the financial support for our democracy.

On the one hand we Canadians cherish our democracy, which I think is one of the best models of democracy in the world. We have had it for almost 136 years and would never want to give it up. Yet I find it passing strange that on the other hand, a lot of Canadians seem content and happy to surrender some control of that democracy to corporations and unions to save us a little bit of money. I think that is a dubious saving, to say the least.

There is of course this perception that big money involved in the financing of election campaigns bears with it or carries with it too much influence. We know, despite arguments to the contrary, that there is really no smoking gun in support of this perception. Nevertheless it is there.

• (1520)

I do not think there is any doubt that when it comes to big contributions to political parties, political campaigns and political candidates, they do to some extent provide access. Sometimes that is all we need: access. We do not have to be a direct participant with our money in a decision or in a process leading up to the decision. What we need is access. What we need sometimes is just the opportunity to present our case. From then on good things may well happen, not always, but they may well happen.

For example, well-to-do people can go to some classy fundraisers and pay \$200 to \$600 or maybe even more than that. With that, they have an opportunity to meet certain important people, particularly prime ministers. That is access. They may bend an ear for only half a minute or a minute, but perhaps there is some value to that. We always hear about the famous golf tournaments. One buys into a golf tournament and has an opportunity for a few rounds of golf with a cabinet minister, a deputy minister or someone else important. That is the kind of access we are talking about. I think anything that will offset that kind of perception is all well and good.

I want to deal with a particular matter that I think I heard the previous speaker talk about: the concern of some people that the money coming from the taxpayer in support of election campaigns would go to parties, as if somehow or another the money would actually go into the pockets of political parties for the pleasure and enjoyment of political parties, or that the money would be used for their profit, let us say. I do not think that is true. I think the money goes through the parties and the operative word is "through". The money goes through the parties to enable them to express themselves and to communicate their policies and messages to the electorate. That is what the money is for.

Parties that have those kinds of resources from taxpayers will be able to express themselves better and more clearly, without fear or favour, as it were. I support the notion of putting the money through the parties. The parties, we can be sure, will spend the money, every nickel of it. In fact, another aspect of this which I think is important, and which the member for Esquimalt—Juan de Fuca mentioned, is keeping a lid on spending, or in other words keeping control of spending. That is one of the great things we have under Canadian law. There are rigid, tight controls on election spending, and that it is the way it should be.

*Government Orders*

I hope that we always will keep a very careful eye on this control of spending. It is very important. It is one thing to get wider public financial participation into the process, but it is equally important to keep a tight rein on spending. I hope we never let that go.

I know that some people are not comfortable with asking taxpayers to participate in this way, but there is simply no alternative. It is either public support or private support and I think it is time for us to go to a greater scale of public support. Right now, considering rebates and other things that we use, around 59% of election spending is borne by the public purse. Under Bill C-24, that may go as high as perhaps 89% or 90%.

• (1525)

This kind of legislation is not new. The Province of Quebec has had it for a good long while, for many years now. There is an aspect of it in New Brunswick. In fact, in New Brunswick I think they fork over about \$1.80 a head. Of course the Province of Manitoba has it and I think the legislation was enacted in 2000. It was put to the test for the first time in the recent provincial election in Manitoba on June 3.

**Mr. Pat Martin:** And it works.

**Mr. John Harvard:** I hear the hon. member for Winnipeg Centre saying it works. I think it works, although I think the member might agree that the government in Manitoba, which is NDP, will have to consider some public support. Looking not at the results of the election campaign but at the way in which it was waged, I think there was a paucity of funds. Maybe Manitoba will have to look at the legislation.

Mr. Speaker, you are giving me the high sign to close, so I will say that I think this is good, progressive legislation. Let us support it.

[*Translation*]

**Mr. Claude Duplain (Parliamentary Secretary to the Minister of Agriculture and Agri-Food, Lib.)** Mr. Speaker, thank you for these few minutes to speak on a bill that will enable us to reform political financing. I would like to speak specifically about my support for Motion No. 11, which calls for a review of the impact of the legislation after the next election.

Canadians justifiably take great pride in their country. They are proud of its reputation for honesty and good government, which sets an example for many new democracies around the world.

This good reputation did not just pop up overnight, however. Rather, it is the result of hard work and sacrifice by ordinary Canadians who took a keen interest in the issues of the day, who got involved, who made a difference by their actions.

The Canadians of 2003 are not much different from their predecessors. They too want to play an active part in bringing about change, but to do so they need to know how the system works.

Political financing is an area in which Canadians are not fully informed. This was obvious when the Government House Leader consulted the experts, provincial leaders and ordinary Canadians on how the present system could be improved.

Many of them pointed out that Canadians did not have enough information on political financing. And they are not always happy

about the information they do have. Canadians have the impression that corporations, unions and wealthy individuals, with their generous contributions, sometimes have undue influence over the political system. This is not correct, of course. But, as we all know, perceptions are important and every effort must be made to ensure that Canadians have complete faith in our democratic process.

There is no doubt that the best approach to correcting these misconceptions is for Canadians to be given as much information as possible on the donors, the recipients and the use to which funds are put. This means enforcing better rules for reporting and requiring all involved to declare funding. That is exactly what Bill C-24 proposes: enhanced transparency and tighter rules on reporting.

To begin with, the bill contains some measures aimed at opening up the system, making it more transparent, clarifying unclear points. This makes a lot of sense, since the system is, after all, one of integrity, so why not let the public see what it is all about and allow it to draw its own conclusions?

At the present time, only candidates and political parties have to provide the Chief Electoral Officer with a report of the contributions received and their sources. The rules are patently incomplete, since some important participants are not included in this at all.

To correct this, the bill will extend disclosure requirements to all participants in the electoral process, namely, leadership and nomination contestants, as well as political parties and electoral district associations. And all political participants will be obliged to declare contributions over \$200, along with the name and address of the individual or organization making the contribution.

As of January 1, 2005, political parties will also be required to report quarterly on contributions received. In addition, when registering with the Chief Electoral Officer, leadership contestants will be required to declare contributions received, with sources, prior to the date of registration. And in each of the four weeks preceding the nomination convention, candidates must declare the contributions received and their source. Finally, six months after the conclusion of the leadership contest, the candidates must declare to the Chief Electoral Officer any additional contributions and expenditures.

Nomination contestants will also be required to disclose any donations received and their sources, along with expenditures incurred, during the four months following the nomination contest.

When it comes to changes in political funding rules, improved disclosure of contributions, expenditures and other factors cannot in itself boost public confidence.

In order to reduce the system's reliance on large donations from corporations, unions and the wealthy, the bill prohibits corporations and unions from making contributions; a limited exception allows them to contribute up to \$1,000 to registered associations, nomination contestants and candidates.

*Government Orders*

● (1530)

The bill also provides heavy penalties for businesses and unions that try to get around this ban by asking employees and members to make contributions on their behalf. Finally, it caps contributions by individuals at \$5,000 per year in response to concerns about the impact of major contributions.

To compensate for the insufficient funds that may result from commitments related to public financing measures, the bill would increase public support. As a result, eligible parties would receive a quarterly allowance of \$1.75 per vote; the percentage of election expenses to be reimbursed to the parties would go from 50% to 60% for the next election alone; the definition of election expenses would be broadened to include polls; the election expense limit for parties would be increased; the candidates would also be entitled to a refund of their election expenses, which would go from 50% to 60%; and the minimum allowable expenses would be lowered to 10% so that a greater number of candidates could get a refund of their election expenses.

Furthermore, other measures would encourage more Canadians to contribute. Individual contributions eligible for tax credits of 75% would increase from \$200 to \$400, and the maximum tax credit for individual contributions would increase from \$500 to \$650.

In closing, I believe that passing this bill would contribute greatly to strengthening public confidence in political financing in Canada. This would reassure Canadians of the system's fundamental integrity, while providing a better idea of the funds received, the beneficiaries and how the money has been spent.

Furthermore, the bill would make a fundamental change to political party financing across Canada, which would reassure Canadians and the rest of the world that our political system and government are founded on, and will continue to be founded on, very strict ethical standards.

Clearly, everyone would be a winner. But I agree that it would be good to review the effect of these provisions after the next election.

For those reasons, I will support the motion, and I encourage the other members to do the same.

[*English*]

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

**Some hon. members:** Question.

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

**Some hon. members:** Agreed.

**An hon. member:** On division.

**The Deputy Speaker:** I declare the motion carried.  
(Motion No. 11 agreed to)

**Mr. Pat Martin (Winnipeg Centre, NDP)** moved:

Motion No. 12

That Bill C-24 be amended by adding after line 42 on page 101 the following new clause:

"71. (1) Within six months after becoming registered under Division 1.1 of Part 18 of the Canada Elections Act, as enacted by this Act, the registered association of a

political party that is already registered on the coming into force of this section may provide the Chief Electoral Officer, in addition to the documents required by section 403.05 of that Act, with a report including

(a) a statement of contributions received by the registered association since the last general election and before the coming into force of this section from the following classes of contributor: individuals, businesses, commercial organizations, governments, trade unions, corporations without share capital other than trade unions, and unincorporated organizations or associations other than trade unions;

(b) the number of contributors in each class listed in paragraph (a);

(c) the name and address of each contributor in a class listed in paragraph (a) who made contributions of a total amount of more than \$200 to the registered association, and that total amount; and

(d) in the case of a numbered company that is a contributor referred to in paragraph (c), the name of the chief executive officer or president of that company.

(2) No registered association of a political party that is already registered on the coming into force of this section shall transfer to a registered party, another registered association or a candidate any contributions that were received by the registered association during the period mentioned in paragraph (1)(a) unless it has filed the report under subsection (1).

(3) A registered association that wilfully contravenes subsection (2) is guilty of an offence and is liable

(a) on summary conviction, to a fine of not more than \$2,000; or

(b) on conviction on indictment, to a fine of not more than \$5,000.

(4) This section ceases to have effect on the day that is five years after the day on which it comes into force."

● (1535)

**Mr. Dick Proctor (Palliser, NDP):** Mr. Speaker, what we are attempting to do here, as you so eloquently read into the record, is to reinstate a clause that was deliberately deleted from the proposed bill when we were debating clause by clause last week, we being the Standing Committee on Procedure and House Affairs.

The clause that was deleted in its entirety was clause 71, which was, we believe, placed there initially to deal with transitional provisions for this act to come into force. It dealt with contributions received by the registered association since the last general election in November 2000, and prior to the coming into force of the Bill C-24 amendments to the election financing act and the Income Tax Act.

It proposed to obtain the amounts of money donated by individuals, businesses, commercial organizations, governments, trade unions, corporations and unincorporated organizations that donated over \$200, as well as the total amount they donated.

It demanded, in the case of a numbered company, for example, the name of the chief executive officer of that company or the president. It warned or cautioned registered associations of all parties that transferring money was illegal unless it had filed a report, and that a registered association was in contravention if it had not filed that report and was guilty of an offence and liable on summary conviction to a \$2,000 fine or imprisonment of up to one year, or both.

The proposed amendments were placed there to simplify reporting requirements for candidates and registered parties.

Under the act, this clause would require that candidates and parties must report details of contributions received through a constituency association, or what is referred to in this act as an electoral district association.

*Government Orders*

All of this was in clause 71 to ensure that the information concerning contributions flowing through a constituency association would be accounted for. It preserved the status quo by continuing to require a registered constituency association to provide information about contributions, where those contributions came from that were forwarded on to candidates and the party that the association gathered in the period between the most recent election in the riding and the coming into force of the act. As I said before, it was provisional.

The transition provision would have ensured that Elections Canada would continue to receive the information concerning contributions that flow from an association to a party or a candidate and that the information would not be lost in switching from one set of reporting requirements to another.

As indicated, penalties and punishment were laid out for failure to provide the information requested, and then, out of the blue, the recommendation from the member for Halifax West was to drop clause 71 in its entirety. The question that must be asked is, why?

I would say, in response to that question, and it is really rather pathetic, that the government members opposite were so embarrassed by it that they did not really want to talk about it. I believe on good grounds that it was deleted because the Liberals decided they did not want to embarrass a few of their colleagues who have been accepting money in trust, some to the tune of several hundred thousand dollars. I think it is a matter of public record that the member for Trinity—Spadina has a trust fund in excess of \$260,000. They do not want that revealed and they do not want to have that money reported in any way, shape or form.

If clause 71 had remained, the Liberals with trust funds would have to disclose the sources of the money before they could be rolled into the constituency association account. By deleting the clause, the money can now be transferred any time between now and December 31, 2003, the day before the legislation would come into full force and effect, without having to disclose the source. It is, purely and simply, money laundering and the government is making it perfectly legal by hoisting this particular clause 71.

• (1540)

The president of the Liberal Party, Mr. LeDrew, has said that this legislation is as dumb as a bag of hammers. I think Mr. LeDrew should have taken the blame, as the president of the national Liberal Party, for not stopping this practice several years ago.

It seems to us that it is only a few members, and I want to emphasize it is certainly not all members, on that side of the House who are guilty of setting up and having established these trust funds. The money is not circulated through. There is no percentage that goes to the Liberal Party of Canada, and the Liberal Party has just chosen to ignore this over the years. Now all of a sudden they are going to be embarrassed by it and have decided that they better deep-six clause 71 so they will never have to report the sources of the income. Leaving clause 71 intact would have, at a minimum, allowed constituents to learn the source of their donors since November 2000, the date of the last general election.

All we are doing is requesting that section 71 be reinstated in its entirety to prevent those few MPs with trust funds to escape the disclosure provisions.

The Prime Minister is on record as saying that big money influences politics. He should follow through and insist that there be full disclosure on this bill coming into effect by reinstating clause 71.

It is true, under other terms of the changes to the election financing act, that trust funds will no longer go undetected after December 31, and that obviously is a good thing. What we are requesting is that politicians who have engaged in this questionable practice be required, under the law that is now coming into effect, to publish their donors list and the amounts received since that last general election. That provision was in the bill until last week. Then it was deleted. In our opinion, it is unconscionable that this has been done and it should be reinstated immediately.

There is no valid reason why the vast majority of Liberal MPs do not want to see the same basic transparency for all MPs in this House. That, in the final analysis, is what Bill C-24 is all about.

Finally, if a member of Parliament with a trust fund at the moment is so embarrassed that he does not want to disclose his donors list, there is even a way out that is provided for in clause 71.

If an association did not wish to provide the basic information about contributors, clause 71 provided that it could elect to spend the contribution in some other way than transferring it to a candidate or a riding association. I assume that means it could, for example, give the money to the victims of SARS in Toronto, or the beef industry in western Canada, or the homeless, or the EI.

There is absolutely no excuse that these trust funds should not be reported. Unfortunately, as a result of the clause by clause provisions that were voted on last week, that can only happen if clause 71 is reinstated.

In conclusion, this is money laundering, pure and simple. We want to let the sunshine in on all aspects of the election financing act. In my opinion what has happened on clause 71, is it taints what we are trying to do in terms of going forward on this legislation. The purpose of this report stage amendment is to reinsert clause 71. I urge all members of the House to support it.

• (1545)

**Mr. Ted White (North Vancouver, Canadian Alliance):** Mr. Speaker, I am rising to speak to the NDP amendment to Bill C-24. Just before I do that, it is incumbent upon me to mention that the government has moved time allocation, which is the 84th or 85th time that it has done that to us.

The unusual situation in this case was that we had not even had three hours of debate in the House and the minister was on his feet moving time allocation on this bill.

**Some hon. members:** Shame.

*Government Orders*

**Mr. Ted White:** I hear members saying, “shame”. It is a shame when we cannot even have three hours of debate before the minister jumps to his feet and moves time allocation. It is as if he is addicted to closing down debate in this place. He has become so addicted to this closing down that he hardly has enough time to go from one fix to the next. I am beginning to wonder whether he will move time allocation as new bills are introduced to the House. A new bill will come into the House tomorrow to do with fisheries. I suppose the minister will stand and move time allocation as soon as it is tabled. It is starting to get ridiculous.

I want to ask the minister, what is the rush? What is the emergency?

The minister claimed he could not get all party agreement to move the bill through promptly. It does not come into effect until January 1, 2004. We could have spent the summer, having an opportunity to talk with our riding associations and parties about the impact of the bill, and there would have been nothing wrong with continuing the debate in the fall.

There is no excuse for having moved time allocation on the bill. It is inexcusable and it is ridiculous that it was moved after only three hours of debate.

I think the real reason is to gag the opposition because the Canadian public is starting to notice that the money to pay for this is coming out of its pockets. The minister has a huge shovel into the trough over at the treasury, shovelling money out of the treasury and into Liberal coffers.

Before I move to the detail of the NDP's amendment, I would like to mention what I think is a bit of hypocrisy which comes from the NDP about political donations. NDP members are constantly railing against corporate donations to political parties and the terrible influence that corporations have on the political process because of the size of the corporate donations. They wanted it to be zero because they were so worried about it.

It is almost as if the NDP has its own private trust funds in the unions of the country. I bet it is not widely and publicly known that, for example, in the year 2000 the NDP received: from the Canadian Labour Congress, \$683,947; from the CAW, \$452,177; from the USWA, \$254,416; and from UFCW, \$196,670.

Every single one of those donations was bigger than what any corporation gave to any political party in the country. How hypocritical of the NDP members to stand in this place and criticize corporations when they are beholden to groups like that to the tune of \$683,000.

Do we honestly think the Canadian Labour Congress does not expect anything for that size of a donation to the NDP? How can that party make logical and reasonable decisions about legislation in this place when it is so reliant on that influx of money from unions?

I suspect we will not see NDP members talk any more about those numbers, and I bet the unions will not lower their union dues to their members to make up for the savings they will have from the passage of the bill. I think the real reason the NDP members want to see this bill go through is so these millions of dollars, which they are

receiving from the unions, can be kept in union coffers while the taxpayers top up the NDP coffers.

Normally it is my job to attack the government. I am sorry for that sideways movement for a moment, but I thought it was important to get that stuff on the record.

In terms of the amendment that the NDP has proposed in Group No. 3, the key word in the amendment is that electoral district associations “may” report the information contained in that amendment. That is the key word that they “may”. For that reason we feel the amendment is unnecessary because there is nothing to stop riding associations from voluntarily doing these reports in any event. Therefore what is the point or putting a clause in a bill which says that the riding associations can do what they already do?

• (1550)

Our position on the amendment is that it is unnecessary. We understand the reason why the NDP brought it to the floor, and it is good that we have a chance to discuss it. However it is not an amendment that we can support.

For those who are not familiar with the bill, I should run through some of the things electoral district associations will have to report under Bill C-24.

Proposed Bill C-24 will require riding associations, or electoral districts as we call them now, to provide Elections Canada with a permanent operating address, the names and addresses of executive officers, the auditor and the financial agent for the registered electoral district. The auditor and financial agent will need to sign their consent to act in those positions and, if signed, approval by the leader of the party for registration of the electoral district association will also have to be submitted to the chief electoral officer.

As riding associations have typically relied on volunteers to fill executive positions and to administer the affairs of the electoral district association, it is our opinion that these onerous new requirements will make it impossible for some riding associations to attract enough volunteers to do the work that will be required. That is a major flaw in this bill.

The minister has argued vociferously that there is no difference between the requirements in this bill and the requirements in Ontario under the provincial legislation. Frankly, there is a big difference between administering this type of thing across the entire country as opposed to the much smaller riding associations in a place like Ontario.

In addition to registering and providing all the information I have mentioned, there will be annual financial reporting and disclosure by electoral district associations. Within six months after registration, they will have to file a statement with Elections Canada listing assets and liabilities, including a surplus or deficit. In addition, a report will have to be made by the auditor stating whether or not the statement is fair in its representation of the riding's financial position.

Finally, a declaration will have to be made by the financial agent that the statement is complete and accurate.

*Government Orders*

As I mentioned, the bill is presently set to come into effect on January 1, 2004, and electoral district associations will have to provide Elections Canada with a list of their assets and liabilities as of that date. The basis for the amendment brought by the NDP is to have the details of where the money came from prior to January 1, 2004 revealed at that time if a riding association so wishes.

As I mentioned, they can do that anyway so this amendment is kind of redundant. However we understand what the NDP is trying to get at, and that is the trust funds held by, we believe, some of the members in this place. I am not sure I would call it money laundering. Perhaps to a degree we agree with the government that it is an opportunity to have this money come out of the closet and be put into riding associations where from this point on we will be able to see it and monitor it.

There are a fair amount of complex rules in terms of what riding associations have to do after the bill comes into effect. Whilst the chief electoral officer did not feel that it would cost a tremendous amount of money to get this up and running and that training would be provided across the country, I have the feeling this will be one of those situations, a little like the gun registry. We will have an initial estimate of how much it will cost to get it up and running and then we will see it double, or triple or quadruple in cost, as Elections Canada increases the size of its bureaucracy and starts rolling this program out across the country. I think we are in for a big surprise about how much this whole thing will cost us. It is will not be just \$1.75 per voter. We will find this rolling along up to \$3 and \$4 and so on.

I am almost out of time on this segment so I would like to close by saying this. If a survey were held across this country about Canadians' attitudes to having to pay for this bill, the \$1.75 per vote cast, I suggest we would find that 95% or 96% or more of Canadians would object strongly to the government taking money out of their pockets to fund the day to day operations of political parties. What it basically amounts to is a tax on voting. For every person who goes out to vote, that individual will know that it just cost \$1.75 for the privilege of doing so. What an outrageous situation we have created where it will cost people a \$1.75 to vote. What is more, they do not have control of where the money goes.

• (1555)

It is a dreadful bill and I sincerely hope members would vote against it. Certainly the Canadian Alliance will.

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, Motion No. 12 in Group No. 3 of Bill C-24 at report stage basically requires that the electoral district associations or, as some people refer to them, riding or constituency associations, within six months after being registered pursuant to this act would provide a statement of contributions received since the last general election and before the bill comes into force, including the name and address of each contributor who made contributions of more than \$200 to the registered association.

That is a valid requirement and could be put in the bill but it already is a matter of public record. The member will know that all contributions in excess of \$200 where there are receipts issued are already a matter of public record each and every year and are available for the public to see.

It is not just with regard to contributions raised during election periods. In fact, riding associations do take in contributions to help with their administrative costs, as well as to pay for levies against them from the main party for the administrative support that is provided. Indeed, in my own party, all the receipting of donations is done by the central party. They are audited and all the information is provided through the offices of the chief electoral officer for the public to see.

On that basis, I do not have a problem with the motion. It is somewhat redundant but it somehow suggests that this is information that is not available and I wanted to make sure members knew that it is in fact available each and every year to all Canadians. That is part of the transparency of our existing system.

Since we are talking about riding associations, Bill C-24 is a very important bill in terms of the impact it would have on the overall process of financing the electoral activities in Canada. When I spoke yesterday to the bill, I compared it to the United States where basically people can spend millions of dollars in support of their candidacies for congress or the senate. In fact, just today in the news it was confirmed that Senator Hillary Clinton actually raised and spent \$30 million to become a senator in the United States.

One can imagine what would happen in Canada to the public perception of people in elected office if they raised, for instance, \$1 million and spent it to get elected, if they could. What would be the reaction of Canadians? Obviously they would be outraged because the job is not worth \$1 million.

**Mr. Gary Lunn:** That is not allowed.

**Mr. Paul Szabo:** The member says that is not allowed, and he is absolutely correct. In today's system we have, under the electoral act, rules regarding how much someone can spend on an election. It is roughly equated to about one and a half first class mailings per eligible elector.

I believe I have 65,000 eligible voters in my riding. If we were to multiply that by one and a half first class mailings, we would get the spending limit for my riding. In fact, the spending limit in an election for my riding was just over \$60,000. Therefore there is a basis for how those are determined. There are some adjustments for ridings that have geographic expanses which are exceptional or have large populations, et cetera, but in the main that is the basis.

One can appreciate now that if a candidate in an average riding, such as my own, were limited to spending \$65,000, it would still be a lot of money. It would be very difficult for someone who did not have money of his or her own or did not have the extensive contacts to raise that kind of money to be competitive with someone who could raise \$65,000.

Ergo, in our system today, before this bill, we have a partially subsidized, publicly financed electoral system that helps to ensure that ordinary Canadians of ordinary means have an opportunity to seek public office and in fact to be competitive in an electoral race because of the limits that are set.



*Government Orders*

•(1600)

Under the current rules, any candidate, whether the candidate wins or loses, who gets at least 15% of the votes in an election is entitled to a reimbursement of 50% of the eligible expenses that he or she actually incurred.

In the last election I spent approximately \$40,000. As a consequence, I was eligible to receive and did receive a subsidy from the chief electoral officer of \$20,000. However, as part of the rules of our party, half of that money goes to the national party to support the expenditures of a nationwide campaign for all the advertising, all the expenses of a leader's tour and all the other attendant costs of running in a general election. This is part of the rules that we operate under but it means that out of the \$40,000 I actually spent, \$10,000 was given to me by the Government of Canada through our current system and \$10,000 went to my party, but that was half of the expenses.

On top of that, during the off election years we run fundraisers and we try to raise money to support ourselves, not only for administrative costs in non-election years but to save up some money so that when an election is called we can spend enough money to properly inform our electors about who we are, about those who have been elected and what they have done as elected representatives, as well as to outline for the electorate the platform of the party for which one is running. It is a very important process and the way we do it is through the public assistance that we have available.

Under Bill C-24 an adjustment would be made to that 50% reimbursement. It would go up to 60% as a transitional measure. However Canadians should understand that today the Government of Canada is basically subsidizing electoral expenses by 50%. In addition, in off election years those who contribute money are also eligible for refundable tax credits from the federal government through the electoral act. For instance, the electoral act permits a donor of \$100 to receive a tax credit of \$75.

There is a further subsidy of public money for the electoral process and this is because we are supporting a democratic process, a process under which all Canadians, regardless of means, would have an opportunity to seek public office and to run a competitive campaign.

Members will know that all Canadians who wish to seek public office can in fact get substantial support from public moneys in order to run in campaigns, and that their contribution to raising additional dollars, along with their riding association, is much less than half of the actual costs that they will incur.

It is important that members and the public understand that we do have a publicly financed, heavily subsidized electoral system in Canada to support this democratic process.

Members have talked about shifting away from the issue of corporations and the concern about corporations having undue influence over people in elected office. I think that is a legitimate concern but, as I said earlier, this one change in itself would not change public perception. We will continue to work on this through the implementation of further enhancements to an ethics package

guiding those in elected office, not only cabinet ministers but all members.

I think this is a good step forward in terms of enhancing what I believe to be a publicly funded, democratic electoral process for which Canadians should all be proud.

•(1605)

[*Translation*]

**Mr. Jean-Yves Roy (Matapédia—Matane, BQ):** Mr. Speaker, I would like to start my comments on the motion moved by the member for Winnipeg Centre with a quote from Winston Churchill that should get us thinking. He said, "Democracy is the worst system devised by the wit of man, except for all the others".

Obviously this quote may seem somewhat strange when presented like this. The democratic system is often criticized and sometimes we stretch it and try to make everyone see our point of view. However, with these words, Churchill hoped to convey his profound respect for democracy in comparison to other systems, be it communism or the totalitarian dictatorships that existed in Germany and Italy at the time Churchill was Prime Minister of Great Britain

The purpose of Bill C-24 is to improve the democratic system in which we live. Under the current system, which Bill C-24 would modify, certain privileges were granted to people who made significant contributions to Canadian political parties.

Yesterday, I said that Quebec had passed legislation on the funding of political parties in 1977. We support the bill before us, but we feel there are still more improvements that could be made, such as the fact that businesses are allowed to contribute to parties' election funds. While the limits have been reduced, I think we need to make it so that only people who are eligible to vote have the right to contribute to political parties.

Earlier, the Canadian Alliance was talking about unions. Obviously, neither unions, nor businesses nor corporations have the right to vote. As a result, unions, businesses and corporations should not be able to make an active contribution to political party financing.

I would like to come back to the motion by the hon. member for Winnipeg Centre. I think my hon. friend from the Canadian Alliance, speaking a short while ago, did not understand the meaning of the motion, which reads:

—as enacted by this Act, the registered association of a political party that is already registered on the coming into force of this section may provide the Chief Electoral Officer—

Certainly I was brought up short by the words "may provide". At first I thought it should have read "must provide". However, when one reads the motion closely and analyses it seriously, one sees in paragraph 2:

No registered association of a political party that is already registered on the coming into force of this section shall transfer to a registered party... any contributions that were received by the registered association during the period mentioned in paragraph 1(a)—

*Government Orders*

This means that the purpose of the motion is to prevent—if I have correctly understood the sense of the motion by my hon. colleague from Winnipeg Centre—any money held in trust by these associations from being used illicitly by these associations or used “under the table” by the parties, so as to ensure the election or nomination of a particular person.

Therefore, I will support the motion of the hon. member for Winnipeg Centre, with whom I am in agreement now, even though I had some doubts at first.

I would like to return to Bill C-24 as a whole. There is another element which I think is not adequate and which we perhaps ought to have considered further. The federal government should have made a commitment to respect the laws of the provinces and Quebec. In Quebec during the 1995 referendum, we had a political party financing act and an act concerning the financing of referendums, dealing with the way the two sides were to be funded.

● (1610)

The fact remains that the federal government invested a lot of money; in the end, it violated Quebec's legislation because it claimed to be above the laws of one province, of Quebec.

The federal government should have made a commitment in this bill to harmonize its laws with those of Quebec, and to respect provincial legislation on political party financing or on referendum campaigns, so as not to interfere in the democratic process.

I also wanted to come back to what I was saying earlier about democracy and involving citizens. Last night, we watched the election results come in from New Brunswick, which were, incidentally, very close. As Premier elect Bernard Lord—whom I would like to congratulate, by the way—said, it was as interesting to watch as the final game of the Stanley Cup playoffs. It took quite some time before we found out who would form the government, and even today, there are still some doubts because of the recount.

I watched the reports on television and noticed that many volunteers participated in the electoral process, yet the voter turnout was lower. There was roughly a 69.1% or 69.7% participation rate, which is 5% to 6% lower than the previous election. The same thing happened during the last federal election and we see this happening throughout the country.

There is a reason for this dissatisfaction with politics. People are less involved in political parties and are therefore not canvassed by them as much, since politicians, including those at the federal level—where dissatisfaction is greatest—had no need to appeal to the voters for campaign funds.

It is essential that public financing become the focus of Bill C-24 and that we make it a long term goal. The only way to convince people to adopt our view is to go out and speak to them, to get them involved in the election process. A person first has to belong to a political party, then attend conventions, nomination meetings for instance, and then, finally, run in an election.

If people are to participate in this process, it is clear that we have to seek them out, win them over and spread the message. However, if, as is the case in several countries, we only use information media or, because we have the money to do so, increasingly rely on using

advertising, sending out information and so on, we will not convince anyone to participate in the democratic process. There is only one true way to convince someone to participate in the democratic process and that is to ask him to participate to the best of his intellectual and financial abilities.

Even though we agree with Bill C-24, it will need to be improved over the years and at some point we will have to stop appealing to companies, which we have already stopped doing in Quebec. I would like only those who are entitled to vote to be able to contribute money to the parties, and not the companies, unions or any other corporation.

● (1615)

[English]

**Mr. Gary Lunn (Saanich—Gulf Islands, Canadian Alliance):**

Mr. Speaker, I am very pleased to speak on Bill C-24. I think this is an incredibly important bill that is before Parliament and I cannot believe how bad it is. I am amazed that after the 40 years the Prime Minister has spent here now he suddenly believes we have to try to legislate integrity somehow.

I know the government is actually trying to limit corporate and union political donations. That is not a bad idea in itself. I can see some merit in that. But I do not really believe that is what this is all about. I actually believe this is about sending taxpayers' money to political parties and just making it too easy.

I am absolutely and adamantly opposed to the bill and I want people to understand it. I think this could be a major issue in an election; I think it is that bad. I agree with my colleague from North Vancouver that this is a matter we are going to hear about in the coming years. We are going to be looking at inquiries and people are going to be asking how we blew \$100 million and saying there was no accountability. It is going to come off the rails.

I want to point out how our electoral system works now, before Bill C-24. Somebody who contributes \$200 to my campaign gets a 75% rebate. They get \$150 as a tax credit and I spend the \$200 and get a 50% rebate, so suddenly it costs the taxpayer \$250 for the \$200 donation. If Mr. Smith donated \$200 to my campaign, he would receive a \$150 rebate from the government. I spend the \$200 and I get a \$100 rebate. Right now today it costs the taxpayer \$250 for a \$200 donation.

*Government Orders*

Under one aspect of Bill C-24 there is an increase in the amount of the rebate. It would actually increase the base amount to \$400 for the 75% rebate. I believe this is fundamentally wrong. I do not disagree that we should change our electoral financing. I believe we should be bringing it in line with every other charitable organization. When we donate to a charity we can deduct it from taxable income. There is a percentage, but it is not a lot.

Why should we be any different from the Heart and Stroke Foundation, the cancer institute or all of these other charities? Why should it cost the taxpayer 125% for every dollar or every thousand dollars donated to individuals and political campaigns? I think this is fundamentally wrong.

Now let us look at what Bill C-24 would do. When it was originally brought forward, it stated that \$1.50 would go to political parties for every vote they received in the previous election. That was not enough, as we know. We heard that on the government benches the Liberals were violently fighting this. They were opposed. The Prime Minister was having difficulty getting even his own caucus to agree on it. There were threats of an election being called.

So what has he done? He has given them a signing bonus, if we can imagine. Not only are the Liberals going to start giving political parties taxpayers' money, they are giving them a signing bonus. Again I disagree. They are increasing it from \$1.50 to \$1.75 and then there is the real signing bonus. This was supposed to have been paid in quarterly instalments throughout the year, but when this comes into force next January there will be a one year lump sum right up front in anticipation of an election. Of course we do not know that. That will probably be up to the heir apparent, of course, the member for LaSalle—Émard.

• (1620)

I am absolutely opposed to this. I have had some conversations with some of the members opposite and here is their logic. We have to try to follow it through. It just makes no sense. They said there is a perception out there that corporations and unions have too much influence. The word here is perception. Of course they do not; they are not doing anything wrong. Again I will come back to the point that we cannot legislate integrity: we have it or we do not. They said that they have to fix this perception. How is that done by forcing the taxpayer to pay for political parties? It just cannot be done.

Again let me come back to their logic. When I spoke to them, they asked if it was fair for union members or shareholders of a corporation to have their money donated to a political party. Either there is a company that they are shareholders of or they are members of a union and pay union dues. Is it fair for the directors of a company or the union bosses to donate to a political party with which they may not agree? We may have shares in a company that gives money to one party and we may disagree. They said that is wrong and that is why they are trying to limit union and corporate donations.

If we follow that logic, who are the shareholders of the public purse? Of course it is the taxpayers, but suddenly we are going to force the taxpayers to fund every single political party, although that last part is not true. It is only the parties that received a certain

number of votes in the last election, and they would receive \$1.75 for each vote.

It does freeze out any new parties that want to get involved in politics, of course, because they would not have any votes, as it would have been with the Reform Party of Canada. Back in the late 1980s, Preston Manning saw this vision, saw this need and wanted to reform Parliament. He created a movement and it grew overnight. This scheme protects the status quo and it gives the largest share of the pie to the government in power, which makes it even more difficult.

Again, it is so wrong to give \$100 million or \$125 million a year of taxpayers' money to political parties. If people believe in a cause, they should be able to donate \$1,000 or \$2,500. Let them donate it. If one believes in a cause, then one should go out to get those individual donations. We should not stuff it down the taxpayers' throats. We should not make them pay for it. It is wrong.

I do not disagree that we need to reform electoral financing, but again I would advocate that it be on a par with charitable organizations, not what we have here today. Under the new changes, for every vote a party got in the last election it would get \$1.75. That would go to the national party. For the individuals who ran in the last election, the limit would be increased from \$200 to \$400 and the donor would get a 75% rebate. Let us look at what that would do. Under Bill C-24, if Mr. Smith donates \$400 he gets a \$300 rebate. Then I take that \$400 and spend it and I get a \$200 rebate. I get a 50% rebate. In fact, I am told it might even be going to 60%, although I am not positive about that, which would make it even worse. The point is that then it would cost the taxpayer \$500 for every \$400 donated. It is wrong. We should be going the other way and not getting our hands in the cookie jar, not digging deeper into the public coffers.

This notion that possibly we can legislate integrity is so flawed. It is so wrong. We should all be standing up and opposing this for that very reason. Perception is reality, so if they say there is a perception out there that the unions and the corporations have too much influence and that has to be fixed, it is probably true, they probably do have too much power, and the companies that give the \$50,000 donations probably have been influencing the government.

I would encourage all members not to force taxpayers to fund political parties. There are far better uses for \$125 million each year, such as health care. The list goes on and on. Again I would ask all members to reconsider this very flawed piece of legislation, probably the worst piece of legislation. If they do pass this bill, I have no doubt we will be doing study after study in the years to come as to why this was such a terrible waste of taxpayers' money.

• (1625)

**Mr. Mac Harb (Ottawa Centre, Lib.):** Mr. Speaker, I have listened to a number of my colleagues argue that this legislation should be delayed so that they can consult with their constituents and their political parties.

*Government Orders*

Members will probably recall that this is not a new issue that has been brought to the attention of the House or a committee of Parliament. In fact, it has been years since the Chief Electoral Officer, Mr. Kingsley, called on Parliament to take action on this issue and to introduce legislation that to a large extent reflects what is in this bill.

The government has shown leadership by taking action in response to the Chief Electoral Officer. The Chief Electoral Officer is entrusted by Parliament and the public at large to ensure that elections in Canada are transparent and fair and to ensure that our society is well served by a parliamentary system that has democratic elections. To a large extent this is not a new issue before Parliament.

Another point some of my colleagues have raised has to do with the notion of whether or not we should subsidize political parties. I am sure my colleagues are not suggesting that the government or the House should abolish the subsidy system that is already in place. We subsidize political parties after every election to the tune of about 22.5%. As well there is the 50% rebate that goes to individual candidates if they receive 15% support in their respective constituencies.

I am sure my colleagues are not suggesting that we do away with that. If my colleagues are not suggesting that, then what we are dealing with here is an increase in the percentage of the subsidy from 22% to the level the government is proposing, which is 50%. Where is the problem? The problem is we really do not know how to proceed with some of my colleagues on the opposite side. They were members of the committee that dealt extensively with the issue.

Members will recall that the bill was introduced on January 29, 2003. Today is June 10. The committee dealt with this bill for a number of months. About 14 hours and 50 minutes were spent on second reading alone, on February 11, 12, 17, 18 and 20. Bill C-24 was approved at second reading by the House on March 18, 2003.

The bill then went to committee. The committee held in excess of 11 days of public hearings with in excess of 37 witnesses and it spent four days on clause-by-clause study, for a total of 15 days. Bill C-24 came back on June 6 for the House to deal with it.

It is not a secret that my colleagues in the Canadian Alliance do not want to support the bill. They are on the public record as stating that they do not want this legislation to receive third reading.

All the complaints about time allocation and the fact that the government is attempting to pass a bill before the recess are only excuses. At the end of the day it does not matter how much time is given to my Alliance colleagues. We could give them the whole summer. If their intentions are such that they do not want to support the bill at third reading, it is irrelevant whether or not time allocation is used.

•(1630)

Members know full well that at some point decisions have to be made. This legislation has been before Parliament for close to six months. There has been plenty of time for each and every member of Parliament to consult with his or her constituents, riding association or political party. There has been ample time for them to bring forward their concerns and recommendations to the committee or the House. In my view, any extra time would not be time well spent. It

would be a waste of time. That is why it is absolutely imperative for the House to deal with this issue as quickly as possible.

Since the bill came back to the House we have spent in excess of five hours at report stage. As a result, the House leader served notice of time allocation. We have to get on with the program. We have to move forward. We have to get our ducks in line so we can move collectively as a team. Canadians want us to take action. Many of my constituents have told me that they want Parliament to deal with this issue as quickly as possible.

Some of my colleagues have raised the issue of American elections and the difference between somebody running for congress and somebody running for Parliament. We have a spending limit in Canada of close to \$70,000 whereas south of the border they can spend millions of dollars to run for political office.

**Mr. Murray Calder:** Some have spent \$35 million.

**Mr. Mac Harb:** Mr. Speaker, some candidates have spent \$35 million. I am not sure how we would be serving democracy if we were to open a bank account with unlimited funds in order to get elected. I am not sure what interests would be served other than special interests when it came to spending that kind of money on an election.

After the bill goes to the Senate and is approved, it will be the pride of Canada. Canada is one of the finest democracies in the world and we will be setting an example for the rest to follow. I commend the provinces that have already gone ahead with something like this, in particular the province of Quebec as well as the province of Manitoba.

There will be problems with this legislation. There will be a need to amend the legislation. There will be a need to revisit it. As with other legislation that has gone through the House and the Senate, it has to be reviewed from time to time to make it perfect, to make it even more responsive to the needs of Canadians. Just because we may not like the location of a comma or a period in the legislation, or a paragraph is not in the chapter where we want it, those are not good enough excuses to oppose legislation that at the end of the day will serve the interests of Canada and the interests of Canadians.

There are things I would like to have seen in this legislation, such as making it mandatory for Canadians to vote in an election; in other words, every Canadian must, not can, but must vote with the provision of introducing fines for those who do not vote. I think there will come a time when that suggestion will become law. I hope that it will take place in my lifetime. I hope that we not only ban contributions to political parties but also make voting mandatory so we can better serve democracy and respond to the needs of Canadians even more efficiently.

[*Translation*]

**The Deputy Speaker:** 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 Saskatoon—Rosetown—Biggar, agriculture; and the hon. member for Lanark-Carleton, Canada Elections Act.

• (1635)

**Ms. Francine Lalonde (Mercier, BQ):** Mr. Speaker, first, the Bloc and I support the amendment moved at this stage to reinstate section 71, which was included in the original version of Bill C-24 and that was, for reasons I do not know but find strange, was deleted at the report stage.

These reasons seem strange because I know the effect of Bill C-24 in its original form and when it was reintroduced by the hon. member for Winnipeg Centre.

This actually allows me to point out that Mr. Kingsley himself had, on several occasions, mentioned the loophole with regard to disclosing donations and allowing riding associations to create funds and transfer them during an election, without further ado, to a candidate.

There is no need to point out that such funds can contain significant sums, and that section 71 provided for such funds. I will say it again, this amendment was not drafted. It is an amendment that allows reinstatement of an item that seems to have been omitted from the committee's report.

At the report stage, this bill allows for improved—and I am going to repeat what has already been said—honesty in elections and democratic life, as well as improved morality.

I hope that the hon. Alliance member for Saanich—Gulf Islands will hear or read that I think he is very wrong when he says that we cannot legislate integrity—that is my own translation—or that we cannot make a law that will cause people to be honest.

We can, through legislation and with fairness, help human beings be more honest. The first laws in any country are the ones to prevent theft, and if people steal, they will be punished.

I am very glad that Canada is getting out of the field of political party financing. Fattening election funds with corporate donations has created a situation in which companies—at occasions such as \$200, \$500, \$1,000 or \$2,000-a-plate dinners—could take advantage of the tax laws to get the taxpayers to pay for their election donations. No one has ever denied that.

• (1640)

From now on, we will know that when a party is elected with  $x$  votes, it will get \$1.75 per vote; now it is clear and the same rule applies to everyone. That makes it possible for the citizens to know that their representative—whom they often do not think of as their representative—has not been bought. It is very serious. This bill will make it possible to ensure not only fairness, but also integrity in political party financing.

I attended a session of the Council of Europe on political party financing as an observer for Canada. I can say that legislation such as there is in Quebec was held up as a model. I know that Manitoba has also recently enacted strict legislation. My reference to this meeting is in response to the member's comment that too much money is going to political parties. One thing was made clear at that meeting: in today's world, the electronic media are necessary if we are to reach people. As well, there must be an assurance that all parties receive a fair and equitable share of free air time, and advertising must be allowed. There may be differences in legislation,

### *Routine Proceedings*

but advertising is one powerful way of getting to people, and it must be allowed. It must of course be limited and controlled.

That said, when we say, "If corporate financing is not what is wanted, then we must settle for private donations of \$5 or \$10, and so on", this is delusional thinking. What we want is to create conditions for direct public contributions, as well as indirect contributions through tax money.

This is something that is already known about and I am sure it is supported. When the public votes for a party, they are the ones who decide that is where the \$1.75 will go.

So corporate funding will become a thing of the past. As a result, democracy, as far as the relationship between the voters, the political parties, and the candidates is concerned, will be vastly improved. I am pleased that the Government of Canada is at last deciding to take the route Quebec opted for in 1977, and Manitoba just recently.

Our colleagues who are expressing such outrage about this will also find that this way of doing things will bring them closer to their constituents, without any doubt.

[English]

**The Deputy Speaker:** On a point of order, the hon. Parliamentary Secretary to the Leader of the Government in the House of Commons.

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## ROUTINE PROCEEDINGS

[English]

### COMMITTEES OF THE HOUSE

#### HEALTH

**Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, there have been discussions among the parties and I believe that if you were to seek it, you would find unanimous consent for the following motion. I move:

That, notwithstanding Order made on March 25, 2003, a group comprised of five government members and one member of each of the opposition parties of the Standing Committee on Health be authorized to travel to Vancouver, Edmonton, Saskatoon and Winnipeg, during the week of September 29, 2003, in relation to its study on prescription drugs, and that the necessary staff do accompany the Committee.

**The Deputy Speaker:** Does the hon. parliamentary secretary have unanimous consent of the House to propose the motion?

**Some hon. members:** Agreed.

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

**Some hon. members:** Agreed.

*Government Orders*

(Motion agreed to)

**GOVERNMENT ORDERS**

•(1645)

[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 motion in Group No. 3.

**Mr. Gurmant Grewal (Surrey Central, Canadian Alliance):** Mr. Speaker, I am pleased to rise on behalf of the constituents of Surrey Central to participate in the debate on Bill C-24, an act to amend the Canada Elections Act and the Income Tax Act.

The purpose of Bill C-24 is, first, to restrict the amount of contributions allowed to political parties, riding associations, and candidates, including nominations and party leadership; second, to compensate political parties for the anticipated loss in revenue from large corporate and union donations by way of direct public financing; and finally, to extend the regulatory aspect of the Canada Elections Act in terms of registration and financial accounting to riding associations as well as nomination and leadership candidates.

The bill is yet another instance of the Liberals taking a good idea, bungling it, and turning it into a bad law. It represents a massive shift in the sources of contributions to political parties from the voluntary actions of the people and organizations to a mandatory imposition on all taxpayers. The bill would make all political parties more dependent upon the state and less responsive to the society we live in. It would represent a major intrusion by Elections Canada into internal party matters, both in terms of mandatory registration and the financial reporting requirements for riding associations, as well as time-consuming, ineffective paperwork for nominated and leadership candidates.

Political financing in Canada has long been in need of reform. Since the founding of this great country governments have been trading political favours to pay for political costs. Many scandals have come to light since then. We know of the many Liberal government scandals. However, it is the general hint of corruption that most seriously erodes public confidence in the system.

Someone once said that money is the mother's milk of politics. Modern elections are expensive affairs. Spending by candidates in Canada comes nowhere close to the spending in American elections. With advertising, signs, literature, polling, et cetera, it is lots of money. Most candidates running for federal Parliament spend in the range of \$40,000 to \$70,000 to get elected. Raising this money has undoubtedly contributed to the growing cynicism about political life.

Regulating party and election financing is essential to maintaining public confidence in the democratic process. Canadians suspect that money not only dominates elections but also increasingly corrupts our electoral system. They look at the thousands upon thousands of dollars donated each year by large corporations supposedly because these companies wish to support democracy. They have good reason

to be suspicious. Even the Prime Minister said last month in the *Toronto Star* that, "There is a perception that money can unduly influence the political process".

A recent study revealed that of the top 25 federal government contractors 17 are major donors to the federal Liberal Party. That is almost 70%. Moreover, these companies donate to the Liberal Party versus all other political parties in the House at a ratio of 6 to 1. At the candidate level, it is dangerous because the ratio is 30 to 1. No wonder the Liberal Party president called the concept "Dumb as a sack full of hammers".

•(1650)

Major donors are not at all representative of the Canadian economy. Rather, almost uniformly, they tend to be government contractors, regulated industries and companies seeking changes from the government. For example, in 2001 Bombardier made the largest single donation of \$142,503 to the Liberals, and Bombardier was also the second largest federal contractor in 2001 with a total of more than \$117 million in contracts. Was it a coincidence? I am not sure, but it was a good investment. It invested in the government party and received contracts worth \$117 million in this case.

Some time ago, when I used to be the CIDA critic for the official opposition, I analyzed the data and found out that the investment in the form of a political donation to a political party, which was the government in this case, was a very good investment with huge returns.

If the list of donors were truly representative of the Canadian economy we would expect to see some major retailers, software companies or restaurant chains, but they do not show up on the donors list. Donations instead come from financial institutions, transportation companies, communication or media industries. Most of which are federally regulated businesses.

The Prime Minister is determined to pass Bill C-24, even having gone so far as to threaten an election over the bill because of the rebels in his caucus. Why, after 10 years as the head of government, has he finally become so passionate over campaign finance reform? The Prime Minister's sudden conversion probably has everything to do with cleaning up the image of his government, for so long plagued with scandal after scandal, and with every suggestion of corruption, fraud, cronyism, favouritism and helping Liberal friends. That is the sole reason why the Prime Minister is passionate in having Bill C-24 passed. As I mentioned at the beginning of my speech, the idea is good but the government is turning it into a bad law.

*Government Orders*

A recent poll by the Liberals' own pollster suggested 45% of the public thought them corrupt. The Prime Minister should be restoring transparency and accountability to the political process. This bill is too little, too late.

Currently we are considering Motion No. 12. We will not support Motion No. 12. It deals with riding associations, referred to as electoral districts, and the information they must transfer to the Chief Electoral Officer and the ability of an association to transfer funds et cetera. However, in proposed section 71(1) it states that the riding associations of a political party "may" provide the Chief Electoral Officer with the information. It is an option. Some associations may or may not. The problem is not resolved and therefore, I will be opposing the motion.

The Prime Minister is wrong to rush through this legislation. There should have been a genuine national debate on party financing.

Again, Bill C-24 would fail to stop the awarding of government contracts, especially untendered contracts, loans and grants to supporters of the governing party that is in power. It would only make it difficult to establish a link.

It would not correct the 50 candidate rule. It would not end the practice of making patronage appointments to fill returning officer positions based on the Prime Minister's recommendation and not on merit. And there are many other issues.

• (1655)

This is a good idea. The government is yielding to the pressure from members of the Canadian Alliance who have spoken to this many times, as did they when it was the Reform Party.

I will be oppose Motion No. 12 in the vote

• (1700)

**Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Lib.):** Mr. Speaker, hear no evil, see no evil, speak no evil, then maybe there is no evil.

I was very disappointed to learn that the committee dropped this section from Bill C-24, and I commend the member for Winnipeg Centre for trying to bring it back. What it does is provides an opportunity for the public to see what went on before, in riding associations especially, in terms of funds raised from large donors, particularly possibly corporations or any type of individual donor, and to see indeed inside these riding associations the size of contributions they have received.

This section would apply equally to the Liberals, to the Canadian Alliance, the NDP, the Bloc Québécois and the Conservatives. While the vast majority of members in the House, I doubt not for a second, have modest amounts of money in their riding association accounts, they would be prepared not only to have transparency when this bill comes into effect, but to submit to transparency for the last two or three years, going back to the last election.

Why should any one of us in this chamber be afraid to show the public what kind of money we have had in our riding associations since the last election? Could it be that there are some who have large sums of money who would not stand the public scrutiny? The public might be appalled or scandalized to see that they have been

receiving donations in the thousands of dollars and perhaps even the tens of thousands of dollars.

What if a riding association, which exists currently on any side of the House, has hundreds of thousands of dollars in its bank account? With this clause as it existed in Bill C-24, the public would have had a chance to see that. Now it is gone. If this motion fails, as indeed it is likely to fail because I do not believe it has the government's support, we will be unable to look into the past.

Some may argue that is a good thing and perhaps it is a good thing. Perhaps we would like to begin with a clean slate in which all MPs begin anew to make sure their riding associations' bank accounts and the moneys that flow in from any source whatever can stand the scrutiny of the public. I think it would have been a more proper thing to test us all, to put us all under the microscope today, not to give us an opportunity to bury the past and not divulge those of us who may be flirting with the rules, although not flirting with the rules so much as amassing money in a way in which the public would not agree and would find fault with.

I heard the comments of the member opposite, from the Canadian Alliance, and I was really surprised that he took the position he did. One would have thought the opposition of all parties ought to want the type of disclosure as was proposed in this motion, and as was proposed in the amendment that was deleted from Bill C-24. However, Mr. Speaker, I do submit to you that the Canadian Alliance is structured in such a way that most of the central party funds come from its riding associations.

Consequently, looking in the past, the Canadian Alliance is the party that is the most opaque. At least on the Liberal side a lot of the money flows directly into the registered party rather than simply into the riding association, although, we on this side have the same problem. Until this bill passes, the public will be unable to see into our riding association financial affairs and they should. People should be able to see. If people go to my website, they can see what is in the riding association bank account of John Bryden.

I regret it is necessary to pass legislation to ensure that all members of the House have the same level of transparency. I also regret we do not have an opportunity to look into the past. Maybe it is just as well.

The reason we need Bill C-24 is it is absolutely essential that we assure the public that the democracy we practise here is not fueled by money and that when individual MPs make their decisions here in the House or in committee or wherever they are, those decisions are based on conscience or listening to their constituents, but not listening to those constituents who have the most money to put into their riding associations or into their pockets as individual candidates.

Unfortunately, this motion and the original clause that was deleted do not address the question of separate trusts that MPs may have acquired, which is a whole other issue. I regret very much that when Bill C-24 passes, as far as I can see or determine, those MPs who have acquired trust accounts will be able to keep that money personally.

*Government Orders*

I think the only benefit that will come to the general public is that the people who have secret trust accounts, personal trust accounts, will have to collapse them and take them into their personal incomes. The small benefit of that is at least the taxpayer will have a chance to charge them taxes. The fact they will be able to acquire that money and that we will never be able to know they had these trust accounts, I do not think is good enough.

Again, I come back to the point that I think the member for Winnipeg Centre was very right to bring this motion back. I would hope it would pass because it is not such a bad thing to show the confidence of this House in the integrity of the political process is high enough that we are prepared to show the immediate past and to compare the immediate past with what we want to see happen in the future. Well we are not going to see the immediate past, and I think that is too bad. However at least we know that when we go ahead, those few MPs who have been tempted by the amassing of large sums of money either in their riding associations or in trust accounts are in the minority.

After the legislation passes and is implemented on January 1, 2004, as fast as possible, I think then we will begin a new era in this country, an era in which the transparency and the accountability of these members of Parliament, and of the political process federally in the country, will be of the highest order possible. Therefore, I sincerely hope the public will put the trust in this institution of the House of Commons, which I believe the majority of us deserve, although I really regret we have to pass legislation like this to guarantee that trust.

**Mr. James Rajotte (Edmonton Southwest, Canadian Alliance):** Madam Speaker, to be bipartisan, I want to state that I share my colleague's wish that this institution will certainly be worthy of the respect of Canadians. That is why I am very saddened by the fact that we are limited in how much we can debate this very important issue of how we finance political parties in Canada because it is a very crucial issue.

After a very limited period of debate on report stage and third reading, the government has invoked closure on this. It is completely unacceptable. Given the importance of the issue, there is no reason why we could not have a longer debate. The purpose of the institution of Parliament is supposed to be a deliberative assembly. When we shut down debate, we eliminate the whole purpose for the institution in the first place.

I want to speak to this motion and to the bill in general as well, since I have not had an opportunity as yet to go on the record. As the member opposite stated, we do not think this specific motion is necessary. We do not oppose increased calls for transparency or accountability. With respect to my own constituency association, we have a very modest level of funds in our account and we would have no problem opening up the books.

Going through the actual bill itself, and the summary of Bill C-24, we are discussing the whole regime of political financing. The first paragraph describes what the bill actually does: introducing limits on contributions made to Canada's electoral district associations, leadership and nomination contestants. We are not opposed to that.

The second paragraph imposes on registered electoral district associations, leadership contestants and nomination contestants the

obligation to report to the chief electoral officer on contributions received and expenses incurred. Again, in terms of the general whole issue of transparency, the Canadian Alliance has been at the forefront calling for this.

Our concern, and one concern I can echo, is for those of us who have been involved in local campaigns. Obviously, for those of us with very active local associations, it is a lot easier to find someone who will do the books, the accounting and reporting. However I know, within my own riding, other parties that did not do so well had a tough time finding volunteers who would do all the reporting and be the official agent for the campaign.

I think we want to look at extending and enhancing the bureaucracy we require upon people to be active in political life. We want to ensure obviously transparency but a balance has to be struck to ensure that there is not too much bureaucracy or too many requirements so we prohibit people from entering and becoming active in political life.

I want to address the bulk of my talk to two other points, mainly with respect to the limits on corporate and union donations. This happens in various amendments in the bill. However the bill stipulates contributions to parties, candidates, electoral district associations, leadership contestants and nomination contestants may be made only by individuals who are subject to limits. A limited exception allows contributions of up to \$1,000 to be made by corporations and trade unions or by associations for money given by individuals to registered associations, nomination contestants and candidates.

I want to state quite explicitly that we in the Canadian Alliance are very supportive of allowing for greater contributions by individuals in political campaigns and political parties. We as a party are much more dependant on individuals, our supporters and members than other political parties. We think that is where the bulk of this support ought to come from instead of relying upon corporate or union donations.

We have done a fair amount of work as a party in trying to inculcate that within our membership and our supporters that they should, by contributing, take ownership of the party, its apparatus, the ideas and the policy process.

● (1705)

If we look at the statistics from 1996 until 2001 and compare the corporate and individual donations per party, it is very instructive. The Liberal Party of Canada, through those years, raised over \$53 million from corporate donations and \$32 million from individual donations. If we compare that to what the Canadian Alliance raised, we see that the Canadian Alliance raised just over \$13 million from corporation donations and over \$34 million from individual donations. Given the fact that we obviously are not the governing party, I think that is a record for which we can be proud.



*Government Orders*

I should also point out that the NDP does rely to a greater extent on individual donations. It raised over \$27 million through individual donations and \$1 million through corporate donations, although a large amount of the NDP contributions come from union contributions. The Conservatives are about equal at about \$18 million each, but again a higher proportion of their donations come from corporations.

On this point I would like to be clear and state that the Canadian Alliance is supportive of greater transparency and accountability within the system but it is also supportive of ensuring that the contributions by individual Canadians themselves are the greatest. To address the point made by the member who spoke before, we want to ensure that it is individual Canadians whose voices are heard rather than one or another interest group.

The last issue I want to address has to do with the public subsidy of political parties during election campaigns. There are so many things wrong with this that I want to point out a few of them. Obviously what is of concern at this time, given the fact that the government has invoked closure, is that for weeks and weeks the Prime Minister and the government House leader have stated that \$1.50 per voter would be enough to balance off the loss in corporate and union donations. They then came back from committee and the government House leader announces today that it was the committee that recommended this.

The committee chairman, in the news reports today, stated that it was the Prime Minister's compromise, that the committee was simply fulfilling the Prime Minister's wish on it, which, instead of \$1.50 per voter, has been pushed up to \$1.75 per voter. No explanation has been given for this but one has to assume that there is one.

On our side of the House, because we are in opposition and because we have seen the government operate as it has over the past 10 years, we are a little suspicious. One would think, given the comments of the head of the Liberal Party of Canada about the funding shortfall, that the Liberals bumped up the amount from \$1.50 to \$1.75 to ensure that the Liberal Party would be in a positive position rather than a negative position.

That would be an unbelievable reason to change public policy if it is to ensure that one political party actually receives as much or more than it did in corporate donations. It violates a fundamental principle, a political principle. I actually think the legislation will be challenged in court because it violates a fundamental principle. It forces voters, Canadians, whether they agree with the party or not, to contribute to that political party. We are forcing people who are members of the NDP to contribute to the Alliance and people who support the Bloc to contribute to the Liberals. We are forcing them to do that through this enforced public subsidy and to me that violates the whole principle of political expression.

Political expression is not only the right to participate but the right not to support a certain political party or a certain political organization, and the right not to participate in certain ways of political life. That is the flip side of this issue as well.

I want to go back and talk about the increase from \$1.50 to \$1.75. We heard for weeks and weeks that the government, particularly the

backbenchers, were having a tough time supporting the legislation and that they likely would delay the bill, kill it outright, vote against it or hope it dies in the Senate. There was sort of a collision course between the Prime Minister and his own caucus on this issue.

In order to come to a compromise, and the Liberal Party has been compromising since Confederation on issues, it was agreed that the \$1.75 would please everyone or please no one but that everyone would end up voting for it. We in the Alliance think that is a fundamentally bad way to make public policy.

• (1710)

We not only opposed the increase in public subsidy from \$1.50 to \$1.75, but we opposed the \$1.50 in the first place. The basic rule of involvement in political life should be that one supports the political party of one's choice. We should encourage more Canadians to become more active but we should do that in terms of them actually giving money to the party they support. That is the fundamental principle that should guide us and that is why we in the Canadian Alliance oppose the legislation.

**Mr. Joe Comartin (Windsor—St. Clair, NDP):** Madam Speaker, I want to address a couple of points that have been mentioned and specifically address some of the commentaries with regard to the motion from my colleague for Winnipeg Centre. There was some debate about this particular motion requesting the amendment which in effect would simply reinstate clause 71 which was in the original draft of the bill. The debate seems to have focussed around whether this would accomplish what it was designed to do because we use the term "may", which would make it permissive rather than mandatory.

It goes essentially to the very nature of the funds that we are addressing here and how they came into being. As we all know, the member for Trinity—Spadina, the former defence minister on the government side, and the current Deputy Prime Minister have all been pointed to as members from that party who in fact have these trust funds. We are of the opinion, and it can only be an opinion because we do not know where these funds came from, but we believe that a good deal of the money would probably not meet the requirements of donations under the proposed bill.

What clause 71 would do if it were passed and became part of the act, is it would give members a choice. They could do what I would say is the moral thing, because a good deal of the money is probably improperly raised, and donate it to charity or to some other community endeavour. We can think of any number of those that would benefit, especially when we hear that one of these trust funds in particular is in excess of a couple of hundred thousand dollars.

This clause would have given members of Parliament a choice. They could give the money away or give the money to a charity which, in effect, would be the proper thing to do because they should not have raised the money in the first place and should not be using it for their riding associations or for the next election as a candidate.

*Government Orders*

However if they feel they can justify where the funds came from, then fine, they can donate it to the riding associations or to the candidate within the riding in the next election, and we would accept that. However, and this is very important because it goes to the essence of what we are trying to do with the legislation around accountability and transparency, if the money is to be donated to the riding association then they should tell their constituents and the country where the money came from.

If the bill is going to have real meaning it is essential that this provision be passed. I strongly urge all members of the House to accept the bill with this amendment in it because without it the bill would have a fundamental flaw.

The other point I want to make has to do with the issue of trust funds. As we have heard from a series of speakers, there is no specific provision on an ongoing basis prohibiting the use of trust funds. The government's argument is that we do not need a specific provision because if those trust funds were set up as they have been, as we know in the past, any of the money that was used to go to riding associations, to candidates, to leadership or nomination campaigns would have to be accounted for by the riding association, the party, the candidates who were seeking nomination or a leadership candidate. The government has argued that it has covered it all.

● (1715)

It causes us some concern when we look at some of the very serious abuses that have occurred in the United States around the political action committees and the millions of dollars, I think it is actually up to billions of dollars now. We know those funds have been used improperly in all sorts of ways.

It would be much safer for the electoral process in this country if there were simply an outright ban on any trust funds, in that none of those funds could ever be used for political purposes.

I wish to make a couple of other comments in response to what we have heard from other members of the House. We heard from one of the Liberal members that there is accounting around these trust funds. I do not believe that is accurate. I do not think the member understands the nature of the trust funds that have been established and that are so scandalous. There is no accounting and no requirement under existing legislation for those funds to be declared, to show their source or to show how they have been used. I do not know what point the member was making in that regard.

One of the questions we on this side of the House have with regard to these trust funds is that if they are earning, and they obviously are, especially the largest one, such levels of income just from basic interest, does our income tax laws require the interest to be declared? One of the questions we have always had is whether the trustees of those funds are declaring this and providing some accounting under the Income Tax Act. We have never had a response to that question. It hangs out there as to whether that law is being complied with.

The additional point I wish to make is with regard to how funds are used and raised. We have heard figures, particularly from the Canadian Alliance. The point I want to make is that our party raised more than 50% of our funds from individuals, something for which

we are quite proud. In fact we raise a little more than 60% of our funds from individuals. We have done that historically for a long period of time.

I was recently at the committee reviewing the bill when the president of the federal Liberal Party came forward and acknowledged that the federal NDP had a much greater ability, and I have to say the same is true of our provincial wing, to raise funds from individuals than the Liberal Party did.

It is part of the need for us to get back to the grassroots of our party, for us to be able to say to our party members that we need their financial support, that we will be in touch with them, and that we will be engaging them in the democratic process. The two, although not exclusively, go hand in hand. We are very proud of our record in that regard.

Some members of the Canadian Alliance talked about the huge amounts that we receive from the labour movement. First, I want to be very clear that we have, for quite some period of time, felt that it was appropriate for this type of legislation, which does not go the whole distance that we wanted it to go, but for us to say that all funds should either come from individuals or from a subsidy from the taxpayer. We believe that is the safest way to protect democracy.

We do raise in excess of 60% of all our dollars from individuals. We raise approximately 10% of our dollars from small corporations. We raise about 30% from labour unions.

We are very clear on this. It is our position that the bill does not go far enough, that in fact all donations from small corporations, large corporations, the corporate sector and the labour sector should be eliminated as possible sources of donations to parties in the country. That is our position and it is one we are proud of having taken historically for quite some time.

● (1720)

[*Translation*]

**Ms. Carole-Marie Allard (Parliamentary Secretary to the Minister of Canadian Heritage, Lib.):** Madam Speaker, this House is witnessing an historic moment. We are going to take a very important step to improve Canadians' faith in our electoral system.

I was elected in November 2000. As a candidate, I had to learn the electoral financing process, personally invest in order to run in the election and ask my party for financial assistance. I won and immediately thereafter I had to start talking financing in my riding.

First, I had to pay back my election debt and the money I borrowed from my party. I must say it was not easy to understand all the rules of the financing system, but I did my share for my party. I wanted my riding association to have access to a fund in order to help my constituents.

I must say that in 20 years of being a journalist, I always believed that the system's transparency was guaranteed by the act of disclosing political contributions. The logic was simple: if a company obtained a government contract, we looked to see if it had contributed to the party and we would go so far as to conclude, of course, that there was a cause and effect relationship.

*Government Orders*

But after hearing the opposition members drawing this simple conclusion, journalists reported a number of cases and the public also drew its own conclusions. That is why, today, we must tighten the rules and be even more vigilant. This government decided to do this, and we should be proud of it.

I would like to take this opportunity to explain why, in my opinion, the opposition's amendment, Motion No. 12, must be defeated.

The purpose of this bill is to overhaul the rules regarding political financing. There are new rules regarding nomination contests. These contests, their management and financing were not previously regulated by the Canada Elections Act. Similarly, the bill proposes rules for financing contests to select the leaders of registered parties, also not previously regulated.

As the hon. members know, this bill makes significant changes to allowable contributions, as well as to the categories of eligible donors. Finally, the bill provides for a much more complete system in terms of the disclosure and publication of contributions made to nomination or leadership contestants, candidates, riding associations, and political parties and provincial and territorial divisions of registered parties.

These are significant changes. I believe that these changes mark a key moment in the evolution of our electoral democracy. They help to ensure the trust of Canadians in our political system, and this is essential to the future of our parliamentary democracy.

These new rules change the way political parties will be financed in the future. Bill C-24 gives us a glimpse of the future, but it also raises questions. For example, what about contributions made before this bill comes into force.

The opposition is proposing reintroducing a section that was in previous legislation. I believe we must draw the line. Previous contributions should not be affected by the new rules.

In keeping with the bill, when amounts are transferred from trust funds, for example, to the accounts of riding associations before the bill comes into force, they will be recorded as part of the association's overall assets.

• (1725)

In many cases, the origin of these funds cannot be determined because they have accumulated over the years. The information might not be available any longer. So why get ourselves into such an impasse?

I must admit that I have trouble seeing the advantage for Canadians, and for our democratic system, in imposing rules which would result in exclusion of contributions made to a constituency association prior to the effective date of the bill.

On the contrary, I believe we need to turn over a new leaf. It is preferable for all this money to go to the constituency associations before Bill C-24 takes effect, even if this means they will be able to benefit from funds of unknown origin, and share the benefits with the constituents. The future is what is important. For that, we have guarantees. All funding will have to be reported. It will be recorded

in the system and the constituency associations will need to be accountable.

Public confidence in the integrity of our electoral system has been seriously undermined in recent years. Transparency and accountability requirements are essential to the integrity of any political system. With this new legislation, Bill C-24, we have some rules to guarantee that transparency.

I therefore feel we have adequate guarantees, which will provide us with the means of achieving this objective of restoring public confidence in our electoral system.

• (1730)

[English]

**Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance):** Madam Speaker, it is a pleasure to speak to the Group No. 3 amendment to Bill C-24. This is the first opportunity I have had to address this bill. There has been a lot of excitement on both sides of the House pertaining to this legislation. I wish it were more favourable. I wish the government had put more teeth into the legislation and had actually carried through with some of the things that unfortunately are missing from the bill. Within my discourse I will try to address some of the bill's failures.

One thing that is astounding in discussing this bill is the timing of the bill being in the House and the priorities of the government. The government is trying to rush through legislation which, in its opinion, is very important especially at a time when there are crises going on across the country. As members know, SARS is causing problems for many people around the Toronto area and there is the problem of mad cow disease out west and its effect on the livelihoods of cattle producers in that part of the country. We have faced other problems and challenges across the country over the last number of months, and on the eve of the last week of Parliament we are discussing a bill that is strictly in the interests of this particular government.

Bill C-24 has been brought forward because the government wants to address, possibly even corruption, in political financing. It is the same government that has been in power for the last 10 years. There is some sort of ironic logic that comes with this bill if the government is trying to address issues of influence peddling or corruption or whatever it might be or even if it is trying to mask these issues because the government will in fact benefit from the changes in this legislation by receiving more public money in the case of subsidization.

The reason we have this legislation is that the government has been incompetent in dealing with many issues pertaining to transparency and accountability. The government has been incompetent in dealing with all the things that Canadians want to see from their government. The Liberal government has been lacking on those issues and it has to bring in legislation to mask the problem. It is trying to deal with the fact that it has managed things so poorly over the last number of years it has been in power and now we are debating this legislation at this period in time. Bill C-24 contains only half measures when it comes to what Canadians would like to see with regard to having financing legislation in place that would in fact bring in the things the government talks about.

*Government Orders*

I would like to address for a moment Motion No. 12 which is an NDP motion. We feel there is a lot missing in Bill C-24. We in the Alliance will oppose this motion. We feel the motion would actually work against riding associations across the country. The motion put forward by our colleague from Winnipeg Centre requires a registered association of a political party to provide all information with regard to contributions. Where it becomes problematic is if an association misses its reporting deadline, it could be convicted of a criminal offence and could face up to \$5,000 worth of fines.

It seems that this sort of amendment is unnecessary. The bill already contains provisions for associations to do this. I am curious as to why the NDP feels that we need to punish some of the riding associations. If they made an honest mistake, why would we want to punish them in this way?

I do not think we necessarily need this amendment. However our colleagues from the NDP feel it is something that needs to be dealt with. I think it is a short-sighted amendment and one which may not necessarily work in the interests of riding associations. If anything, I think it would work against them. The Canadian Alliance will be voting against Motion No. 12.

I would like to address some of the failures in Bill C-24, and there is no shortage of failures unfortunately. An hon. member across the way is encouraging me to carry on with my discourse. I know he wants to learn about these failures and maybe he will try to amend the legislation.

• (1735)

What does Bill C-24 fail to do? It fails to fix the underlying problem of awarding government grants, contracts and loans to supporters of the party in power. If anything, Bill C-24 would make it more difficult to detect and expose such behaviour.

What is interesting, and this is what I was talking about earlier as I opened my discourse, is the fact that we have this legislation being brought forward by a government that obviously has had one problem after the other when it comes to issues of contracts, scandals, loans, all these particular things that may in fact control the influence of these contracts, how money is spent and how it is awarded. This government has been in power for the last 10 years and now puts forward legislation to deal with these problems that have unfortunately only become worse under this government, yet it fails to address all the particular problems for which it has actually been accused of abuse.

Bill C-24 fails to correct the 50 candidate rule, which was struck down by the courts. I will just address this issue very quickly. In 1999, an Ontario court struck down the sections of the elections act which required a party to run 50 candidates in an election to remain on the register and to have its candidates listed with party affiliation on the ballot. The court indicated that two candidates should be sufficient to be recognized as a party.

During the revision of the elections act in 2000, the Liberals reinstated the 50 candidate rule even though the case is still under appeal to the Supreme Court of Canada. The government says it is protecting voters from frivolous parties, but it is actually trying to limit competition on the ballot. Voters in countries that have other types of proportional representation systems often make their

selections from up to 35 parties on the ballot. They have shown that they are capable of distinguishing between frivolous and serious candidates.

Are the Liberals trying to tell us that Canadian voters are not capable of making the same type of distinctions? I would only expect it from this government. It does not seem to want to allow Canadians to at least make decisions about who they want to represent them. Instead, it is trying to restrict more involvement from other political parties.

I would like to focus specifically on where Bill C-24 fails to end the patronage appointments to positions in Elections Canada. That is something I touched on briefly, but let us just follow up on this problem, where this legislation could have made such a huge impact on changing the way that patronage currently takes place.

Bill C-24 fails to end the practice of the governor in council making patronage appointments to fill returning officer positions at Elections Canada. Returning officers are presently political appointees of the Prime Minister. This is outrageous, considering that Elections Canada is supposed to a non-partisan electoral organization. The voters of Canada should not have to put up with the Prime Minister appointing Liberal Party hacks to prime positions as returning officers within Elections Canada. That works against an open and democratic system. The Chief Electoral Officer has repeatedly stated during committee hearings that it is critical he be given the power to hire returning officers based on merit.

He has also repeatedly stated that ideally he would like to adopt the provisions contained in a private member's bill put forward by one of the Canadian Alliance members, the member for North Vancouver, who also has done an incredible job in researching and working on this bill on behalf of our caucus. I would like to congratulate him for that. He put forward a private member's bill with respect to this. That bill would have eliminated the patronage at all levels of Elections Canada.

During the revisions of the Canada Elections Act a few years ago, the Chief Electoral Officer made it clear that he would not recommend adoption of the Canada Elections Act to a third world country or an emerging democracy. His exact words were:

...obviously when I go out on the international scene I do not recommend that the Canadian system be emulated where it comes to the appointment of returning officers. I clearly indicate, as I do in Canada, that the appointment of returning officers under the present system is an anachronism.

It is archaic. Elections Canada has repeatedly asked the government to release it from the system of patronage and allow it to hire its own staff for elections by advertising and interviewing like any other independent organization.

• (1740)

These are just a couple of the failures of this legislation. I could go on for a while, and I know that the hon. House leader of the government would love me to do so. Unfortunately, in the limited time we have I will have to conclude quite quickly, but hopefully the government will take heed some of the suggestions being made by my colleagues here in the official opposition and improve the legislation in the interest of Canadians, because Canadians deserve it.

*Government Orders*

**Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.):** Madam Speaker, it gives me pleasure to speak on the third group of amendments. I want to start by commenting on the last suggestions made by the hon. member who just spoke. He referred to Bill C-2, which I also sponsored. His colleague from North Vancouver sat on the committee when we dealt with this bill.

According to him or whoever wrote his speech, the bill tightens the elections rules in a way that is too tight. In other words, it does not give opportunities to smaller political parties. This is revisionist history at its best, because of course everyone who was around here after the 1993 election remembers that the first set of amendments we made to the Elections Act, after our government came to power, was a bill sponsored by a then Reform MP to tighten up because marginal political parties were getting a subsidy. The bill was under the name of Ray Speaker, I believe, and it had to do with eliminating the subsidy to a group that called itself the Natural Law Party, because it was a fringe group and not a political party in the traditional sense of the definition. It served to do just that.

Whoever wrote his speech failed to take that into account. The hon. member should go back to him or her and ask the writer to read *Hansard*. *Hansard* is good stuff. It tells us all kinds of useful information, particularly about what we did ourselves. That is always useful.

He may also want to take the transcript of the Standing Committee on Procedure and House Affairs. The then chairman of the committee, the hon. member for Kingston and the Islands, was just excellent at chairing that committee. So excellent were his skills that he is now the Speaker of the House of Commons. It was at this committee that we did the work at the initiation of a Reform, now Alliance, MP. So much for that.

[*Translation*]

I would now like to speak to Motion No. 12. I agree with the member who just spoke. The amendment proposed by the New Democrats simply does not work. Incidentally, I proposed this amendment following a speech by a colleague of the hon. member opposite, the member for North Vancouver, who indicated that there was a flaw.

He was right. This flaw did exist. If there were no receipts for funds collected by riding associations since 2000, we would not know what to do. Before 2000, fine, there is a type of grandfather clause. However, for money collected since 2000, we have to know where it came from, but there was no rule saying that we had to know where it came from, so we did not know.

Which is why he was right to raise this point. The member for Edmonton—Strathcona is quite right when he says that this motion moved by our colleague from the New Democratic Party does not work.

If this motion were to be carried, there would be thousands of dollars in riding association accounts that would go nowhere; they would be in a sort of limbo, because it would be impossible to track them. For this reason, we cannot agree to the amendment proposed by my colleague.

I thank all members for their contributions to report stage. I ask them all to vote for Bill C-24.

• (1745)

**The Acting Speaker (Ms. Bakopanos):** It being 5:45 p.m., pursuant to the order made earlier today, it is my duty to interrupt the proceedings and put forthwith all questions necessary to dispose of the report stage of the bill now before the House.

[*English*]

Is the House ready for the question?

**Some hon. members:** Question.

**The Acting Speaker (Ms. Bakopanos):** The question is on Motion No. 12. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Acting Speaker (Ms. Bakopanos):** All those in favour of the motion will please say yea.

**Some hon. members:** Yea.

**The Acting Speaker (Ms. Bakopanos):** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Acting Speaker (Ms. Bakopanos):** In my opinion the nays have it.

*And more than five members having risen:*

**The Acting Speaker (Ms. Bakopanos):** The recorded division stands deferred.

The House will now proceed to the taking of the deferred recorded divisions at the report stage of the bill. Call in the members.

• (1815)

[*Translation*]

(The House divided on the amendment to Motion No. 4, which was negatived on the following division:)

(*Division No. 183*)

## YEAS

## Members

Abbott	Anderson (Cypress Hills—Grasslands)
Breitkreuz	Burton
Cadman	Chatters
Cummins	Day
Duncan	Epp
Fitzpatrick	Forseath
Grewal	Grey
Harris	Hill (Prince George—Peace River)
Hilstrom	Hinton
Jaffer	Johnston
Kenney (Calgary Southeast)	Lunn (Saanich—Gulf Islands)
Lunney (Nanaimo—Alberni)	Meredith
Merrifield	Mills (Red Deer)
Moore	Obhrai
Pallister	Penson
Rajotte	Reid (Lanark—Carleton)
Reynolds	Ritz
Schmidt	Skelton
Solberg	Sorenson
Spencer	Stinson

*Government Orders*

Strahl  
Toews  
Venne  
Yelich — 47

Thompson (Wild Rose)  
Vellacott  
White (North Vancouver)

Reed (Halton)  
Robillard  
Rocheleau  
Saada  
Savoy  
Scott  
Sgro  
Simard  
St-Hilaire  
St. Denis  
Szabo  
Thibault (West Nova)  
Thompson (New Brunswick Southwest)  
Tonks  
Vanclief  
Whelan  
Wood — 183

Regan  
Robinson  
Roy  
Sauvageau  
Schellenberger  
Serré  
Shepherd  
Speller  
St-Julien  
Stewart  
Telegdi  
Thibeault (Saint-Lambert)  
Tirabassi  
Torsney  
Wasylcia-Leis  
Wilfert

**NAYS**

## Members

Adams  
Allard  
Assad  
Augustine  
Bagnell  
Barnes (London West)  
Bélangier  
Bergeron  
Bevilacqua  
Binet  
Blondin-Andrew  
Bonwick  
Boudria  
Bradshaw  
Brown  
Bulte  
Caccia  
Cannis  
Cardin  
Carroll  
Castonguay  
Cauchon  
Charbonneau  
Coderre  
Comartin  
Cotler  
Dalphond-Guiral  
Desjarlais  
Dhaliwal  
Discepola  
Drouin  
Easter  
Eyking  
Folco  
Fry  
Gagnon (Champlain)  
Gauthier  
Godfrey  
Goodale  
Guay  
Harb  
Harvey  
Hubbard  
Jackson  
Jordan  
Karygiannis  
Kilgour (Edmonton Southeast)  
Kraft Sloan  
Laliberte  
Lanctôt  
Lee  
Lill  
MacAulay  
Macklin  
Malhi  
Manley  
Marcil  
Martin (Winnipeg Centre)  
Matthews  
McDonough  
McKay (Scarborough East)  
Ménard  
Mitchell  
Myers  
Neville  
O'Brien (London—Fanshawe)  
Pacetti  
Paquette  
Parrish  
Peschisolido  
Pettigrew  
Picard (Drummond)  
Pratt  
Proctor  
Provenzano

Alcock  
Anderson (Victoria)  
Assadourian  
Bachand (Saint-Jean)  
Bakopanos  
Beaumier  
Bellemare  
Bertrand  
Bigras  
Blaikie  
Bonin  
Borotsik  
Bourgeois  
Brison  
Bryden  
Byrne  
Calder  
Caplan  
Carignan  
Casey  
Catterall  
Chamberlain  
Chrétien  
Collenette  
Copp  
Cuzner  
Davies  
DeVillers  
Dion  
Doyle  
Duplain  
Eggleton  
Finlay  
Fontana  
Gagnon (Québec)  
Gagnon (Lac-Saint-Jean—Saguenay)  
Girard-Bujold  
Godin  
Graham  
Guimond  
Harvard  
Hearn  
Ianno  
Jennings  
Karetak-Lindell  
Keddy (South Shore)  
Knutson  
Laframboise  
Lalonde  
LeBlanc  
Leung  
Lincoln  
MacKay (Pictou—Antigonish—Guysborough)  
Mahoney  
Maloney  
Marceau  
Marleau  
Masse  
McCallum  
McGuire  
McLellan  
Minna  
Murphy  
Nault  
Nystrom  
Owen  
Pagtakhan  
Paradis  
Patry  
Peterson  
Phinney  
Pickard (Chatham—Kent Essex)  
Price  
Proulx  
Redman

**PAIRED**

## Members

Asselin  
Crête  
Duceppe  
Farrah  
Gaudet  
Loubier  
McCormick  
Perron  
Plamondon  
Scherrer  
St-Jacques

Bennett  
Desrochers  
Efford  
Fournier  
Grose  
Martin (LaSalle—Émard)  
O'Brien (Labrador)  
Pillitteri  
Rock  
St-Hilaire  
Tremblay — 22

**The Speaker:** I declare the amendment to Motion No. 4 lost.

[*English*]

The next question is on Motion No. 4. 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:*

**Ms. Marlene Catterall:** Mr. Speaker, I believe you would find consent that those who voted on the previous motion be recorded as voting on this motion, with Liberal members voting yes.

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

**Some hon. members:** Agreed.

**Mr. Dale Johnston:** Mr. Speaker, Canadian Alliance members will oppose this motion.

[*Translation*]

**Mr. Michel Guimond:** Mr. Speaker, the members of the Bloc Québécois will vote yes on this motion.

[*English*]

**Mr. Gerald Keddy:** Mr. Speaker, the Progressive Conservative Party votes no.

[Translation]

**Mr. Yvon Godin:** Mr. Speaker, the members of the New Democratic Party will vote against this motion.

• (1820)

**Mr. Jean-Guy Carignan:** Mr. Speaker, I vote yes on this motion.

**Ms. Pierrette Venne:** Mr. Speaker, I vote against this motion.

[English]

**Mr. Roy Cullen:** Mr. Speaker, I would like to be recorded as voting against this motion.

**Mr. Leon Benoit:** Mr. Speaker, I would like to be recorded as voting against this motion.

[Translation]

(The House divided on Motion No. 4, which was agreed to on the following division:)

(Division No. 184)

### YEAS

#### Members

Adams	Alcock
Allard	Anderson (Victoria)
Assad	Assadourian
Augustine	Bachand (Saint-Jean)
Bagnell	Bakopanos
Barnes (London West)	Beaumier
Bélanger	Bellemare
Bergeron	Bertrand
Bevilacqua	Bigras
Binet	Blondin-Andrew
Bonin	Bonwick
Boudria	Bourgeois
Bradshaw	Brown
Bryden	Bulte
Byrne	Caccia
Calder	Cannis
Caplan	Cardin
Carignan	Carroll
Castonguay	Catterall
Cauchon	Chamberlain
Charbonneau	Chrétien
Coderre	Collenette
Copps	Cotler
Cuzner	Dalphon-D-Guiral
DeVillers	Dhaliwal
Dion	Discepola
Drouin	Duplain
Easter	Eggleton
Eyking	Finlay
Folco	Fontana
Fry	Gagnon (Québec)
Gagnon (Champlain)	Gagnon (Lac-Saint-Jean—Saguenay)
Gauthier	Girard-Bujold
Godfrey	Goodale
Graham	Guay
Guimond	Harb
Harvard	Harvey
Hubbard	Ianno
Jackson	Jennings
Jordan	Karetak-Lindell
Karygiannis	Kilgour (Edmonton Southeast)
Knutson	Kraft Sloan
Laframboise	Laliberte
Lalonde	Lanctôt
LeBlanc	Lee
Leung	Lincoln
MacAulay	Macklin
Mahoney	Malhi
Maloney	Manley
Marceau	Marcil
Marleau	Matthews
McCallum	McGuire
McKay (Scarborough East)	McLellan

Ménard  
Mitchell  
Myers  
Neville  
Owen  
Pagtakhan  
Paradis  
Patry  
Peterson  
Phinney  
Pickard (Chatham—Kent Essex)  
Price  
Provenzano  
Reed (Halton)  
Robillard  
Roy  
Sauvageau  
Scott  
Sgro  
Simard  
St-Hilaire  
St. Denis  
Szabo  
Thibault (West Nova)  
Tirabassi  
Torsney  
Whelan  
Wood— 161

### Government Orders

Minna  
Murphy  
Nault  
O'Brien (London—Fanshawe)  
Pacetti  
Paquette  
Parrish  
Peschisolido  
Pettigrew  
Picard (Drummond)  
Pratt  
Proulx  
Redman  
Regan  
Rocheleau  
Saada  
Savoy  
Serré  
Shepherd  
Speller  
St-Julien  
Stewart  
Telegdi  
Thibeault (Saint-Lambert)  
Tonks  
Vanclief  
Wilfert

### NAYS

#### Members

Anderson (Cypress Hills—Grasslands)  
Blaikie  
Breitkreuz  
Burton  
Casey  
Comartin  
Cummins  
Day  
Doyle  
Epp  
Forsyth  
Grewal  
Harris  
Hill (Prince George—Peace River)  
Hinton  
Johnston  
Kenney (Calgary Southeast)  
Lunn (Saanich—Gulf Islands)  
MacKay (Pictou—Antigonish—Guysborough)  
Masse  
Meredith  
Mills (Red Deer)  
Nystrom  
Pallister  
Proctor  
Reid (Lanark—Carleton)  
Ritz  
Schellenberger  
Skelton  
Sorenson  
Stinson  
Thompson (Wild Rose)  
Toews  
Venne  
White (North Vancouver)

### PAIRED

#### Members

Asselin	Bennett
Crête	Desrochers
Duceppe	Efford
Farrah	Fournier
Gaudet	Grose
Loubier	Martin (LaSalle—Émard)
McCormick	O'Brien (Labrador)
Perron	Pillitteri
Plamondon	Rock
Scherrer	St-Hilaire

*Government Orders*

St-Jacques

Tremblay— 22

**The Speaker:** I declare Motion No. 4 carried.

[*English*]

The 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.

**Ms. Marlene Catterall:** Mr. Speaker, I believe you would find consent that those who voted on the previous motion be recorded as voting on this motion, with Liberal members voting yes.

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

**Some hon. members:** Agreed.

**Mr. Dale Johnston:** Mr. Speaker, Canadian Alliance members will oppose this motion with vigour.

[*Translation*]

**Mr. Michel Guimond:** Mr. Speaker, the members of the Bloc Québécois will vote yes on this motion.

[*English*]

**Mr. Gerald Keddy:** Mr. Speaker, members of the Progressive Conservative Party vote no.

**Mr. Yvon Godin:** Mr. Speaker, members of the NDP will be voting yes to this motion.

[*Translation*]

**Mr. Jean-Guy Carignan:** Mr. Speaker, I vote yes on this motion.

**Ms. Pierrette Venne:** Mr. Speaker, I vote yes on this motion.

[*English*]

**Mr. Roy Cullen:** Mr. Speaker, I would like my vote recorded against.

(The House divided on Motion No. 9, which was agreed to on the following division:)

(*Division No. 185*)

## YEAS

## Members

Adams  
Allard  
Assad  
Augustine  
Bagnell  
Barnes (London West)  
Bélanger  
Bergeron  
Bevilacqua  
Binet  
Blondin-Andrew  
Bonwick  
Bourgeois  
Brown  
Bulte  
Caccia  
Cannis  
Cardin  
Carroll  
Catterall  
Chamberlain  
Chrétien  
Collenette

Alcock  
Anderson (Victoria)  
Assadourian  
Bachand (Saint-Jean)  
Bakopanos  
Beaumier  
Bellemare  
Bertrand  
Bigras  
Blaikie  
Bonin  
Boudria  
Bradshaw  
Bryden  
Byrne  
Calder  
Caplan  
Carignan  
Castonguay  
Cauchon  
Charbonneau  
Coderre  
Comartin

Copps  
Cuzner  
Davies  
DeVillers  
Dion  
Drouin  
Easter  
Eyking  
Folco  
Fry  
Gagnon (Champlain)  
Gauthier  
Godfrey  
Goodale  
Guay  
Harb  
Harvey  
Ianno  
Jennings  
Karetak-Lindell  
Kilgour (Edmonton Southeast)  
Kraft Sloan  
Laliberte  
Lancôt  
Lee  
Lill  
MacAulay  
Mahoney  
Maloney  
Marceau  
Marleau  
Masse  
McCallum  
McGuire  
McLellan  
Minna  
Murphy  
Nault  
Nystrom  
Owen  
Pagtakhan  
Paradis  
Patry  
Peterson  
Phinney  
Pickard (Chatham—Kent Essex)  
Price  
Proulx  
Redman  
Regan  
Robinson  
Roy  
Sauvageau  
Scott  
Sgro  
Simard  
St-Hilaire  
St. Denis  
Szabo  
Thibault (West Nova)  
Tirabassi  
Torsney  
Venne  
Whelan  
Wood— 175

Cotler  
Dalphond-Guiral  
Desjarlais  
Dhaliwal  
Discepola  
Duplain  
Eggleton  
Finlay  
Fontana  
Gagnon (Québec)  
Gagnon (Lac-Saint-Jean—Saguenay)  
Girard-Bujold  
Godin  
Graham  
Guimond  
Harvard  
Hubbard  
Jackson  
Jordan  
Karygiannis  
Knutson  
Laframboise  
Lalonde  
LeBlanc  
Leung  
Lincoln  
Macklin  
Malhi  
Manley  
Marcil  
Martin (Winnipeg Centre)  
Matthews  
McDonough  
McKay (Scarborough East)  
Ménard  
Mitchell  
Myers  
Neville  
O'Brien (London—Fanshawe)  
Pacetti  
Paquette  
Parrish  
Peschisolido  
Pettigrew  
Picard (Drummond)  
Pratt  
Proctor  
Provenzano  
Reed (Halton)  
Robillard  
Rocheleau  
Saada  
Savoy  
Serré  
Shepherd  
Speller  
St-Julien  
Stewart  
Telegdi  
Thibeault (Saint-Lambert)  
Tonks  
Vanclicf  
Wasylcia-Leis  
Wilfert

## NAYS

## Members

Anderson (Cypress Hills—Grasslands)  
Borotsik  
Brisson  
Cadman  
Chatters  
Cummins  
Doyle  
Epp  
Forsyth  
Grey  
Heam  
Hilstrom  
Jaffer  
Keddy (South Shore)

Abbott  
Benoit  
Breitkreuz  
Burton  
Casey  
Cullen  
Day  
Duncan  
Fitzpatrick  
Grewal  
Harris  
Hill (Prince George—Peace River)  
Hinton  
Johnston



Kenney (Calgary Southeast)  
Lunney (Nanaimo—Alberni)  
Meredith  
Mills (Red Deer)  
Obhrai  
Penson  
Reid (Lanark—Carleton)  
Ritz  
Schmidt  
Solberg  
Spencer  
Strahl  
Thompson (New Brunswick Southwest)  
Vellacott  
Yelich — 57

Lunn (Saanich—Gulf Islands)  
MacKay (Pictou—Antigonish—Guysborough)  
Merrifield  
Moore  
Pallister  
Rajotte  
Reynolds  
Schellenberger  
Skelton  
Sorenson  
Stinson  
Thompson (Wild Rose)  
Toews  
White (North Vancouver)

### PAIRED

#### Members

Asselin	Bennett
Crête	Desrochers
Duceppe	Efford
Farah	Fournier
Gaudet	Grose
Loubier	Martin (LaSalle—Émard)
McCormick	O'Brien (Labrador)
Perron	Pillitteri
Plamondon	Rock
Scherrer	St-Hilaire
St-Jacques	Tremblay — 22

**The Speaker:** I declare Motion No. 9 carried.

The next question is on Motion No. 13.

**Ms. Marlene Catterall:** Mr. Speaker, I believe you would find consent in the House that those who voted on the previous motion be recorded as voting on Motion No. 13, with the Liberal members voting yes.

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

**Some hon. members:** Agreed.

**Mr. Dale Johnston:** Mr. Speaker, Canadian Alliance members will oppose this motion.

[Translation]

**Mr. Michel Guimond:** Mr. Speaker, the members of the Bloc Québécois will vote yes on Motion No. 13.

[English]

**Mr. Gerald Keddy:** Mr. Speaker, members of the Progressive Conservative Party will vote yes.

[Translation]

**Mr. Yvon Godin:** Mr. Speaker, members of the New Democratic Party vote yes on this motion.

**Mr. Jean-Guy Carignan:** Mr. Speaker, I vote yes on this motion.

**Ms. Pierrette Venne:** Mr. Speaker, I vote against this motion.

• (1825)

[English]

**Mr. Roy Cullen:** Mr. Speaker, I would like to be recorded as voting against this motion.

[Translation]

(The House divided on Motion No. 13, which was agreed to on the following division:)

### Government Orders

(Division No. 186)

### YEAS

#### Members

Adams	Alcock
Allard	Anderson (Victoria)
Assad	Assadourian
Augustine	Bachand (Saint-Jean)
Bagnell	Bakopanos
Barnes (London West)	Beaumier
Bélanger	Bellemare
Bergeron	Bertrand
Bevilacqua	Bigras
Binet	Blaikie
Blondin-Andrew	Bonin
Bonwick	Borotsik
Boudria	Bourgeois
Bradshaw	Brisson
Brown	Bryden
Bulte	Byrne
Caccia	Calder
Cannis	Caplan
Cardin	Carrigan
Carroll	Casey
Castonguay	Catterall
Cauchon	Chamberlain
Charbonneau	Chrétien
Coderre	Collette
Comartin	Copps
Cotler	Cuzner
Dalphond-Guiral	Davies
Desjarlais	DeVillers
Dhaliwal	Dion
Discepolo	Doyle
Drouin	Duplain
Easter	Eggleton
Eyking	Finlay
Folco	Fontana
Fry	Gagnon (Québec)
Gagnon (Champlain)	Gagnon (Lac-Saint-Jean—Saguenay)
Gauthier	Girard-Bujold
Godfrey	Godin
Goodale	Graham
Guay	Guimond
Harb	Harvard
Harvey	Hearn
Hubbard	Ianno
Jackson	Jennings
Jordan	Karetak-Lindell
Karygiannis	Keddy (South Shore)
Kilgour (Edmonton Southeast)	Knutson
Kraft Sloan	Laframboise
Laliberte	Lalonde
Lancôt	LeBlanc
Lee	Leung
Lill	Lincoln
MacAulay	MacKay (Pictou—Antigonish—Guysborough)
Macklin	Mahoney
Malhi	Maloney
Manley	Marceau
Marcil	Marleau
Martin (Winnipeg Centre)	Masse
Matthews	McCallum
McDonough	McGuire
McKay (Scarborough East)	McLellan
Ménard	Minna
Mitchell	Murphy
Myers	Nault
Neville	Nystrom
O'Brien (London—Fanshawe)	Owen
Pacetti	Pagtakhan
Paquette	Paradis
Parrish	Patry
Peschisolido	Peterson
Pettigrew	Phinney
Picard (Drummond)	Pickard (Chatham—Kent Essex)
Pratt	Price
Proctor	Proulx
Provenzano	Redman
Reed (Halton)	Regan
Robillard	Robinson
Rocheleau	Roy

*Government Orders*

Saada	Sauvageau
Savoy	Schellenberger
Scott	Serré
Sgro	Shepherd
Simard	Speller
St-Hilaire	St-Julien
St. Denis	Stewart
Szabo	Telegdi
Thibault (West Nova)	Thibeault (Saint-Lambert)
Thompson (New Brunswick Southwest)	Tirabassi
Tonks	Torsney
Vanclief	Wasylycia-Leis
Whelan	Wilfert
Wood— 183	

## NAYS

## Members

Abbott	Anderson (Cypress Hills—Grasslands)
Benoit	Breitkreuz
Burton	Cadman
Chatters	Cullen
Cummins	Day
Duncan	Epp
Fitzpatrick	Forseth
Grewal	Grey
Harris	Hill (Prince George—Peace River)
Hilstrom	Hinton
Jaffer	Johnston
Kenney (Calgary Southeast)	Lunn (Saanich—Gulf Islands)
Lunney (Nanaimo—Alberni)	Meredith
Merrifield	Mills (Red Deer)
Moore	Obhrai
Pallister	Penson
Rajotte	Reid (Lanark—Carleton)
Reynolds	Ritz
Schmidt	Skelton
Solberg	Sorenson
Spencer	Stinson
Strahl	Thompson (Wild Rose)
Toews	Vellacott
Venne	White (North Vancouver)
Yelich— 49	

## PAIRED

## Members

Asselin	Bennett
Crête	Desrochers
Duceppe	Efford
Farrah	Fournier
Gaudet	Grose
Loubier	Martin (LaSalle—Émard)
McCormick	O'Brien (Labrador)
Perron	Pillitteri
Plamondon	Rock
Scherrer	St-Hilaire
St-Jacques	Tremblay— 22

**The Speaker:** I declare Motion No. 13 carried.

[*English*]

The next question is on Motion No. 14.

**Ms. Marlene Catterall:** Mr. Speaker, I believe you would find consent among the members in the House that the vote on Motion No. 9 be applied to Motion No. 14.

● (1830)

**The Speaker:** Is it agreed that the vote on Motion No. 9 be applied to Motion No. 14?

**Some hon. members:** Agreed.

**An hon. member:** No.

**Mr. Yvon Godin:** Mr. Speaker, it would be nice if members would be quiet so we could hear what you are saying.

**The Speaker:** The Chair always hopes for order. I am asking if the vote on Motion No. 9 may be applied to Motion No. 14.

**Some hon. members:** Agreed.

**Mr. Jim Karygiannis:** Mr. Speaker, you do not have unanimous consent.

**The Speaker:** All those in favour of Motion No. 14 will please rise.

● (1835)

(The House divided on Motion No. 14, which was agreed to on the following division:)

(*Division No. 187*)

## YEAS

## Members

Adams	Alcock
Allard	Anderson (Victoria)
Assad	Assadourian
Augustine	Bachand (Saint-Jean)
Bagnell	Bakopanos
Barnes (London West)	Beaumier
Bélanger	Bellemare
Bergeron	Bertrand
Bevilacqua	Bigras
Binet	Blaikie
Blondin-Andrew	Bonin
Bonwick	Boudria
Bourgeois	Bradshaw
Brown	Bryden
Bulte	Byrne
Caccia	Calder
Cannis	Caplan
Cardin	Carignan
Carroll	Castonguay
Catterall	Cauchon
Chamberlain	Charbonneau
Chrétien	Coderre
Collenette	Comartin
Copps	Cotler
Cuzner	Dalphond-Guiral
Davies	Desjarlais
DeVillers	Dhaliwal
Dion	Discepola
Drouin	Duplain
Easter	Eggleton
Eyking	Folco
Fontana	Fry
Gagnon (Québec)	Gagnon (Champlain)
Gagnon (Lac-Saint-Jean—Saguenay)	Gauthier
Girard-Bujold	Godfrey
Godin	Goodale
Graham	Guay
Guimond	Harb
Harvard	Harvey
Hubbard	Ianno
Jackson	Jennings
Jordan	Karetak-Lindell
Kilgour (Edmonton Southeast)	Knutson
Kraft Sloan	Laframboise
Laliberte	Lalonde
Lanctôt	LeBlanc
Lee	Leung
Lill	Lincoln
MacAulay	Macklin
Mahoney	Malhi
Maloney	Manley
Marceau	Marleau
Martin (Winnipeg Centre)	Masse
Matthews	McCallum
McDonough	McGuire
McKay (Scarborough East)	McLellan
Ménard	Minna
Mitchell	Murphy
Myers	Nault
Neville	Nystrom

*Government Orders*

O'Brien (London—Fanshawe)  
 Pagtakhan  
 Paradis  
 Patry  
 Peterson  
 Phinney  
 Pickard (Chatham—Kent Essex)  
 Price  
 Proulx  
 Redman  
 Regan  
 Robinson  
 Roy  
 Sauvageau  
 Scott  
 Sgro  
 Simard  
 St-Hilaire  
 St. Denis  
 Szabo  
 Thibault (West Nova)  
 Tirabassi  
 Torsney  
 Venne  
 Whelan  
 Wood— 171

Owen  
 Paquette  
 Parrish  
 Pescholido  
 Pettigrew  
 Picard (Drummond)  
 Pratt  
 Proctor  
 Provenzano  
 Reed (Halton)  
 Robillard  
 Rocheleau  
 Saada  
 Savoy  
 Serré  
 Shepherd  
 Speller  
 St-Julien  
 Stewart  
 Telegdi  
 Thibault (Saint-Lambert)  
 Tonks  
 Vanclief  
 Wasylcia-Leis  
 Wilfert

## NAYS

## Members

Abbott  
 Benoit  
 Breitreuz  
 Burton  
 Casey  
 Cullen  
 Day  
 Duncan  
 Fitzpatrick  
 Grewal  
 Harris  
 Hill (Prince George—Peace River)  
 Hinton  
 Johnston  
 Kenney (Calgary Southeast)  
 Lunney (Nanaimo—Alberni)  
 Meredith  
 Mills (Red Deer)  
 Obhrai  
 Penson  
 Reid (Lanark—Carleton)  
 Ritz  
 Schmidt  
 Solberg  
 Spencer  
 Strahl  
 Thompson (Wild Rose)  
 Vellacott  
 Yelich— 57

Anderson (Cypress Hills—Grasslands)  
 Borotsik  
 Brison  
 Cadman  
 Chatters  
 Cummins  
 Doyle  
 Epp  
 Forseth  
 Grey  
 Hearn  
 Hilstrom  
 Jaffer  
 Keddy (South Shore)  
 Lunn (Saenich—Gulf Islands)  
 MacKay (Pictou—Antigonish—Guysborough)  
 Merrifield  
 Moore  
 Pallister  
 Rajotte  
 Reynolds  
 Schellenberger  
 Skelton  
 Sorenson  
 Stinson  
 Thompson (New Brunswick Southwest)  
 Toews  
 White (North Vancouver)

## PAIRED

## Members

Asselin  
 Crête  
 Duceppe  
 Farrah  
 Gaudet  
 Loubier  
 McCormick  
 Perron  
 Plamondon  
 Scherrer  
 St-Jacques

Bennett  
 Desrochers  
 Efford  
 Fournier  
 Grose  
 Martin (LaSalle—Émard)  
 O'Brien (Labrador)  
 Pillitteri  
 Rock  
 St-Hilaire  
 Tremblay— 22

**The Speaker:** I declare Motion No. 14 carried.

The next question is on Motion No. 12.

**Ms. Marlene Catterall:** Mr. Speaker, you might wish to ask if there is consent in the House that those who voted on the previous

motion be recorded as voting on Motion No. 12, with Liberal members voting no.

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

**Some hon. members:** Agreed.

**Mr. Dale Johnston:** Mr. Speaker, Canadian Alliance members will be voting no to this motion, and I think there were some members from the opposite side who absented themselves as well.

[*Translation*]

**Mr. Michel Guimond:** Mr. Speaker, members of the Bloc Québécois vote yes on Motion No. 12.

[*English*]

**Mr. Gerald Keddy:** Mr. Speaker, members of the Progressive Conservative Party will be voting yes.

[*Translation*]

**Mr. Yvon Godin:** Mr. Speaker, members of the NDP vote yes on this motion.

**Mr. Jean-Guy Carignan:** Mr. Speaker, I vote no on this motion.

**Ms. Pierrette Venne:** Mr. Speaker, I vote against this motion.

(The House divided on Motion No. 12, which was negated on the following division:)

(*Division No. 188*)

## YEAS

## Members

Bachand (Saint-Jean)	Bergeron
Bigras	Blaikie
Borotsik	Bourgeois
Brison	Cardin
Casey	Comartin
Dalphond-Guiral	Davies
Desjarlais	Doyle
Gagnon (Québec)	Gagnon (Champlain)
Gagnon (Lac-Saint-Jean—Saguenay)	Gauthier
Girard-Bujold	Godin
Guay	Guimond
Hearn	Keddy (South Shore)
Laframboise	Lalonde
Lancôt	Lill
MacKay (Pictou—Antigonish—Guysborough)	Marceau
Martin (Winnipeg Centre)	Masse
McDonough	Ménard
Nystrom	Paquette
Picard (Drummond)	Proctor
Robinson	Rocheleau
Roy	Sauvageau
Schellenberger	St-Hilaire
Thompson (New Brunswick Southwest)	Wasylcia-Leis— 46

## NAYS

## Members

Abbott	Adams
Alcock	Allard
Anderson (Victoria)	Anderson (Cypress Hills—Grasslands)
Assad	Assadourian
Augustine	Bagnell
Bakopanos	Barnes (London West)
Beaumier	Bélangier
Bellemare	Benoit
Bertrand	Bevilacqua
Binet	Blondin-Andrew
Bonin	Bonwick
Boudria	Bradshaw
Breitreuz	Brown
Bryden	Bulte
Burton	Byrne

*Government Orders*

Caccia	Cadman
Calder	Cannis
Caplan	Carignan
Carroll	Castonguay
Catterall	Cauchon
Chamberlain	Charbonneau
Chatters	Chrétien
Coderre	Collenette
Copps	Cotler
Cummins	Cuzner
Day	DeVillers
Dhaliwal	Dion
Discepolo	Drouin
Duncan	Duplain
Eastar	Eggleton
Epp	Eyking
Fitzpatrick	Folco
Fontana	Forseth
Fry	Godfrey
Goodale	Graham
Grewal	Grey
Harb	Harris
Harvard	Harvey
Hill (Prince George—Peace River)	Hilstrom
Hinton	Hubbard
Ianno	Jackson
Jaffer	Jennings
Johnston	Jordan
Karetak-Lindell	Kenney (Calgary Southeast)
Kilgour (Edmonton Southeast)	Knutson
Kraft Sloan	Laliberté
LeBlanc	Lee
Leung	Lincoln
Lunn (Saanich—Gulf Islands)	Lunney (Nanaimo—Alberni)
MacAulay	Macklin
Mahoney	Malhi
Maloney	Manley
Marleau	Matthews
McCallum	McGuire
McKay (Scarborough East)	McLellan
Meredith	Merrifield
Mills (Red Deer)	Minna
Mitchell	Moore
Murphy	Myers
Nault	Neville
O'Brien (London—Fanshawe)	Obhrai
Owen	Pagtakhan
Pallister	Paradis
Parrish	Patry
Penson	Peschisolido
Peterson	Pettigrew
Phinney	Pickard (Chatham—Kent Essex)
Pratt	Price
Proulx	Provenzano
Rajotte	Redman
Reed (Halton)	Regan
Reid (Lanark—Carleton)	Reynolds
Ritz	Robillard
Saada	Savoy
Schmidt	Scott
Serré	Sgro
Shepherd	Simard
Skelton	Solberg
Sorenson	Speller
Spencer	St-Julien
St. Denis	Stewart
Stinson	Strahl
Szabo	Telegdi
Thibault (West Nova)	Thibeault (Saint-Lambert)
Thompson (Wild Rose)	Tirabassi
Toews	Tonks
Torsney	Vanclief
Vellacott	Venne
Whelan	White (North Vancouver)
Wilfert	Wood
Yelich — 181	

**PAIRED**

## Members

Asselin	Bennett
Crête	Desrochers
Duceppe	Efford

Farrah	Fournier
Gaudet	Grose
Loubier	Martin (LaSalle—Émard)
McCormick	O'Brien (Labrador)
Perron	Pillitteri
Plamondon	Rock
Scherrer	St-Hilaire
St-Jacques	Tremblay — 22

**The Speaker:** I declare Motion No. 12 lost.

[English]

**Mr. Jim Abbott:** Mr. Speaker, I rise on a point of order. We have come to a point where there is cooperation in the House and as long as there is cooperation between members, this whole business of applying votes works.

However some of the Liberal members are revolting at this point and it would seem as though many of them have moved out of the House. If a member comes into the House and asks to be noted as having come into the House, then we have the ability to take that person's vote. But in actual fact as pointed out by our whip, there were a number of government members who ended up leaving, heading for the hills, between votes. How do we know what the actual count was?

**The Speaker:** The Chair appreciates the very helpful intervention of all hon. members on these matters. Members who are here for the vote are going to be counted unless they are noted in their absence. The hon. member for Kootenay—Columbia knows very well that quite often when a whip stands up, the whip will note that a certain member is no longer here. The hon. member said the chief government whip did not do it the last time. Maybe she did not see some of them go, I do not know. The Chair did not see either.

If there had been concerns about this, I am sure there would not have been consent to apply the vote. As it was, there was consent and the vote was applied. I suggest that given the margin of difference on the last motion the departure of some could not have made that much difference. I do not think we need deal with it further. I know the hon. member is diligent in pursuing these matters and ensuring that everyone is here and counted, and that is a good idea.

We will now deal with the last motion.

● (1840)

**Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.)** moved that the bill, as amended, be concurred in with further amendments.

**The Speaker:** Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

● (1845)

**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:*

• (1850)

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

*(Division No. 189)*

### YEAS

#### Members

Adams	Alcock
Allard	Anderson (Victoria)
Assad	Assadourian
Augustine	Bachand (Saint-Jean)
Bagnell	Bakopanos
Barnes (London West)	Beaumier
Bélanger	Bellemare
Bergeron	Bertrand
Bevilacqua	Bigras
Binet	Blaikie
Blondin-Andrew	Bonin
Bonwick	Boudria
Bourgeois	Bradshaw
Brown	Bryden
Bulte	Byrne
Caccia	Calder
Cannis	Caplan
Cardin	Carignan
Carroll	Castonguay
Catterall	Cauchon
Chamberlain	Charbonneau
Chrétien	Coderre
Collenette	Comartin
Copps	Cotler
Cuzner	Dalphond-Guiral
Davies	Desjarlais
DeVillers	Dhaliwal
Dion	Discepola
Drouin	Duplain
Easter	Eggleton
Eyking	Folco
Fry	Gagnon (Québec)
Gagnon (Champlain)	Gagnon (Lac-Saint-Jean—Saguenay)
Gauthier	Girard-Bujold
Godfrey	Godin
Goodale	Graham
Guay	Guimond
Harb	Harvard
Harvey	Hubbard
Ianno	Jackson
Jennings	Jordan
Karetak-Lindell	Kilgour (Edmonton Southeast)
Knutson	Kraft Sloan
Laframboise	Laliberte
Lalonde	Lanctôt
LeBlanc	Lee
Leung	Lill
Lincoln	MacAulay
Macklin	Mahoney
Malhi	Maloney
Manley	Marceau
Marleau	Martin (Winnipeg Centre)
Masse	Matthews
McCallum	McDonough
McGuire	McKay (Scarborough East)
McLellan	Ménard
Minna	Mitchell
Murphy	Myers
Nault	Neville
Nystrom	O'Brien (London—Fanshawe)
Owen	Pagtakhan
Paquette	Paradis
Parrish	Patry
Peschisolido	Peterson
Pettigrew	Phinney
Picard (Drummond)	Pickard (Chatham—Kent Essex)
Pratt	Price
Proctor	Provenzano
Redman	Reed (Halton)
Regan	Robillard

Robinson	Rocheleau
Roy	Saada
Sauvageau	Savoy
Scott	Serré
Shepherd	Simard
Speller	St-Hilaire
St-Julien	St. Denis
Stewart	Szabo
Telegdi	Thibault (West Nova)
Thibeault (Saint-Lambert)	Tirabassi
Tonks	Torsney
Vanclief	Wasylcia-Leis
Whelan	Wilfert
Wood— 167	

### Government Orders

### NAYS

#### Members

Abbott	Anderson (Cypress Hills—Grasslands)
Benoit	Borotsik
Breitkreuz	Brison
Burton	Cadman
Casey	Chatters
Cullen	Cummins
Day	Doyle
Duncan	Epp
Fitzpatrick	Forseth
Grewal	Grey
Harris	Hearn
Hill (Prince George—Peace River)	Hilstrom
Hinton	Jaffer
Johnston	Keddy (South Shore)
Kenney (Calgary Southeast)	Lunn (Saanic—Gulf Islands)
Lunney (Nanaimo—Alberni)	MacKay (Pictou—Antigonish—Guysborough)
Meredith	Merrifield
Mills (Red Deer)	Moore
Obhrai	Pallister
Penson	Rajotte
Reid (Lanark—Carleton)	Reynolds
Ritz	Schellenberger
Schmidt	Skelton
Solberg	Sorenson
Spencer	Stinson
Strahl	Thompson (New Brunswick Southwest)
Thompson (Wild Rose)	Toews
Vellacott	Venne
White (North Vancouver)	Yelich— 58

### PAIRED

#### Members

Asselin	Bennett
Crête	Desrochers
Duceppe	Efford
Farrah	Fournier
Gaudet	Grose
Loubier	Martin (LaSalle—Émard)
McCormick	O'Brien (Labrador)
Perron	Pillitteri
Plamondon	Rock
Scherrer	St-Hilaire
St-Jacques	Tremblay— 22

**The Speaker:** I declare the motion carried.

It being 6:50 p.m., the House will now proceed to the consideration of private members' business as listed on today's Order Paper.

*Adjournment Debate***PRIVATE MEMBERS' BUSINESS**

[English]

**CITIZENSHIP ACT**

The House resumed from April 7 consideration of the motion that Bill C-343, an act to amend the Citizenship Act, be read the second time and referred to a committee.

**The Speaker:** I should advise the House that if the hon. member for Okanagan—Shuswap speaks now, he will close the debate. We will therefore hear the hon. member for Mississauga South first.

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, I want to make a brief intervention. I know there is some opposition to this private member's bill. I simply wanted to put on the record that I very much support members bringing forward private members' initiatives such as this one which deals with citizenship. It is a very important matter. I think it has raised the level of the debate. I want to congratulate the member for bringing the issue forward and allowing the House the opportunity to discuss the issue.

**The Acting Speaker (Ms. Bakopanos):** Resuming debate. The hon. member for Okanagan—Shuswap.

**Mr. Sarkis Assadourian:** Madam Speaker, on a point of order. I believe the hon. member has spoken in this debate.

**The Acting Speaker (Ms. Bakopanos):** The hon. member who moved the motion has the right to five minutes at the end of debate. The hon. member for Okanagan—Shuswap.

**Mr. Darrel Stinson (Okanagan—Shuswap, Canadian Alliance):** Madam Speaker, Bill C-343, an act to amend the Citizenship Act, will make it easier for lost Canadians to regain their Canadian citizenship, as they would no longer have to be established as a permanent resident in order to do so.

The bill deals with the resumption of citizenship for people who lost their Canadian citizenship as minors between January 1, 1947 and February 14, 1977, when the responsible parent ceased to be a Canadian by becoming a citizen of another country.

Let me remind hon. members that we are referring to people who were born in Canada and therefore by birthright are Canadian citizens. Bill C-18, the new citizenship legislation, proposes that the residency requirement be modified to give the applicant flexibility in the time available to meet the requirement, and that the applicant must be physically present in Canada for 365 days out of the two years preceding the application. This is the third attempt by the government to modernize the 1977 act. Changes to the Citizenship Act on February 15, 1977, such as allowing dual citizenship, were not retroactive to the already lost Canadians.

The Minister of Citizenship and Immigration's press release on May 14 of this year stated "normal selection criteria for permanent residence will be waived for these individuals". The press release went on to say that "an exemption from the medical inadmissibility requirement related to an excessive demand on the health care system be granted to these people".

The point still remains that a minor child who was born in Canada, who was a Canadian citizen, who moved with the parent to another country between 1947 and 1977, and whose parent became a citizen of that other country, should not have lost his or her citizenship in the

first place. It was the responsible parent who became a citizen of another country, not the child.

Lost Canadians still have to pay the same fees as others applying and have to reside in Canada for one year within the two year time frame. Why? They did not ask for, nor did they obtain citizenship in another country. Their parent did.

My Bill C-343 would correct an injustice that should have been resolved when the Citizenship and Immigration Act was replaced in 1977, which allowed dual citizenship. Unfortunately, as I stated earlier, dual citizenship allowed in 1977 was not retroactive. Bill C-343 would amend the existing act to recognize Canadian-born children who left this country between 1946 and 1977 as still being Canadians.

In conclusion, Bill C-343 should be incorporated into Bill C-18, the citizenship of Canada act, to correct historic wrongs and bring the 2003 act up to current morals and standards of what it means to be a Canadian.

Let us please pass this bill and finally welcome home our lost Canadians and allow them to reclaim the birthright they should not have lost as children through no fault of their own.

• (1855)

**The Acting Speaker (Ms. Bakopanos):** Is the House ready for the question?

**Some hon. members:** Question.

**The Acting Speaker (Ms. Bakopanos):** 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 (Ms. Bakopanos):** All those in favour of the motion will please say yea.

**Some hon. members:** Yea.

**The Acting Speaker (Ms. Bakopanos):** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Acting Speaker (Ms. Bakopanos):** In my opinion the yeas have it.

*And more than five members having risen:*

**The Acting Speaker (Ms. Bakopanos):** Pursuant to Standing Order 93, the recorded division stands deferred until Wednesday, June 11 at the beginning of private members' business.

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**ADJOURNMENT PROCEEDINGS**

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

*Adjournment Debate*

[English]

## CANADA ELECTIONS ACT

**Mr. Scott Reid (Lanark—Carleton, Canadian Alliance):** Madam Speaker, my question this evening is on the subject of Bill C-24, the political financing act. Last week I rose in the House to question the government about the proposed amendments to the bill. Now that the amendments have been officially tabled and voted on, this may be somewhat academic, but I want to ask some further questions about these amendments.

First let me outline some of the amendments that were tabled yesterday and have just been voted through. The direct statutory annual allowance paid to parties will go from \$1.50 per vote that the party obtained in the last election to \$1.75 per vote. Incidentally, this is going to guarantee the Liberals an annual subsidy of over \$9 million, year in, year out.

The reimbursement of election expenses to individual candidates who win more than 15% of the vote will be raised from 50% to 60% of their election expenses. Similarly, the reimbursement for election expenses to national parties is being raised from 50% to 60%. This represents a massive grab of taxpayers' money for political parties, particularly of course for the Liberal Party of Canada, which is hoping to lock in its political success from the past election through a formula which ensures that each party will be paid according to the number of votes that it received in the prior election.

Voters often change their minds during a government's mandate. With this new system, a party's chances at the next election are tied to its performance in the previous one, and this is a problem which I can best explain by means of an historical analogy.

In the 1988 election, Brian Mulroney and the Progressive Conservatives won a strong mandate and more votes than the other parties. In the 1993 election, the Conservative vote collapsed. The Liberal vote soared, as did the vote of my party, the Reform Party at the time, and the current Prime Minister came to power. Clearly voters had changed their minds during that mandate. However, had the proposed new funding rules been in place during that period, the Progressive Conservatives would have continued to receive \$1.75 each year for every single ballot they had received in the 1988 election, even as their popularity plummeted and the popularity of the parties that opposed them rose. Those other parties would have been denied a level of financing that would have been commensurate with the level of support they were receiving from the public, given the fact that many of the voters who had formerly supported the Conservatives had since decided that some other party now best represented their point of view and deserved their support.

It goes without saying that the same situation would occur today if the Liberals were to find their support level declining from the levels they enjoyed in the election of November 27, 2000. The same thing would be true if my party, the Canadian Alliance, or any other party were to see its level of support go up or down. Like flies caught in amber, their annual subsidies would go on reflecting the electoral results of a prior election without any reflection of how voters are thinking.

To avoid this kind of confusion, I strongly recommend to the House the amendment suggested by former NDP leader Ed

Broadbent. In a presentation to the House of Commons committee considering this bill, Mr. Broadbent suggested that instead of basing the annual payment to parties on the results of the prior election, citizens should be permitted to direct their proportionate share of the subsidy to the party of their choice each year by means of a question that would be included on their income tax return form. Already it is possible to register for the voters list by doing this.

This solution would be fair. It would be democratic. It would allow people to give money to the party they actually support should they find their support changing, or even to a minor party which has no representation in the House of Commons. This was not considered in any serious way during the debate over the amendments to this bill. My question to the Parliamentary Secretary to the Leader of the Government in the House of Commons is simply this: Why was it not considered?

• (1900)

**Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Madam Speaker, I am pleased to have the opportunity to clarify for the opposition the important role that public funding plays in our political system. Of course, it already plays an important role in our system.

In 1974 Parliament laid the foundation for election financing in Canada by enacting the Election Expenses Act which introduced spending limits for registered political parties and candidates; reporting of party and candidate spending and revenues, and public funding through income tax credits for political contributions; and partial reimbursement of election expenses for parties and candidates. Even back in 1974 we started to introduce public funding for the political process. In fact, as things stand now, even without Bill C-24 approximately 60% of political funding in this country comes from the public purse. It is not a new element in Canadian politics.

All the parties in the House have benefited from these provisions, including the Canadian Alliance. After the 2000 election and in previous elections when there were Reform Party candidates or Canadian Alliance candidates or CRA, it is clear that they received rebates, particularly those candidates who had more than 15% of the vote.

I am looking forward to hearing from the hon. member when he speaks again in a moment because I am interested to know how many of the members of Parliament on his side returned the reimbursement they received if they are so strongly against public funding of the political process. I think we will find that the answer is none, but I will leave it to him to answer the question. Perhaps he can fill us in and enlighten the House on how many members on his side actually returned those rebates.

Canadians have long accepted the importance of providing financial support to political participants. Indeed, this fact was made repeatedly during the discussion on Bill C-24 in the Standing Committee on Procedure and House Affairs on which I sit. I heard it many times from many of the witnesses we heard from during the meetings we had on this topic.

*Adjournment Debate*

Canadians recognize the important role played by parties in our system in developing policy and representing the views of Canadians on an ongoing basis. They recognize that parties justifiably require some public resources to carry out those functions. They know that the policy development process is an important one for all of us. They know it is important to have the outreach that parties engage in and that it costs money, but it is important to support that process.

Canadians also know that parties have varying abilities to raise money and to finance themselves. It may not always reflect the number of people in the country who support them, but this process will allow that to happen so that it will reflect the support they receive in an election.

Is there some other ideal way that might be better than this? Maybe someone can come up with one, but of all the various ways that have been examined that might fund political parties and fund the process, this is the best of those that are available.

That is why it is being used now in Quebec, New Brunswick and Prince Edward Island. That is why it is the system that we have adopted. It is the best we have seen. There are others, but I think they have many flaws in them. This system may not be perfect, but it is the best available. I think it is a good system.

● (1905)

**Mr. Scott Reid:** Madam Speaker, in making his remarks the hon. parliamentary secretary asked rhetorically if there was a better system because he had not heard of one.

He must have been absent from the parliamentary committee hearings when Ed Broadbent, the former leader of the NDP said that yes, there was a better way. He said to give the money—because there is a valid purpose for public funds for these things—to the parties that people want to support. Let people tick off on their income tax forms which party they would like to support based on their preferences and whether or not that party represents their interests. It might be a party that has parliamentary representation or

it might be one of the minor parties that does not have parliamentary representation. That is the fair and democratic thing to do.

That suggestion was made in committee. It was not in any way taken seriously in the committee's report back to the House and certainly not by the government. That was a disappointment. The hon. parliamentary secretary has not answered my question. Why was this democratic proposal not taken seriously?

**Mr. Geoff Regan:** Madam Speaker, as I said, the committee heard a variety of proposals and a variety of different views. We had good discussions on them. We had a good discussion on the one the member suggested. Mr. Broadbent was, in fact, questioned and there were views opposed to his stating at the time why this would not make sense.

We had another suggestion, for example, that it should follow polling numbers, that there should be a national poll done on a regular basis which would not be dissimilar to this annual process. It was brought forward by witnesses and others in the committee. The problem with that suggestion was that it would lead governments to do things that were popular at that moment immediately before the poll but would not necessarily be good in the long term for the country.

There is a reason why we have a maximum of five year terms for governments in this country. It is so governments can look not just at the immediate issue and the immediate popularity for what they are doing, but try to do things for the long term that are best for the country.

[*Translation*]

**The Acting Speaker (Ms. Bakopanos):** The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 7.09 p.m.)







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