



CANADA

# House of Commons Debates

---

VOLUME 140 • NUMBER 010 • 1st SESSION • 38th PARLIAMENT

---

OFFICIAL REPORT  
(HANSARD)

**Monday, October 18, 2004**

—  
**Speaker: The Honourable Peter Milliken**

## **CONTENTS**

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

All parliamentary publications are available on the  
"Parliamentary Internet Parlementaire" at the following address:

**<http://www.parl.gc.ca>**

# HOUSE OF COMMONS

Monday, October 18, 2004

The House met at 11 a.m.

---

*Prayers*

---

## SPEECH FROM THE THRONE

• (1100)

[*English*]

### RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed from October 12 consideration of the motion for an address to Her Excellency the Governor General in reply to her Speech at the opening of the session, and of the amendment as amended.

**Hon. Stephen Harper (Leader of the Opposition, CPC):** Mr. Speaker, I would seek the unanimous consent of the House to move the following amendment:

That the amendment to the address in reply to the Speech from the Throne be amended by replacing all of the words after the words "partisanship to address the public interest" with the words:

"That Your Excellency's advisors consider the advisability of the following:

1. An order of reference to the Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities instructing the committee to recommend measures that would ensure that all future uses of the employment insurance program would only be for the benefit of workers and not for any other purpose.

• (1105)

2. Opportunities to further reduce the tax burden on low and modest income families consistent with the government's overall commitment to balanced budgets and sound fiscal management.

3. An order of reference to the Standing Committee on Finance instructing the committee to make recommendations relating to the provisions of independent fiscal forecasting advice for parliamentarians including the consideration of the recommendations of the external expert.

4. An order of reference to the Standing Committee on Procedure and House Affairs instructing the committee to recommend a process that engages citizens and parliamentarians in an examination of our electoral system with a review of all options.

5. With respect to an agreement on ballistic missile defence, the assurance that Parliament will have an opportunity to consider all public information pertaining to the agreement and to vote prior to a government decision; and

we ask Your Excellency's advisors to ensure that all measures brought forward to implement the Speech from the Throne, including those referred to above, fully respect the provinces' areas of jurisdiction and that the financial pressures some call the fiscal imbalance be alleviated.

Mr. Speaker, discussions were held between the Prime Minister, myself and the leader of the Bloc Québécois on this matter about eight days ago and, subsequent to that, extensive discussions have

been held among the House leaders, and I think you would find unanimous agreement that this is a significant amendment. It covers major issues on which the public has concerns. By putting many of these things to committee, we would allow the opposition and the House in general to retain considerable input into the development of proposals.

I thank everyone involved, the House leaders and their staffs, and particularly my own House leader for his role in this, the hon. member for West Vancouver—Sunshine Coast—Sea to Sky Country, whom we all depend on greatly.

[*Translation*]

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, I too rise on behalf of my party to indicate that we agree to amend the amendment to include a number of concerns which were raised during the election campaign, more specifically the use of the employment insurance fund only for workers' benefits; second, the opportunity for this House to discuss the whole issue of the defence shield; and finally, anything in connection with the fiscal imbalance and provincial areas of jurisdiction.

One lesson we must learn from the election, and that the negotiations we conducted, this weekend in particular, further reinforced, is that every party is prepared to help make things better, as long as the wishes expressed on June 28 are respected.

**Mr. Jack Layton (Toronto—Danforth, NDP):** Mr. Speaker, we want to acknowledge here the results of these discussions and we will be supporting the proposals brought forward by the Leader of the Opposition.

[*English*]

There have been extensive discussions and they have produced a very positive result. It sets a good tone for the work that the House can now embark upon.

Members will know that it has been a particular preoccupation of ours that electoral reform and proportional representation be considered by Canadians. We are off in a very positive direction to do that now. In fact, we will bring a motion to the standing committee in order to encourage public hearings on that matter.

On the question of national missile defence, we have called for a vote in the House. Now that it has been agreed to in the motion, we have made a significant step, all of us together, in terms of addressing the democratic deficit. We will bring a motion to the foreign affairs committee calling for public hearings on this matter to ensure that full information is indeed available.

*Government Orders*

On employment insurance, I want to salute the work of all parties to have the large surplus that has not gone toward the workers addressed by the House. This motion takes us in that direction. It will also allow us to discuss the adequacy of employment insurance to meet the needs of workers and people who have been thrown out of work.

This is all very positive and that is why we are going to be providing our support for the recommendation of the Leader of the Opposition.

• (1110)

**Hon. Tony Valeri (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I would like to add to what has been said by the leaders of the other parties. There have been extensive discussions over this past week. We have been able to come to an agreement on the amendment put forward by the official opposition with respect to the tax burden, reflecting what the government has already been doing in regard to opportunities, maintaining consistency, and how it looks at that in terms of balanced budgets and sound fiscal management.

The forecasting advice is really a continuation of the work that the finance minister has already indicated the external expert would be providing. On electoral reform, we have reflected in the throne speech the need to review and look at all the options that in fact do exist. The Standing Committee on Procedure and House Affairs will in fact be doing that.

Finally, with respect to the vote on ballistic missile defence, this vote will take place in the House after debate. I am sure it will be advisory in nature and non-binding on the government. Nonetheless, the government always looks to Parliament for advice and certainly, in this instance it will be no different.

**The Speaker:** Does the hon. Leader of the Opposition have the unanimous consent of the House to propose the motion?

**Some hon. members:** Agreed.

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

**Some hon. members:** Agreed.

(Amendment to amendment, as amended, agreed to)

## GOVERNMENT ORDERS

[*Translation*]

### CANADA SHIPPING ACT

The House resumed from October 15 consideration of the motion that Bill C-3, An Act to amend the Canada Shipping Act, the Canada Shipping Act, 2001, the Canada National Marine Conservation Areas Act and the Oceans Act, be read the second time and referred to a committee.

**Mr. Jean-Yves Roy (Haute-Gaspésie—La Mitis—Matane—Matapédia, BQ):** Mr. Speaker, I am pleased to speak to the bill we have before us, Bill C-3.

The sole purpose of this bill is to transfer certain responsibilities from the Department of Fisheries and Oceans, particularly responsibility for the Canadian Coast Guard, to the Department of Transport.

The bill does not propose any really major changes. As the government has said, there are no new costs involved in the transfer of responsibilities.

Hon. members need perhaps to be reminded that these responsibilities have been with Transport in the past. If I am not mistaken, these responsibilities, including that of the Canadian Coast Guard, were transferred to Fisheries and Oceans in the early 1990s. So this is a kind of backward step. It is a kind of return to the previous situation, after the realization that the transfer to Fisheries and Oceans was not really working.

In December 2003, the government transferred the responsibilities we are discussing today to the Department of Fisheries and Oceans by order in council. These responsibilities needed, of course, to be in the legislation, which is why the Canada Shipping Act, the Canada National Marine Conservation Areas Act and the Oceans Act will be amended.

This does not, unfortunately, really solve the problem of the Canadian Coast Guard. This body has numerous responsibilities. The Standing Committee on Fisheries and Oceans studied the role of the Canadian Coast Guard on two occasions, and in March 2004 tabled a unanimous report containing 18 recommendations on the Coast Guard, its role and its importance.

The government ought perhaps to have taken its cue from that report and introduced a bill making the Canadian Coast Guard an independent agency. That was the gist of the main recommendation. As an agency, it could fulfill responsibilities serving both the Department of Transport and the Department of Fisheries and Oceans, in fact even all departments concerned. This was a very important recommendation that should have compelled the government to make the Coast Guard an independent agency as soon as possible.

The other problem affecting the Coast Guard in particular is underfunding. I think everyone from industry people, to the Coast Guard itself, to parliamentarians agrees. The Standing Committee on Fisheries and Oceans, among others, found that the Canadian Coast Guard is completely underfunded. In the current state of its fleet and with its lack of adequate human resources, it could never meet expectations.

I would simply remind hon. members that the Standing Committee on Fisheries and Oceans reported that the Canadian Coast Guard is rusting out and the fleet is clearly undercapitalized. That is the position of the Standing Committee on Fisheries and Oceans.

The average age of Canadian Coast Guard vessels is 20.2 years and the median age is 19 years; for the larger vessels the average age is 24.8 years with a median age of 22 years. Almost 80% of the fleet has reached or passed its half-life, and nearly 50% of the vessels have five years or less of useful life left. The picture is bleaker when considering large vessels, for which the respective numbers are 95% and 39%.

*Government Orders*

As reported by the Auditor General, the Department of Fisheries and Oceans estimated in 1999 the replacement cost of all of the large vessels was at \$2.2 billion. That seems like a lot of money, but if it had been invested at the time, in the early 1990s, to replace the fleet, the figure would have been a lot less, and all the vessels and equipment of the Canadian Coast Guard could gradually have been replaced.

• (1115)

Since September 2001, the Canadian Coast Guard has faced a nearly catastrophic situation, with new mandates. Emergency investments have had to be made and funding is still completely inadequate.

We are talking about a cost of \$2.2 billion, but simply to replace the large vessels over 30 years old, it would cost \$750 million. Obviously the main challenge will be to replace the Coast Guards ships and other equipment. As Commander John Adams, Commissioner of the Canadian Coast Guard, said, “—based on a renewal rate of only 4% for the asset base, the coast guard should be investing between \$140 and \$150 million in capital funding into our infrastructure each year”. That is what should have been done in the past, of course. If there had been an annual investment of \$140 to \$150 million, or even \$100 million, for 10 or 15 years, the problem would not exist today. We would now have a Canadian coast guard much better equipped to fulfil its mandates and meet the needs.

As the Coast Guard Commissioner said, “Our budget over the last ten years has been in the order of \$30 million to \$40 million”. This represents a shortfall of about \$100 million per year for the Coast Guard, just for replacing certain equipment. Now we find ourselves in a situation that could be called practically impossible. The Canadian Coast Guard's fleet needs to be replaced or modernized, and large amounts of money must be invested to achieve the desired results, the results the public, the Coast Guard and the industry all want to see.

This is what has happened over the years. Since the infrastructure was not replaced, it is aging and deteriorating. Moreover, there has been another problem. The Coast Guard is clearly understaffed. Today, in my opinion, the Canadian Coast Guard is unable to respond to all calls for its services.

The bill before us transfers the responsibilities of the Department of Fisheries and Oceans to the Department of Transport. However, in the end, no money is allocated. Who will assume these responsibilities? Who will meet the needs expressed? It is very difficult to tell. The bill is not at all clear on this. Do we want to create another structure within the Department of Transport to meet the needs that are transferred to that department, or will we use, among others, the Canadian Coast Guard? If we rely on the Coast Guard, it goes without saying that we will have to invest more in its equipment and also in its personnel.

The Standing Committee on Fisheries and Oceans noticed something else during its review of the Canadian Coast Guard. I am referring to the difficulty that Coast Guard personnel is currently experiencing in fulfilling its mandate. We are talking about people who cannot take training courses, because there is not enough personnel to replace them. This means that they cannot take development courses. That includes the whole management frame-

work, since managers themselves are not replaced because there are not enough of them. The result is that the Coast Guard personnel is asked to do too much. After a while, these people get tired. So, the Canadian Coast Guard is subjected to totally unwarranted pressure.

Let us not forget that the Coast Guard must fulfill all kinds of duties, including research and rescue operations. This is very important for recreational boaters and fishermen, among others, particularly in my region, but also on the west coast. Indeed, fishermen must travel further at sea to find the resources, thus putting their lives at greater risk.

• (1120)

This is another reason why the Canadian Coast Guard is subjected to greater pressure now than in the past. It is not necessarily equipped to meet the needs or to be able to properly carry out its mandate with respect to search and rescue. We have seen some pretty tragic cases recently. The same is true of emergency environmental response.

At present, with the growing maritime traffic—which is not likely to diminish, given the import and export activities of both Quebec and Canada—pollution is indeed one of the biggest problems, because of the ships either sailing or docking in our waters.

Naturally, the Standing Committee on Fisheries and Oceans reports that, currently, the source of the majority of discharges of substances such as oil at sea is unknown or, if known, impossible to be acted on to resolve the problem.

Also, the Canadian Coast Guard does have a role to play within the Department of Fisheries and Oceans with respect to the protection of fisheries resources, in terms of search, among others. Here again, we can say that the Coast Guard is unable to meet the needs.

The Standing Committee on Fisheries and Oceans therefore made 18 recommendations. As I indicated earlier, the main one is for a renewed Canadian Coast Guard to be established as an independent civilian agency. That is the committee's wish, and I think that the government should have taken heed.

Another recommendation of the Standing Committee on Fisheries and Oceans was that the Canadian Coast Guard be under Transport Canada but, before, that it become a stand-alone agency, that is, an independent civilian agency. We can see that some responsibilities are being transferred to Transport Canada, and we know that the Canadian Coast Guard used to come under that department. Perhaps all this could have taken place before the government introduced the bill before us.

Why transfer some responsibilities to Transport Canada? Because that is the lead department for maritime security. And, following the events of September 11, this role was of course expanded. Transport Canada is working with all security agencies, and the Canadian Coast Guard should also be involved.

*Government Orders*

The Department of Transport is also responsible for shipping traffic in general, and a major part of the Coast Guard responsibilities involve shipping traffic safety. Right now, we get many complaints from people who live on the shores of the St. Lawrence River about shipping traffic, and especially about bank erosion. Ships travelling at high speed in the channel generate powerful waves, which damage part of the banks of the St. Lawrence River.

One important role of the government would be to regulate the traffic in order to limit the speed of large ships. The Coast Guard would manage this traffic, which, for currently does not seem to be controlled. We do know that the speed of ships in the St. Lawrence River channel is regulated only by implicit agreement between ship owners and the pilots. Shipping generates erosion and other problems.

There is another crucial element in connection with traffic on the St. Lawrence River and towards the Great Lakes, and it has been examined by the fisheries and oceans standing committee. I am talking about the invasion of our waterways by exotic species that are harmful to our resources. This problem will only get bigger. The Department of Transport and the Coast Guard have a role to play to prevent this kind of problem.

• (1125)

The Department of Transport and the Coast Guard could play a very important role, that of inspecting and cleaning vessels entering our waters so that no more invasive species will be brought in.

Another recommendation was that the Canadian Coast Guard be given full operational funding. I have underscored right from the start that the Standing Committee on Fisheries and Oceans found the Coast Guard to be seriously under funded. The March 2004 report recommended to the government that it be properly funded. We know that the Department of Fisheries and Oceans is one of the least well funded of departments. I would say it has had the smallest budget increase since 1993, along with the biggest cuts. Even though some have said that it is precisely because the Coast Guard is connected to Fisheries and Oceans that it is underfunded, I am only partially in agreement with that. Whether the Canadian Coast Guard is transferred to the Department of Transport in whole or in part, whether it is made into an agency or not, if it gets no more funding that when it reported to the Department of Fisheries and Oceans, the situation will not be corrected. It will remain unchanged.

The Government of Canada must gradually invest in the Canadian Coast Guard. This must be done regularly, annually, so as to renew all infrastructures. Compared with other coast guards around the world, the Canadian Coast Guard is among the poorest and least well organized. Looking at the United States, we can see that their coast guard reports to the armed forces; it is very well equipped and can fulfil the mandates assigned to it.

One of the recommendations of the March 2004 report entitled "Safe, Secure, Sovereign: Reinventing the Canadian Coast Guard" reads:

That the Canadian Coast Guard be given the explicit authority to act on behalf of other agencies—

That is what I was just saying. If we create an independent agency, it should have, and I quote

"the explicit authority to act on behalf of other agencies, including Fisheries and Oceans Canada, Environment Canada, Transport Canada, the Canada Border Services Agency, the Canada Revenue Agency, and Citizenship and Immigration Canada in situations where there is reasonable cause to believe that Canadian laws are being broken."

At present, I think there has been some weakening of these mandates through a number of agencies and departments. That means we are now going through a similar process to what happened in the United States. That country created an agency and gave it selected powers taken from other departments. I think that is what should be done here. We should create an agency whose role will be to coordinate and fulfil mandates. It is a role that could be given to the Canadian Coast Guard, if the government is willing to establish it as an independent agency.

We do not completely support this bill. We agree with certain things, but disagree with others. We feel this bill, as it stands, will not improve anything about the way the government fulfils its mandates or the way the Coast Guard can fulfil its mandate in the future.

In conclusion, the important thing is to make investing in the Canadian Coast Guard a priority. It must become a real agency and it must have the means to fulfil its mandate.

• (1130)

[*English*]

**Hon. Jim Karygiannis (Parliamentary Secretary to the Minister of Transport, Lib.):** Mr. Speaker, I listened to my colleague across the way with great interest. Certainly he raised some points that need to be discussed as well as debated, but I cannot help but note that Bill C-3 is a government neutral bill. It shifts responsibility from one department to another department.

Let me read some notes for my good friend. On December 12, 2003, the Government of Canada transferred from the Department of Fisheries and Oceans to Transport Canada "all Canadian Coast Guard policy responsibilities and certain operational responsibilities relating to pleasure craft safety, marine navigation services, pollution prevention and response, and navigable waters protection".

I was interested to hear my good friend talk about Coast Guard equipment and the increasing pressure on the Coast Guard. I wonder if my colleague as well as all his Bloc colleagues are trying to hijack the idea of transferring responsibilities and being revenue neutral, let us say, by saying that we need more priorities and more equipment in the Coast Guard, that we need to invest in priorities. I am sure that is a discussion we can have at a different date and in a different place, including in here, but this is not the idea or the gist or the substance of the bill.

I understand that members from time to time do take the opportunity to increase a bit of substance, but certainly Bill C-3 is a mechanics bill passing from one department to another department and has absolutely nothing to do with equipment for the Coast Guard. However, that is a discussion we could have on another day.

*Government Orders*

I would ask my colleague across the way if he agrees that this is mechanics and mechanics only and that those members are just gesturing on the fact about equipment.

[*Translation*]

**Mr. Jean-Yves Roy:** Mr. Speaker, I totally agree. This is what I said. The government is transferring responsibilities that already belonged to the Department of Transport in the past. In fact, this is simply reverting back. It must be well understood, with the bill, that what is being transferred to the Department of Transport was already under the Department of Transport in the past. It was transferred to the Department of Fisheries and Oceans. It is now transferred back to the Department of Transport.

The real problem is the bill. Of course, it is totally a mechanics bill. When this bill comes into force, who will oversee the transfer? Who will be responsible for its implementation? Of course, it will be the Department of Transport, but who will it be in the field? It is the Canadian Coast Guard. If it does not have the means, like now, to fulfill its mandates, even though a mechanical transfer would be made between the Department of Fisheries and Oceans and the Department of Transport, we will not be ahead. It does not solve the real problem.

Indeed, the real problem is that the Canadian Coast Guard is an underfunded agency and that, to fulfill its mandates, it needs funding. It needs to renew its fleet. It needs to renew its equipment. During 10 to 15 years, the government did not fund it enough. This means that we are now finding ourselves in a very difficult situation. We will have to invest from \$140 million to \$150 million a year, which should have been done in the past. It means that, today, we would not have a \$1 billion problem on our hands.

• (1135)

[*English*]

**Mr. Loyola Hearn (St. John's South—Mount Pearl, CPC):** Mr. Speaker, the parliamentary secretary just mentioned that Bill C-3 is a government neutral bill. I wonder if my colleague from the Bloc thinks the parliamentary secretary has read the report recently tabled by the Standing Committee on Fisheries and Oceans, which deals with the Coast Guard.

Over the last number of years since the Coast Guard was taken from Transport Canada and moved to the Department of Fisheries and Oceans, it has seen a tremendous number of cutbacks, to the point where it can no longer operate. The Standing Committee on Fisheries and Oceans tabled a report stressing that the Coast Guard has to be beefed up. As for some of the frills which we see in Bill C-3 about moving to Transport Canada, I think it is just a defective move by the government thereby allowing it to say, "Oh, we are making changes to the Coast Guard".

I ask my colleague, are these the types of changes we should be making to the Coast Guard? Or should we deal with the substantive issue that the Coast Guard has to be beefed up to do the job that the Canadian Coast Guard is supposed to do?

[*Translation*]

**Mr. Jean-Yves Roy:** Mr. Speaker, I thank my colleague for his remarks. As a matter of fact, the report I have here is the March 2004 report, but it is the second one tabled by the Standing Committee on

Fisheries and Oceans, and it is a unanimous report. One should not think the 18 recommendations came from opposition members only. This is an important unanimous report describing the sorry state the Coast Guard is in.

The 18 recommendations in this report should have been implemented already. They should have been included in the government's priorities. They should be implemented as soon as possible if we really want to have a Coast Guard capable of carrying out its mandate, including in matters of security. I am talking here about the security of fishers and other people using our waterways.

Right now, one cannot say the Canadian Coast Guard is capable of giving fishers and other people the assurance they are safe. That reminds me of something which happened last spring. The Coast Guard did not have any money to buy oil to run its ships, and they could not sail.

If the government does not change its ways, it might as well do away with the Canadian Coast Guard.

**Mr. Richard Marceau (Charlesbourg—Haute-Saint-Charles, BQ):** Mr. Speaker, I would like to ask my colleague, who is an expert in fisheries, what he thinks, as a parliamentarian, about the fact that the present Prime Minister, who prides himself on fighting against the democratic deficit, presents, as one of his first bills, Bill C-3, legislation that does not take into account unanimous recommendations made by a parliamentary committee. This committee toured across Canada, met dozens of experts and people who know this issue.

As a parliamentarian, what does he think about this insult to the House, to the members of Parliament, to him as a member of this committee, and also to all the Liberal members who signed a unanimous report?

• (1140)

**Mr. Jean-Yves Roy:** Mr. Speaker, I thank the member from Charlesbourg—Haute-Saint-Charles for his question. Indeed, the report is unanimous. This is an extremely serious study that took the committee an enormous amount of time. This study was finished just before the election and the report was tabled in March 2004.

Indeed, the government, the Prime Minister, does not show a real willingness to renew democracy. If he had shown such a willingness, I think that the first action to take about this bill would have been to look at the unanimous recommendations of the Standing Committee on Fisheries and Oceans. Perhaps it would have been necessary to introduce a different bill providing for the creation of an agency, as the standing committee asked for, and to divide up the mandates afterwards.

*Government Orders*

Of course, I have no problem with dividing up the mandates afterwards between the Department of Transport and the Department of Fisheries and Oceans, or another other department, for example, the Department of Environment with regard to pollution. I have no problem with dividing up the mandates, but what is important is that we must have the means to fulfill the orders that will be given to us.

At the present time, the Canadian Coast Guard does not have the means to appropriately fulfill the orders that will be given to it.

[*English*]

**Mr. Tom Wappel (Scarborough Southwest, Lib.):** Mr. Speaker, I was not expecting to stand, but the bill is important, and important points have been made. The member referred to the report. As the chair of the fisheries and oceans committee at the time the unanimous report was tabled, I want to let the House know that I am certainly comfortable in my belief that the report was read cover to cover by the then minister of transport and also by the current parliamentary secretary.

Having said that, I wonder whether it was read cover to cover by the bureaucracy that advised the transition team prior to December, since we could not do the report until March. This appears to have been a decision made by the transition team advising the current Prime Minister; to take Canadian Coast Guard back to transport.

To end on a technical question, could the hon. member comment on the fact that the bill will be referred to the transport committee for study as opposed to the fisheries and oceans committee or a joint committee, given the fact there are numerous things in it that affect fisheries and oceans and the Minister of Fisheries and Oceans, particularly pollution prevention matters, and that the commissioner of the coast guard appears to have been abolished?

[*Translation*]

**Mr. Jean-Yves Roy:** Indeed, Mr. Speaker, this could be a joint committee. However, I do not think that officials can be accused of not reading the report. The government must have a political will. I believe this political will belong to the elected people. If the elected people who sit on the Standing Committee of Fisheries and Oceans voted unanimously in favour of the report, then I believe it is up to the elected people opposite, government members and the minister responsible, to make their decision and propose solutions.

This is the elected people's responsibility. We are talking about a report prepared by the elected people and tabled before Parliament. It is also an unanimous report. It is incumbent upon the government to make its decision and to go forward with the recommendations contained in this report.

[*English*]

**Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.):** Mr. Speaker, I am sharing my time with the hon. member for Yukon.

Before I start to speak to the bill, I am very honoured and pleased to be representing the constituents of Bonavista—Gander—Grand Falls—Windsor. They have bestowed upon me the greatest honour that I could ever receive, and that is to represent them in this honoured House as their member of Parliament. I would also like to thank the people closest to me who got me in this position.

I am pleased to rise to speak in support of Bill C-3, an act to amend the Canada Shipping Act, the Canada Shipping Act, 2001, the Canada National Marine Conservation Areas Act and the Oceans Act that has been tabled by my colleague, the Minister of Transport.

Marine transportation has a special significance for Canadians. Our waterways were the original routes for travel and commerce. That commerce has grown as the country has grown. The bill gives the House an opportunity to promote a more transparent and predictable regulatory system for marine transportation, and I join my colleagues in emphasizing the importance of shipping in the Canadian and global economies. For instance, waterborne transportation carries three-quarters of the world's international trade, and it is economical. On a single litre of fuel, for instance, one tonne of freight can travel 240 kilometres by ship.

Stakeholders in the marine community welcome the change as it makes it much easier to know which minister and which department is responsible for what. The division of policy and enforcement responsibilities between Transport Canada and the Department of Fisheries and Oceans has been difficult to understand and to implement in the past. That is why we react this way. Having one minister responsible for pleasure craft and another responsible for non-pleasure vessels, in particular, was a constant irritant for the stakeholders. It is their concerns that bring us to this point.

The bill supports improved service delivery in both policy and operational function. Specifically, all Canadian coast guard policy, responsibilities and operational responsibilities relating to pleasure craft safety, marine navigation services, pollution prevention and response and navigable waters protection are transferred now to Transport Canada. Those policy responsibilities include the development and management of legislation, regulations, standards and the guidelines.

The bill will help the Department of Transport to do its job of protecting safety and also protecting the environment, a sincere commitment the government has made in the past and we do it again here today. The bill responds directly to stakeholder concerns. Stakeholders have had their concerns about the complexity of having two departments of government sharing policy responsibility in just one single field. The government has listened to the stakeholders and the bill brought forward today reflects that.

The changes reflected in the bill will make it easier for stakeholders to make themselves heard in the future. Recreational boaters and industry alike will welcome the Minister of Transport's open consultation forums the Canadian marine advisory councils. Any Canadian who takes an interest in marine safety and the protection of the marine environment can take part in these meetings which take place twice a year across the country and are open to all members of the public. There, stakeholders from coast to coast can meet in person with officials of the department and participate in the initiatives that affect them.



*Government Orders*

The content of the statutes affected by Bill C-3 remain otherwise unchanged. The rules remain the same. Therefore, there is no adverse impact on the environment or international relations. The implementation of the transfer of responsibility has no significant cost; it is being done inside of existing resources. Delivery of service to stakeholders and other Canadians goes on without interruption.

I am pleased to promote the government's stated objectives of "a transparent and predictable regulatory system that accomplishes public policy objectives efficiently, while eliminating unintended impacts" and "providing an up to date legislative framework for business concerns". That is why, in this honoured hall, I support Bill C-3 for my colleague.

• (1145)

**Mr. Brian Masse (Windsor West, NDP):** Mr. Speaker, I want to acknowledge that this is in some ways a routine moving of a department and something that I believe will be an improvement for the industry. I live on a waterway area that has a port authority and many pleasure craft as well as very extensive shipping through the Detroit River and the Great Lakes, so this bill is very important for my constituency.

My concern is that we will be looking at the environmental aspect here concerning fines and regulations, but what we have seen is a history of saying one thing and then not carrying it out. I am hoping that this does not happen with this particular bill. I hope the committee actually engages in proper discourse on environmental fines.

What I specifically want to refer to is that last year after extensive debate in this House of Commons, the government finally capitulated to at least saying it was going to eliminate environmental fines as a tax deduction. As far as I am aware, right now environmental fines currently stand because the government has not carried out on that promise. If corporations are fined for environmental pollution, whether it be dumping oil, as ships have done, they can write off 50% of that fine.

My question for my hon. colleague is simply this. Does he believe that there would be broad public support for actually implementing those environmental fines and does he believe that can happen as well with pleasure craft? How is the government going to go about doing that?

• (1150)

**Mr. Scott Simms:** Mr. Speaker, I too share a great amount of interest given my riding, but certainly in this situation these are the ongoing concerns that we no doubt will address at present and in the future.

What is important about Bill C-3 is that it does answer many of the concerns of the stakeholders in this situation. For instance, the government is transferring from the fisheries department to the transport department policy responsibilities and certain operational responsibilities for pleasure craft.

With regard to the environmental aspect, a lot of it will be transferred. This is what was asked for by the stakeholders in this situation. What we have done is that the government has responded to the initiatives taken by the people. In turn, we are now following

up on that, with the implementation being done back in December 2003.

I would also note that many of the aerial surveillance programs will also be transferred to the transport department. This is of course in response to what the Department of Transport has asked for and, more important, it is also what the stakeholders have asked for. They have made the request and we have responded in kind.

[*Translation*]

**Ms. Caroline St-Hilaire (Longueuil—Pierre-Boucher, BQ):** Mr. Speaker, I would first like to congratulate my colleague across the way on his speech, but especially on his election.

What worries me a bit is that as a new member of Parliament, he has ideals, I suppose. However, in real life, things are different. Upon first coming to Parliament, one wants to change the world. And there are some who keep on wanting to change the world for longer than others. His Prime Minister often noted that there was a democratic deficit and that he was there to change that.

Today, we were presented with a bill which in no way reflects the content of a unanimous report by the Standing Committee on Fisheries and Oceans. I am wondering how the new member feels about the fact that the Prime Minister, once again, is not going by his initial promise, which was that he would do something about the democratic deficit, but that rather, today, we have a bill which is at odds with a unanimous report signed by all members, not only those in the opposition, but those of his own party.

[*English*]

**Mr. Scott Simms:** Mr. Speaker, let me say in response, no, I do not expect to change the world overnight, but certainly with a little bit at a time, as the bill accomplishes, I think we can make a difference, even as one member of Parliament can.

I am very proud of the dedication that the Prime Minister has committed to in the Speech from the Throne in regard to closing that democratic deficit and I am very proud to be sitting on this side of the House. I might add that I am very proud to be Canadian.

**An hon. member:** And wanting to keep Canada together, unlike some other folks.

**Mr. Scott Simms:** Yes. In response to the other issues, I will go back to the bill itself, which is of course something for the respected employees we have. In many cases, when they would look for the answers they would have to go here or go there. What the bill does is answer the concerns, not just for our bureaucrats but also for the respected people in the industry itself. When it comes to pleasure boats and when it comes to environmental measures, we have responded in this case. Changes were made and were implemented back last December. What we have done now is that we have caught up with that in the bill. We have certainly responded to the concerns.

*Government Orders*

The issues the member brings up will be addressed in the future. I do not think the comments brought up earlier really stand up to that, because what we have right here is that as part of the Canada Shipping Act we are taking care of the concerns on small vessel regulations, boating restriction regulations, competency of operators of pleasure craft regulations, and marine navigation services. All of these concerns are being addressed in the bill. That is why I wholeheartedly support Bill C-3.

The Canadian Coast Guard, under DFO's purview, continues to manage the aerial surveillance, which gives respect to what it does best. By having DFO keep the aerial surveillance, fisheries and security, we are listening to the concerns of our bureaucracy and we are listening to the concerns of our people. We are listening to the concerns of all Canadians.

• (1155)

**Hon. Larry Bagnell (Parliamentary Secretary to the Minister of Natural Resources, Lib.):** Mr. Speaker, I am pleased today to rise and speak to the House about the importance of Bill C-3, an act to amend the Canada Shipping Act, the Canada Shipping Act, 2001, the Canada National Marine Conservation Areas Act and the Oceans Act, as introduced by my colleague the Minister of Transport.

As we know, the transportation industry as a whole is a vital component of our economy. When looking at the marine sector of this industry, we must keep in mind that it operates in the context of not only a domestic environment but also an international one.

In recent years a substantial amount of work has been done in an effort to modernize our national transportation system and prepare this sector to meet the needs of the coming century and the demands of the global marketplace.

[*Translation*]

To meet these goals, the government has undertaken a number of initiatives with regard to all modes of operation, focusing primarily on simplifying acts and regulations. These initiatives are consistent with the overall federal transportation framework, which emphasizes a national vision with regard to security, safety, efficiency and environmental accountability.

On December 12, 2003, the Prime Minister announced that responsibility for policy on marine security and safety would be centralized under the Minister of Transport. To that end, some parts of the Department of Fisheries and Oceans were transferred to the Department of Transport.

[*English*]

As a result of all these changes, all policy responsibilities and certain operational responsibilities relating to pleasure craft safety, navigation services, pollution prevention and response, and navigable waters protection now lie with Transport Canada.

These are very important changes for the marine industry and its stakeholders. Canadians will now have a single point of contact for these policy issues associated with marine safety and security. This consolidation of responsibilities is expected to improve efficiency in both marine policy and operations.

As the content of this bill is considered to be policy neutral, these changes can only be looked upon as neutral and positive ones by the marine industry, and the consultations have definitely shown that.

The intent of Bill C-3 is very clear to us today. Most important, it clarifies each department's responsibilities as a result of the transfer on December 12, 2003. It consolidates all aspects of policy responsibility for marine safety into one federal department. It improves the responsiveness, coherence and consistency of the marine regulatory framework in Canada. It enhances service delivery on marine matters for all stakeholders. It ensures that the roles and responsibilities of the government remain the same in whatever department they are found.

It preserves the authorities of the Department of Fisheries and Oceans to carry out the operational role assigned to it by orders in council. It ensures that the powers, duties and functions transferred from the Minister of Fisheries and Oceans to the Minister of Transport are unambiguous, in order to prevent litigation or any contentious issues. It preserves the logic and the coherence of the affected statutes.

The changes introduced in this bill are changes that marine stakeholders have been suggesting for some time. In addition, these changes are welcomed by both the Department of Transport and the Department of Fisheries and Oceans. The enactment of this bill is a vital step in effecting the Prime Minister's announcement of December 12, 2003.

At this time, I would like to reaffirm my support of Bill C-3, as tabled by my colleague.

I want to emphasize the point that this is just a small bill putting into legislation administrative changes. It just confirms administrative changes. It does not make all the other changes that people would like to have made to the Coast Guard and to environmental regulations and safety. That is for another time and for other bills. This is just an administrative bill that the industry wanted. It just solidifies these cases.

Some people have used the opportunity to talk off topic about other things on the Coast Guard and reports and everything. Of course I have my own wish list that I could talk about, such as expanding the Coast Guard in the north as part of the northern sovereignty agenda, which was in the throne speech. Those debates will come in time, but this bill is just an administrative function. It has nothing to do with those who were waxing eloquent on the democratic deficit.

If they want to use this opportunity to talk about that, I would just like to congratulate the Prime Minister, as I have numerous times in this House, for the incredible change he has made in the democratic deficit. On the day he came into power, suddenly a huge number of votes became free votes for the members on this side. It was demonstrated right away with people voting their conscience on a number of items.

As members will see in committees, there is more freedom. It has been a great change to Parliament. I think that has been a great addition. If people want to talk about that, I think it is one of the great pillars of the Prime Minister's agenda for Parliament and it has been very successful to date in a very short time.

This is just an administrative bill to transfer some responsibilities that it makes more sense to have in the Department of Transport. That is what people have asked for and that is what this bill does.

• (1200)

[Translation]

**Mr. Marcel Gagnon (Saint-Maurice—Champlain, BQ):** Mr. Speaker, I have listened with keen interest to the speeches made about Bill C-3. It is of great interest to me, as I live very close to the St. Lawrence river and, from time to time, I have encounters with the Coast Guard, or what is left of it. People have to realize how difficult it is for it to fulfill the mandate it has been entrusted with.

The member argues that now is not the time to talk about that, because the only thing the government is currently doing is transferring the Canadian Coast Guard to another department. However, at the same time, it says it is following what the committee recommended.

In my view, that is not altogether accurate. The committee took the time to study the serious problem that the Coast Guard currently faces. Various stakeholders and a number of specialists, as well as representatives of all parties in the House, were heard. That led to a unanimous report to the effect that things within the Coast Guard had to be done differently. It was not a matter of just changing departments. Therefore, I do not understand the deputy saying that now is not the time to talk about it. I would like to know where and when we will be allowed to take the time to talk about these things. When, in his opinion, will it be important enough for us to act as soon as possible?

His colleague has also mentioned that we will be able to consult with the department of Transport twice a year. There was a study by a parliamentary committee in which all stakeholders were invited. Do we need further consultations to act? What's the member's view?

• (1205)

[English]

**Hon. Larry Bagnell:** Mr. Speaker, I have no problem with what the member has just suggested. Unfortunately, I did not hear the previous speeches so I do not know what recommendations were being referred to. What I did say in my speech was that this particular bill deals with one recommendation and that is to make this administrative change.

I have no problem personally with moving quickly on those other agenda items. I suggest the member ask the parliamentary secretary or the Minister of Transport about those other recommendations and when they will be implemented.

**Mr. Brian Masse (Windsor West, NDP):** Mr. Speaker, I had a chance to serve with the member on the industry committee and I know he does his work. However, I see a double standard. The claim is that this is essentially a housekeeping bill and that the government is doing it because the industry has asked it to do it. I agree that the industry has asked it to do this, but then later on the member is

### *Government Orders*

critical of other discussions points, things the industry is also asking the government to do.

We know that port authorities and ports across this country have been literally crying for the resources to be able to perform and to ensure that they are safe and secure. There are significant repercussions with our U.S. relations regarding homeland security and Canadian national security.

If the government is acting on this because the industry has asked it to, when is the government going to act with significant resources, and not just a paltry amount, which the government has been criticized for? Some small improvements have happened, but not nearly enough. The Minister of Transport has himself I believe called his own ports sieves.

When is the government going to listen to the industry's needs to have better support in order to ensure the security of our port system? If we are going to listen to industry now, let us listen to it on the other things it needs as well.

**Hon. Larry Bagnell:** Mr. Speaker, I enjoyed serving with the member on the industry committee. I do not take issue with anything he said. I would provide him with the same advice as I did the other member. He should ask either the Deputy Prime Minister, who has security responsibilities, the parliamentary secretary, or the Minister of Transport as to when these items will be brought forward.

**Mrs. Bev Desjarlais (Churchill, NDP):** Mr. Speaker, I am pleased to have the opportunity to make some comments on this bill.

I want to thank my colleague from Halifax who spoke on this bill on Friday and emphasize the lack of work that was being done on the issue of Sable Island to ensure that environmental precautions were in place, and that there was follow-up to ensure that there was no damage being done to Sable Island as well as other areas.

We have heard a lot about this bill and the reasons why it is before us. It is just mechanical and not really important. It is just moving one thing from the other and not really changing anything. However, this piece of legislation is one of the most blatant examples of what was happening with this government. It is one of the most blatant examples of incompetence.

It shows how the year prior to the prime ministerial change and the time following has seen a government in disarray, not properly looking after the business of the country, overall incompetence in financial mismanagement, and being out on the bottom line figure by \$7 billion. That is what we have been dealing with. Now we are told we have to fix this mess, and that we are going to do it by just switching it over in this piece of legislation.

This is an opportunity within this bill to clean up some of the problems, such as the Coast Guard not being adequately funded, as my colleagues from the Bloc have mentioned. This will be an opportune time to do that. I would suggest that in committee we are going to do more than just a little mechanical change. There may be robots on the government's side that are operating mechanically, but I can tell members that most of my colleagues here in the House from the opposition side are not acting on purely a mechanical change. We are going to fix what was wrong to start off with and ensure it gets done in committee.

*Government Orders*

The government has actually admitted to this incompetence. One needs only to look at the parliamentary secretary's speech on Friday. He talked about how they did this one day, then by an order in council they did that, and then they tried to fix it on another day. It is so blatantly there. It is important that the rest of us in the House from the opposition side ensure that we are not going to tolerate that incompetence. The government is in a position to finally do what it should have done with recommendations from that previous report.

There have been numerous overlaps and there is confusion in departments. We are going to see a lot more of that in other departments as well. I saw the new list of ministers with ministers acting under different departments and their bailiwicks over there. Within one department, it looks like there are two or three ministers looking after the same issue. There is a mess throughout the whole process. The number of ministerial increases directly relates to the number of promises the Prime Minister had to make to his loyal leadership people. We saw many more people put in place and much more confusion happening within the government. What we see in this department, we are going to see elsewhere if we do not keep on top of things and ensure that taxpayers' dollars are not being wasted as a result of government incompetence.

I am looking forward to this bill going to committee. We certainly do not want to hold it up. Transport is going to be having its initial meeting this week and I want it to have some legislation to work with. I am not going to say any more on this issue, but I want to make these things clear to the government, to the minister, and to the parliamentary secretary who I know will be at the transport committee. In spite of the fact that through democratic reform we did not want to see parliamentary secretaries in committees, they are going to be there. We are going to take them to task and ensure that proper legislation is put in place.

● (1210)

**Hon. Jim Karygiannis (Parliamentary Secretary to the Minister of Transport, Lib.):** Mr. Speaker, I thank my colleague for her speech, short as it was. There was absolutely no substance regarding the bill. She talked in generalities.

However, I want to make a comment to set my colleague on the straight path. She talked about incompetence and she called ministers and departments incompetent. I must reassure members that the Department of Transport has the most competent people. A lot of the people within the Department of Transport, I would say something like 60% to 70% although I could be wrong, are engineers. Being an engineer myself, I take it as a slight when my colleague speaks about incompetence.

The member should walk in the shoes of an engineer, and then come and talk to me about incompetence. If there is any incompetence here, it is when a member makes a speech and only speaks in generalities and not with substance. I would ask my colleague that when we bring this to the transport committee, we talk about substance and not generalities.

**Mrs. Bev Desjarlais:** Mr. Speaker, I want to thank my colleague for acknowledging that there is no substance in the bill. He has indicated that himself. It is just a change from one department to another. It is not the Department of Transport that is incompetent, it is the government that has been incompetent. It is the government that mickey moused around with this piece of legislation. It said it

was going to do this, it was going to do that, then said no, it has to switch it over here. Now we have to have it before the House so that we can make it clear because there is such confusion. That is the problem. I certainly look forward to going to committee.

The reason I did not respond further to the bill was because I listened to a number of my colleagues from all parties talk of what is happening within this piece of legislation and I did not want to take up anymore time going on about that. However, I wanted to make the government fully aware that we are going to ensure that the piece of legislation that flows through and comes out of committee with recommendations will have substance, and it will be clear as to what is going to happen. We are not going to put up with the incompetence of the government.

[*Translation*]

**Ms. Caroline St-Hilaire (Longueuil—Pierre-Boucher, BQ):** Mr. Speaker, since this is the first time in this Parliament that I rise officially to make a speech, I would like of course to salute the people of my riding of Longueuil—Pierre-Boucher, who put their confidence in me for the third time. I want to thank them and to reiterate my commitment to defend their issues and the cause of Quebecers, which is Quebec's sovereignty, in case some may have forgotten.

I also want to reiterate my commitment to the people of Boucherville. My riding has changed; it now includes half of the City of Boucherville and half of the City of Longueuil. These two halves now form the vast riding of Longueuil—Pierre-Boucher. I salute them and I thank them for putting their confidence in me.

I am pleased to address Bill C-3, which was introduced by the Minister of Transport. The only purpose of this bill is to transfer certain responsibilities from the Department of Fisheries and Oceans, which is responsible for the Canadian Coast Guard, to the Department of Transport.

At first glance, one might think that this bill does not really have any impact and that it merely clarifies the act and formalizes a December 2003 order in council transferring certain operational responsibilities from the Department of Fisheries and Oceans to the Department of Transport.

First, I want to reiterate the Bloc Québécois' position, which was very well presented earlier by my colleague, to the effect that we are opposed to the principle of this bill, for the simple reason that our goal is to truly improve, in the long term, the chronic underfunding problems of the Canadian Coast Guard, and to dissipate the confusion that prevails regarding the sharing of responsibilities in the area of water safety and marine pollution prevention. These are extremely important issues, both in terms of public safety and environmental protection.

*Government Orders*

I really wonder why this government would not opt for a long term vision, instead of a game of musical chairs that will have no effect at all on the fundamental problems of the Coast Guard. I really wonder about this decision, particularly in light of the unanimous report tabled in March 2004 by the Standing Committee on Fisheries and Oceans, which highlighted a series of problems affecting that organization. The committee concluded that the problems experienced by the Coast Guard could not be solved through cosmetic changes to the organization. Incidentally, the hon. member for Haute-Gaspésie—La Mitis—Matane—Matapédia, who sat on the committee, spoke extensively on this issue. He told us about the work of the committee that led to these conclusions.

This report proposed a series of recommendations that could be implemented, namely those stipulating that the Canadian Coast Guard should be an independent agency and, especially, that it should have adequate funding and a sufficient independent budget for its current roles, its new mandate and the additional responsibilities recommended in this report.

What worries me, as a parliamentarian, is knowing what this government is doing with this unanimous report. What does the government do with any report tabled in committee? I will tell you. When a report suits the government, then there is no problem. However, when the unanimity of a committee bothers the government, it shelves the report and moves on to something else. This is unacceptable. It is an insult to democracy and committee work.

The unanimous report on employment insurance, tabled in May 2001, is still fresh in our memory. What did the government do with that report? It shelved it. The Bloc Québécois is still working hard today to have that report implemented. What did the government do with the report of the Standing Committee on Fisheries and Oceans? It shelved that report as well. This government has to stop being so arrogant and start recognizing the work of the committees and parliamentary democracy within the committees.

We do not know what the future holds. Maybe one day it will be this government's turn—the Liberals' turn—to be shelved by the public. Despite the Prime Minister's fine speeches on the democratic deficit, nothing changes. If the Minister of Transport, the Prime Minister's lieutenant, truly wants to make his mark, then he should propose viable long-term alternatives, not just cosmetic ones. He should implement the recommendations of the Standing Committee on Fisheries and Oceans—measures that address the true basic problems.

I expect a little more from the Minister of Transport. I hope he will at least read this important report that offers a sustainable and serious solution to the challenges faced by the Canadian Coast Guard. For these reasons, the Bloc Québécois will vote against Bill C-3.

• (1215)

• (1220)

**Mr. Marcel Gagnon (Saint-Maurice—Champlain, BQ):** Mr. Speaker, I am pleased to add my voice to those of my colleagues on this bill. Of course, we cannot support a bill that, in the end, does not solve any problem other than changing the department.

Yet, a lot could have been done. The report of the parliamentary committee is the result of serious work. It asked the government to act as quickly as possible to correct some things, to clarify the mandates of the Coast Guard and to give it money it needs as soon as possible.

It seems to me that it would have been easy, while changing the department, to define what the Coast Guard must do, particularly since we are in a period where there is no deficit. The federal government has money; so why does it not act in a sector that it is responsible for?

I swear that if this were a provincial jurisdiction, the government would probably have found a way to get in through the back door, or through another door, to finally work against the provinces. If this had had anything to do with health, education or some other sector, the government would have found a way to get in to annoy the provinces. However, this is clearly an area of federal jurisdiction. It concerns the oceans, the St. Lawrence River and the Great Lakes. There are things to do and it is urgent to do them.

As I said earlier, I have been living along the St. Lawrence River for a long time in a sector called Champlain, in the Mauricie area. It is quite incredible to see what is happening on the river. We see that the Coast Guard is totally overwhelmed. We often talk with these people and they tell us, "We do not have the mandate, we do not have the people to fulfill our role".

This bill could have been significant in dealing with urgent problems. It could have given a clear mandate to the Canadian Coast Guard as well as the money it needs to do its job.

Along the St. Lawrence we see all kinds of things. Some islands in the St. Lawrence are disappearing. Some villages are disappearing too for the simple reason that there is no monitoring, especially regarding the speed of vessels. It is incredible.

Repairs needed to protect the village of Champlain, which stretches over some 15 kilometres along the St. Lawrence, are currently estimated at \$4.5 million. Ships, vessels—our Prime Minister knows the industry quite well—are simply not abiding by the speed limits because there is nobody to enforce them.

Last fall in Champlain around 1 o'clock in the morning a ship sailed by so fast that it sent a wave crashing onto the shore completely swamping a house. The basement door had not been properly closed and water got in. It is several metres above the river level; the ship was just going too fast. The person affected came to see me and identified the ship. I lodged a complaint and was told that responsibilities were not clear enough in the matter and that they lacked the equipment to keep an eye on that kind of thing.

It is an area under federal jurisdiction though. It seems to me that if you take the trouble to move such an important body as the Canadian Coast Guard from one department to another, those problems should be dealt with at the same time. The committee invited a number of experts and representatives from various levels of government affected by the Canadian Coast Guard problems, as well as competent employees of the Coast Guard itself, who told us that what was needed was money and ships in good repair.

*Government Orders*

Earlier my colleague talked about the age, quality and performance of the ships guarding our coasts. It does not make sense.

A Liberal member said that the legislation must first transfer the Coast Guard to another department. In my opinion, we must act first and not only leave the impression that we did act. We are going through a period of prosperity and high returns. There are big surpluses, but major environmental problems. All our waterways suffer from them. We now want to know what will happen, for example, to Lac Saint-Pierre, the whole St. Lawrence River and the Great Lakes.

However, when legislation like this is presented, why do they not try to deal with some of the problems that were identified by experts and on which the parliamentary committee was unanimous? During the election campaign, the Prime Minister said how important democracy and the democratic deficit were for him. Is there something more democratic than hearing members from all parties, than inviting members of the public and hearing them all say that there are needs and that we must act urgently? I believe that would be a way to deal with the democratic deficit.

Somebody told me: "When we are invited to appear before a committee in Ottawa, we wonder if it is not only a way to make us waste our time". The report was done well, and it was unanimous.

• (1225)

Like my colleague who just spoke, I am sure we could not agree with nor vote in favour of a bill that is meaningless. It does not meet any of our needs.

I swear it is time for us to do something about the St. Lawrence and do it quickly. I am using every forum I can to talk about this issue. Disaster is imminent; it has already occurred. For example, there is the shoreline, or as I mentioned, there is the problem of the unexploded ammunition in lake Saint-Pierre. Disasters are bound to occur. About two years ago, a ship upstream from Trois-Rivières almost hit the bridge there. We have been told that, had this ship hit a bridge footing, the damage would have been incredible. I am sure of that.

Why should we pass meaningless bills? Why not do something to solve problems or prevent potential problems? This is what legislators should do. Obviously, we are ready to cooperate in order to improve bills, but not to support meaningless legislation.

**The Acting Speaker (Mr. Marcel Proulx):** Is the House ready for the question?

**Some hon. members:** Question.

**The Acting Speaker (Mr. Marcel Proulx):** The question is on the motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

**The Acting Speaker (Mr. Marcel Proulx):** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Acting Speaker (Mr. Marcel Proulx):** In my opinion the yeas have it.

*And more than five members having risen:*

**The Acting Speaker (Mr. Marcel Proulx):** The recorded division on the motion stands deferred until later this afternoon.

\* \* \*

• (1230)

[English]

**INTERNATIONAL INTERESTS IN MOBILE EQUIPMENT  
(AIRCRAFT EQUIPMENT) ACT**

**Hon. Jean Lapierre (Minister of Transport, Lib.)** moved that Bill C-4, an act to implement the Convention on International Interests in Mobile Equipment and the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment, be read the second time and referred to a committee.

**Hon. Jim Karygiannis (Parliamentary Secretary to the Minister of Transport, Lib.):** Mr. Speaker, it gives me great pleasure to stand before the House today in support of introducing Bill C-4, which is proposed legislation that seeks to implement the Convention on International Interests in Mobile Equipment and the Protocol to the Convention of International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment. The convention and aircraft protocol were concluded in Cape Town, South Africa in November 2001.

I believe we all agree that a strong competitive aviation industry is an important underpinning of Canada's economy today and into the 21st century. Furthermore, I think we all recognize that this sector has faced significant challenges over the past few years.

As the House is aware, the aviation sector is particularly vulnerable to economic shocks and other world events: 9/11, SARS and record high fuel prices. All have had a negative effect on the sector. Industry stakeholders have been calling on the Government of Canada to implement broad measures to assist the difficult situation facing the airline and aerospace sectors.

The proposed legislation is one way the government is demonstrating its commitments to long term viability of the Canadian airline and aerospace industries. Adopting the bill will help these industries compete more effectively in the global economy by facilitating their access to capital markets.

Improving the competitiveness of the Canadian airline and aerospace sectors will work to maintain highly paid, specialized jobs in Canada leading to positive spin-offs in all regions of Canada and throughout the economy. Consumers also will benefit through increased airline services and/or lower fares. Another benefit of facilitating the acquisition of modern aircraft is that air transportation can become safer and environmentally cleaner.

*Government Orders*

In summary, through this bill and the ratification of the convention and aircraft protocol, the Government of Canada will actively support all elements of Canada's aviation sector.

Canada played a leading role in the negotiation and the development of the Cape Town convention and aircraft protocol. The convention and aircraft protocol represent an unparalleled example of cooperation between governments and industry in creating an international regime. In fact, it was a Canadian delegate on to the International Institute for the Unification of Private Law, or UNIDROIT, that first proposed the establishment of an international registry for security interests in aircraft in 1988. Since then, governments and industry worldwide have cooperated in developing the convention and aircraft protocol.

Canada's active involvement in the negotiations leading up to the adoption of the convention and aircraft protocol highlighted Canada's commitment to seek global solutions to global problems in cooperation with the rest of the international community.

While it has taken more than 15 years for this initiative to come to fruition, it has met with approval from both the airline and manufacturing elements of the aviation industry as well as those providing financing for it. Throughout the process leading up to the tabling of this initiative, these stakeholders have been continuously consulted. Representatives of the Canadian industry were present and participated in many of the meetings leading up to the diplomatic conference at Cape Town as well as the meetings that formerly adopted these international instruments. It is clear that the adoption of the bill will be an important step in the creation of an international regime that the aviation industry sees as beneficial.

The convention and aircraft protocol will establish an international legal regime that includes remedies to creditors in case of default. New rules will reduce the risks associated with financing and provide greater certainty to creditors and aircraft manufacturers. This will lead to larger amounts of credit being made available to airlines at a lower cost, ultimately generating increased airline earnings and profitability and important spin-off benefits to the broader economy.

● (1235)

The convention and the aircraft protocol will create an international registry for rights in aircraft and will set the order of priority among purchasers and creditors. The creation of a single international registry will provide considerable advantage in terms of time, cost savings and improve certainty in resolving questions of priority of interests.

The proposed bill will give force of law to the provisions of convention and aircraft protocol that fall within federal jurisdiction. Amendments to the Bank Act permit the carving out of larger aircraft equipment from its purview and direct registrations to the international registry. Amendments to the Bankruptcy and Insolvency Act, the Companies' Creditors Arrangement Act and the Winding-up and Restructuring Act will provide greater certainty for aviation creditors, thus benefiting Canadian aircraft manufacturers, financiers and airlines on the international level.

The bill would provide for a special remedy in the case of insolvency that would impose a fixed date period of 60 days. After this period, creditors could reclaim an aircraft or aircraft equipment

on which they have security, if the lessee has failed to meet its obligations under the lease. The adoption of this stay period would increase certainty in the system and would provide a level playing field between Canada and the United States. The U.S. industry already benefits from a similar provision under the U.S. bankruptcy code.

On March 31 Canada became the 28th state to sign the convention and aircraft protocol. Our signature was added to a list of all countries with significant aviation and aerospace industries including France, Germany, the United Kingdom and the United States. Implementation of the convention and protocol in Canada will reaffirm Canada's leadership role in international civil aviation. The introduction of this legislation establishes that Canada is taking an important step toward eventual ratification of the convention and aircraft protocol.

Stakeholders have conveyed that substantial benefits are expected following the passage of this proposed legislation and Canada's ratification of the convention and aircraft protocol.

Airlines expect that the new regime will enhance their ability to obtain financing for their aircraft because the system would provide increased security for creditors. Since the rules provided for in the convention and aircraft protocol, and the bill reduces their financial risk, it is expected that creditors will make greater levels of credit available at a lesser cost. This will have a direct financial impact on an airline's bottom line by reducing the cost of borrowing money.

Aircraft manufacturers are expected to benefit from increased sales resulting from reduced financing costs. Consumers can also expect to benefit. Passengers stand to benefit from airlines that pass their realized cost savings to their end users. Furthermore, air transportation can become safer and environmentally cleaner by allowing airlines to purchase more modern aircraft at reduced costs.

Not only will Canadians benefit by the adoption of this treaty, so will other developing nations. When implemented in developing countries, this convention and aircraft protocol will result in reduced financing costs and will make financing available when it is not otherwise available. As a result of increased certainty that is afforded to creditors, airlines will be more willing to allocate surplus aircraft to developing markets. These markets will then benefit from obtaining safer, more efficient and more environmentally friendly aircraft than they may currently use.

A second major feature that will be achieved through the adoption of the convention and aircraft protocol involves the creation of a worldwide Internet based international registry. This will be available to any individual or company 24 hours a day, seven days a week. The existence of a single, worldwide, electronic international registry for recording and searching aircraft equipment is viewed by stakeholders, including the legal community, manufacturers and financiers, as a considerable advantage in terms of time, cost savings and improved certainty.

*Government Orders*

• (1240)

The international registry will be set up and operated by Aviareto, an Irish-based company that was selected through a tendering process supervised by the International Civil Aviation Organization. A permanent supervisory authority will oversee the operation of the registry. It will, among other things, have the authority to appoint and dismiss the registry operator, make regulations dealing with the operation of the registry, establish procedure for receiving complaints, set the fee structure and report to contracting states.

As a signatory party and a key participant to date, Canada will continue to work through ICAO to ensure Canadian interests will be protected throughout this process.

It is important to note that provincial and territorial implementation legislation is also required before the convention and aircraft protocol can take effect in respect of Canada. The provinces and territories have consistently demonstrated their interest and support for these instruments.

Already, Ontario and Nova Scotia have passed implementing legislation that we could expect to enter into force following Canada's ratification of the convention and aircraft protocol. The provinces and territories continue to be consulted through the Uniform Law Conference of Canada and through the Department of Justice advisory group private international law.

For a country like Canada, the convention contains only a few major innovations. However, it will provide other countries with a considerable measure of legal improvements that may well assist them in getting the most out of their economies while at the same time providing enhanced opportunities for Canadian businesses.

As already outlined, the benefits to Canada of implementing the bill and ratifying of the convention and aircraft protocol include: greater security for creditors; increased competitiveness of the Canadian aerospace and airline industries; maintaining jobs in Canada; and spin-off effects for various regions within Canada.

I want to emphasize that the government consulted widely with stakeholders prior to signing the convention and aircraft protocol, and they remain supportive of this initiative.

The bill has been introduced prior to ratification of the convention and aircraft protocol because federal, and at least some provincial and territorial implementation legislation, must be in place before the agreements can come into force in Canada. Ontario and Nova Scotia have already passed implementing legislation and it is expected that other provinces and territories will follow suit, especially those with significant aviation interests.

In conclusion, adoption of the bill is an important step toward eventual ratification of the convention and aircraft protocol, which would confer significant benefits to the airline and aerospace industries and the Canadian economy more broadly.

• (1245)

[*Translation*]

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Madam Speaker, the introduction of this bill gives me cause to wonder. Although we are prepared to support this bill to bring our practices

into harmony with certain international agreements, it really makes me wonder about Canada's lack of aerospace policy.

Recent events have added concern to my reflections this weekend, in particular, the problems Bombardier is having and the kind of international prying the company is being subjected to by the Americans and the British. It worries me. In general, what the management of Bombardier and Pratt & Whitney in my hon. friend's riding of Longueuil—Pierre-Boucher are saying is that the government's approach is inconsistent. Probably the Minister of Transport, through his colleague, will be able to answer my question.

This industry is important for Quebec; the aerospace industry is to Quebec what the automotive industry is to Ontario. The economic benefits of this sector are extraordinary. We are talking about 40,000 jobs in Quebec, not just in the big businesses, but also in the small and medium-sized ones serving the sector. I believe annual sales are around \$14 billion in Quebec alone.

Are we on the verge of formulating a genuine, consistent aerospace policy, with adequate support for the aerospace industry, so that this sector can prosper? We must not forget that nearly all the parts used in making intermediate and final products come to Canada from elsewhere. Therefore, there is a huge potential for our businesses. Is the government working on that? We are ready to help.

[*English*]

**Hon. Jim Karygiannis:** Madam Speaker, we are dealing with a lot of things, be it international competition, Bombardier, or spinoff industries. My colleague talked about 40,000 jobs in Quebec. It is equal in Toronto right now with thousands of jobs in DeHavilland and in Bombardier.

The Minister of Transport and the Minister of Industry have been consulting and a policy is in the works. It will be announced in the upcoming days as we go along.

**Hon. Rob Nicholson (Niagara Falls, CPC):** Madam Speaker, the parliamentary secretary said that this would come into force when provincial legislation was passed. Could the parliamentary secretary let me know how soon he expects to have provincial legislation in place and, in particular, what indication he has from the province of Quebec, which has a huge aeronautical industry within the province, of the timeline for it to pass this? Could he also tell me how many provinces it will take to pass this before it is considered to be in effect after the Canadian Parliament passes it?

**Hon. Jim Karygiannis:** Madam Speaker, the comments that my hon. colleague made, especially about Niagara Falls being the capital of the world—

**Hon. Rob Nicholson:** The honeymoon capital of the world.

**Hon. Jim Karygiannis:** The honeymoon capital of the world. I am sure a lot of Canadians, as well as a lot of international people, have flown using Air Canada or other carriers to go to Niagara Falls to see the wonderful delights that my hon. colleague mentioned.



*Government Orders*

Getting to the gist of the question, which is when will the legislation come into force, it is expected that it will come into force no later than the time when Canada assumes its international obligations under the convention and protocol throughout the act of ratification. Canada would not assume any international obligations until a sufficient number of provinces have also passed implementing legislation covering matters within their jurisdiction.

The federal legislation allows that certain provisions can be proclaimed into force before ratification. The option would only be exercised in respect to provisions that may be implemented outside the framework of the convention on aircraft protocol.

• (1250)

**Mr. Brian Masse (Windsor West, NDP):** Madam Speaker, I am happy to hear that there could be something available in terms of an aerospace policy. It is something that is very important.

We on this side have been very frustrated with the lack of similar action on an auto policy. What we have witnessed in both these sectors is massive subsidization and grants being provided against our own production through the United States.

Does the hon. member believe that this intervention, which I hope actually happens, will be something concrete and accessible and will meet the standards of the industry? Also, will we see an auto one coming next? That is very important. It has been over two years in the making. I have been part of the discussions and it is unbelievable how long it has been taking.

Is this a further admission that the North American free trade agreement that the government signed on to has been a failure?

**Hon. Jim Karygiannis:** Madam Speaker, I want to reassure my hon. colleague from Windsor West that not only is the government working very hard on coming up with an aerospace policy, but I also want to reassure him on something that is in my mandate given to me by my minister regarding the autopact and the auto industry.

There have been extensive discussions going back a few years. The Department of Transport, the Department of Industry, the Department of Finance, the Department of Natural Resources and the Department of the Environment are working together to make sure we come up with a policy as far as the auto industry is concerned. Not only are we going to tell the auto industry this is the way to make cars, we have a responsibility as custodians of the future of the country, as custodians of the global environment. We have a responsibility, not only to the manufacturers and the people who work on the line, but we have an outstanding responsibility to our children.

We cannot continue doing business as we are. We cannot just continue pumping out cars as we know them. We have to pump out cars that are more fuel efficient and more friendly to the environment. If we do not have that policy in place, by the year 2016 our health costs will have ballooned way over \$160 billion.

We need to come up with responsible legislation. This is why the departments I mentioned, the parliamentary secretaries and the ministers of the departments, are working hand in hand to make sure we come up with a policy that respects the environment as well as represents the needs of Canadians. I reassure the House that this will be done in due course and very quickly.

**Hon. Rob Nicholson (Niagara Falls, CPC):** Madam Speaker, I am pleased to be able to make a few comments with respect to Bill C-4, an act to implement the convention on international interests in mobile equipment and the protocol to the convention in mobile equipment on matters specific to aircraft equipment. This would provide a continuation of the development of the security law sector. It is a step forward in the right direction. I think it should be viewed by members and Canadians as part of a continuation of the history of providing security.

Hon. members in the House who know or practice law will know that going back a couple of hundred years the only security generally that one could get was the mortgage on one's property or house. It worked very well because lenders were prepared to lend money on the basis that if they were not repaid the house or property could be seized. As a result, the lowest interest rates were always available for mortgages.

However, with the development of trade and other types of assets, it became necessary to find a way to provide security and obtain financing. For the most part, in the 18th and 19th centuries, that was confined to shipping, which was the common way of trade between countries. Over a couple of centuries, a body of law developed, which was referred to as the admiralty law, that contained a whole host of rules and obligations to govern shipping throughout the world. For the most part it worked well because it lent certainty to individuals who were in the business of trade throughout the world. There were consequences to those individuals or countries that did not pay attention to the rules.

A number of instances took place in the 19th century where ships were seized or impounded in various places around the world and in short order a number of individuals and countries discovered that a royal navy gunboat was in the harbour to back up the security.

As the 20th century developed, that style of enforcement of securities did not lend itself as well to modern trade, not only because of the directness of that approach but because there were other types of security. The development of the aircraft industry in the 20th century meant that other types of security would be necessary.

That has been very difficult because if we do not have a way of enforcing security throughout the world, lenders, understandably, become nervous about forwarding money. If one owned an airplane in Canada and the person wanted to fly to various countries around the world, those providing the financing would, understandably, want to know what would happen if the owner could not pay, especially if the plane were in a part of the world with different laws or perhaps no laws at all. As a result, lenders were very reluctant to forward money on that basis because they could not be certain of the security or of being able to realize on their security if the aircraft or other piece of equipment on which financing had been forwarded were in some other part of the world.

*Government Orders*

It was difficult for people in the aircraft industry to obtain financing and if they could obtain financing it was very expensive. That really did not work in anyone's interest. It does not work in the interests of those in the aeronautical industry and it does not work, quite frankly, for passengers. Those of us who use airlines want the fares at the lowest possible price but if the aircraft company is having difficulty getting financing that gets passed on the passengers and in turn it is bad for everyone.

I see something like a convention that would include, among other things, as the parliamentary secretary said, aircraft, aircraft engines, helicopters, railway rolling stock which is another type of equipment that moves outside of the country, and, interesting enough, space assets. Presumably we could put security on a satellite.

● (1255)

The good thing about it is that it is one stop shopping. Apparently, it will be available on the Internet so that throughout the world individuals can check to see what the security is on a particular piece of equipment. This would give peace of mind to everyone involved.

Canada has a very important aircraft industry. This will assist it. There has been quite a bit of talk about the struggles within the airline and aircraft industries. If they are able to obtain financing, this will go a long way to helping them. It would benefit everyone.

I asked the parliamentary secretary about the question of provincial jurisdiction and I would like to explore it a little bit further when this matter goes before the transport committee. For the most part contract law is within provincial jurisdiction. Each province has laws and rules that govern contracts. Indeed, the province with which I am most familiar, Ontario, has something similar to that called the personal property security act.

If we obtain financing for an automobile, it gets registered, and it goes into the computer. Anyone interested in buying or otherwise financing our car would be able to quickly find out through a computer station located at registry offices across Ontario what the security interest is in it. The province already has a regime in place, as do other provinces, and it has a huge interest in it.

I, for one, would be very interested to know when other provinces will be ratifying this agreement because we cannot have the federal government ratify something like this when so much of the jurisdiction is with the provinces. In particular, I would be interested in knowing the timeline of the Province of Quebec, which has a huge stake in the particular industry covered by the bill. Indeed, I would be very interested in the comments it may have on this. That is one of the aspects I would like to see addressed in committee and to hear what the provinces have to say.

Be that as it may, I want to assure the House that we believe on this side of the House that the bill should go forward. This is a step in the right direction and I will be interested to hear from all the players in the industry. I think it will be widely accepted and quite frankly, welcomed. Any time we get anything that is 100 pages long, there may be some surprises in it, but let us deal with it at the second reading stage in committee because I definitely think this is a step in the right direction. I look forward to Canada ratifying it, our provinces ratifying it and indeed, all the other countries of the world getting on board with this regime.

● (1300)

[*Translation*]

**Ms. Caroline St-Hilaire (Longueuil—Pierre-Boucher, BQ):** Madam Speaker, I am pleased to speak to Bill C-4, an act to implement two international agreements, the Convention on International Interests in Mobile Equipment and the Protocol on Matters Specific to Aircraft Equipment.

The purpose of the convention is to create an international legal framework to address the order in which creditors are paid and the seller's rights. The basic objective of the convention is the efficient financing of transportation equipment, which will assist in the development of expensive modes of transport using modern technologies, especially related to aeronautics.

The purpose of these agreements is to have the signatory countries standardize their legislation with respect to the security lenders take on mobile equipment such as aircraft, for example. These agreements also allow for the creation of an international aircraft registry that will make it easy for lenders to find out about the state of an aircraft or whether it has been mortgaged, by how much and by whom.

The huge outlays involved in the financing of such equipment make it essential for the creditor to be able to have confidence that if the debtor defaults in payment or other performance the relevant legal regime will respect the creditor's contractual and proprietary rights and provide the creditor with efficient and effective means to enforce those rights.

Normally in the case of conflicting legislation, that of the country where the secured property is located applies. When dealing with immovable property, it is quite simple. However, for mobile equipment constantly moving from one country to another it is more complicated and a costly source of uncertainty both for the lender and the borrower.

If these countries do not standardize their laws, especially with respect to the order in which creditors are paid, endless legal battles can ensue leading to long and expensive delays when the airline company is unable to make payments. Furthermore, contradictory legislation causes a great deal of uncertainty and increases the risk for the lender, who often compensates for this by charging much higher interest.

Hence the need for international legal rules giving the creditors the required level of security and containing measures for the debtor's protection. This would represent a competitive advantage for the airline industry. Since the risks associated with the loans or the lease agreements will be reduced, funding will be easier for the air transportation companies to obtain.

Moreover, a reduction in the costs of borrowing can be expected. All this should help the carriers who want to buy new aircraft and ultimately improve perspectives for the aerospace industry that builds them.

*Government Orders*

We all know that there is a crisis in the airline industry. The fears generated by the events of September 11, 2001, cut passenger traffic. The creation of the low cost carriers resulted in a reduction in the price of tickets. The increase in oil prices, which represent 16% of the air carriers operating costs, is resulting in higher operating costs. All that reduces the carriers profit margin.

As a result, many airlines are in a state of crisis. Air Canada has filed for protection under the Companies' Creditors Arrangement Act. Sabena and Swissair have declared bankruptcy. Alitalia and American Airlines are having a very difficult time. It is easy to understand that lenders hesitate to provide them with the funds they need to upgrade their fleet, which funds are essential if they want to stay in business. The guarantee that the lender will be able to recover the aircraft in the event of non-payment can only be beneficial.

The goal of these conventions is therefore particularly appropriate and beneficial for both carriers and equipment manufacturers, and that is the reason why the Bloc Québécois supports the principle of Bill C-4 provided, of course, that the committee finds that it is, in all of its details, in compliance with both international conventions.

Of course the bill can deal only with matters under federal jurisdiction. Issues related to loan guarantees come under civil law, which is an area of provincial jurisdiction. The implementation of the protocol and treaty will only be possible if the provinces amend their own legislation.

That is one more example of why Quebec and the provinces need to be closely involved in negotiating and reaching international accords. In addition to allowing them to defend the interests of their fellow citizens, such involvement would make implementation of international treaties much easier.

● (1305)

That being said, Bill C-4 is a step in the right direction. However, it does not solve the real problem in the aerospace industry, which is the lack of an aerospace policy. It is a good thing that Canada is taking the lead in signing this treaty, but it must do a lot more and put in place a real aerospace policy.

The situation is more urgent than ever as witness the events of last week, when we heard that Bombardier was being courted by three American states wanting the company to locate its facilities on their territory to build 100 and 115 seat planes. It would appear that they each are offering more than the \$700 million Bombardier is seeking from the federal government.

Ottawa is procrastinating. Support for research and development is anemic. Technology Partnerships Canada is underfunded. Export contracts supported by Export Development Canada are far too few.

The federal government must act quickly, otherwise a whole sector of a flourishing industry might suffer.

Quebec's aerospace industry, which has sales of \$14 billion and which employs more than 40,000 people, accounts for close to half of high-tech jobs in Canada. Of the 250 companies in this sector, 240 are SMEs, which act as suppliers to big business. Together, those 240 SMEs represent 10% of the total sales of Canada's aerospace industry.

Those SMEs could do much more. Indeed, foreign companies represent roughly two thirds of suppliers to Quebec's aerospace industry. This indicates the potential for growth of Quebec's SMEs if they succeeded in taking over part of this market. To do it, though, they need help.

To be certified as supplier in the aerospace industry, a SME must meet a series of very strict criteria set by the contractor. It must be able to be associated with the development of any new product, from the beginning of its design and through its finalization. In addition, it must meet the particularly strict demands of the contractor in terms of quality and competency of its workforce. All these demands are very costly, sometimes too costly for an SME to assume alone.

The federal government must support those companies which would be ready to move from the status of small business with precarious finances to that of a medium-sized business able to take the market head on, if given the means to do so.

We also know that two of the main employers in Quebec's aerospace industry are Bombardier and Pratt & Whitney. The latter has facilities in Longueuil in my riding. Both of these jewels of Quebec's industry have condemned the insufficient federal support for an industry which is facing strong competition. If the federal government does not act, the United States or Great Britain will move in.

Endangering these two jewels of the aerospace industry would not only threaten 40,000 jobs; it would also be a hard blow to numerous small and medium-sized enterprises serving that sector.

As the present Minister for Transport was saying, the aerospace industry is to Quebec what the automobile industry is to Ontario. I want to say to the Minister of Transport that he should stop condemning a situation that we all know only too well, and move quickly to implement a real aerospace policy. Ontario has been benefiting for decades, in terms of federal support, from special regulations, substantial grants and even special trade agreements like the Auto Pact.

Ratification of international agreements is one thing, and the Bloc Québécois supports Bill C-4 in principle. However, we also must act swiftly on the domestic scene. Besides, Canada has nothing to be proud of, since it is practically the only developed country which has no clear and consistent policy in this area.

Everywhere else in the world, it has been acknowledged that this sector must have the support of high technology research and development before it can design its final product. In other words, huge investments must precede marketing. Therefore, this industry is highly research and development intensive. Other countries have understood that, but Canada still has not.

This is why the Bloc Québécois has for years been calling for an aeronautics and aerospace policy which should include several elements.

Let us take industrial research support, for instance. Developing a high technology product, whether it is a drug or an airplane, takes a lot of time and money. This is a stage where government funding is crucial.

*Government Orders*

•(1310)

As Mr. Louis Chênevert, President of Pratt & Whitney Canada, so aptly put it:

Pratt & Whitney Canada is a leader internationally because it has acquired a unique technology through its investments in research and development over the last 20 years.

He added this:

Because the federal government has contributed to this effort through its Technology Partnerships Canada Program, it will reap the benefits...Indeed, it pays to invest in research and development.

Through the Technology Partnerships Canada Program, Ottawa invests in product research and development and gets its payback in royalties. As you can well understand, it is a win-win situation.

However, while spending on industrial research is increasing by approximately 8% per year, the amounts invested by the government in the program remain more or less constant. This poses a serious threat to the aerospace industry, which, as I have already noted, is one of the shining lights of Quebec industry. It exports 89% of its production and must be in a position to stand up to competitors, which get much more support. In that sense, the program, created 8 years ago, is now significantly underfunded.

In the United States, for example, the Pentagon is investing US \$45 billion in research and development, of which some \$6.5 billion is going directly to Boeing, Raytheon and United Technologies.

Bombardier recently announced the elimination of 2,000 jobs in Montreal, and the worst might well be yet to come, if Canada continues to drag its feet and Bombardier accepts the American offer.

It is for all these reasons that the Bloc Québécois is asking for a substantial increase in the federal investments in the Technology Partnerships Canada program.

It is also important to promote export. As the Canadian aerospace market is limited, our companies can amortize development costs only by investing in the international market. The aerospace sector exports 89% of its production. However, since Ottawa is not promoting exports nearly as much as many other countries do, our companies have a hard time remaining competitive.

In the past three years, Export Development Canada, or EDC, the federal agency financing all export contracts, has financed an average of 41% of all Bombardier regional aircraft sales. By comparison, in the same period, the Brazil Development Bank financed over 80% of Embraer sales.

Worse yet, EDC's support dropped to 37% in 2003. The majority of the funds released were for existing contracts, while Embraer received the support of the Brazilian government for almost all its financing needs.

The Bloc Québécois is thus calling on the government to increase its participation in the financing of export contracts to the levels our foreign competitors might be granted.

There are a variety of steps the federal government could take if it really wanted to help the aerospace industry. Today, the consideration of Bill C-4 is a step in the right direction, but the fact remains

that the government must implement as soon as possible a real policy for the aerospace industry.

Besides, with a surplus of \$9.1 billion for 2003-04, money is certainly not an issue, especially since, as I tried to demonstrate, investments in that sector generate substantial economic spinoffs. I hope that the Minister of Transport and the Minister of Industry realize that. With such a return on investment, it is profitable for the federal government and also for the public as a whole.

Investing today will ensure the viability of a critical sector of our economy in Quebec.

•(1315)

[English]

**Mr. Ken Boshcoff (Thunder Bay—Rainy River, Lib.):** Madam Speaker, I will be splitting my time with the hon. member for Ancaster—Dundas—Flamborough—Westdale.

I am pleased to have this opportunity to discuss the consultation process surrounding the international interests in mobile equipment act. A crucial element in the development and adoption of any legislation in Canada is consultation with and the support of affected stakeholders and other relevant parties. Canada played a leadership role in the negotiation of the convention and protocol because various groups, including provinces, territories, airlines such as Air Canada, industry associations such as the Air Transport Association of Canada, and aircraft manufacturers such as Bombardier and Pratt & Whitney Canada, have supported the objectives of the convention and protocol.

On March 31, Canada signed the convention on international interests and mobile equipment and the protocol to the convention on international interests and mobile equipment on matters specific to aircraft equipment. Justice Canada officials regularly consulted with the provinces and territories throughout the negotiations leading to the adoption of the convention and protocol.

The provinces and territories continue to be consulted through the Uniform Law Conference of Canada and through the Department of Justice advisory group on private international law. They have consistently demonstrated their interest and support for these instruments.

Canadian airlines, aircraft manufacturers and financiers have also been consulted throughout the process. All have expressed strong support for the convention and protocol. They foresee that the implementation of the convention and the protocol will provide creditors with an increased certainty and improved ability to realize on their security, thus reducing their financial risk. Consultations have also indicated that the Canadian aviation finance bar and insolvency stakeholders support the implementation in Canada of the convention and protocol.

Ratification of the convention and protocol would be premised on implementation by a sufficient number of provinces and territories. A uniform act to implement the convention and protocol throughout Canada was developed by the Uniform Law Conference of Canada with the participation of provincial and territorial representatives.

Based on this uniform act, Ontario and Nova Scotia have already passed implementing legislation that would enter into force when the instruments take effect in Canada. It could also be expected that other provinces and territories will also pass implementing legislation, especially those provinces with significant aviation interests.

Adoption of this bill would encourage the remaining provinces and territories to pass their own legislation to implement the terms of the agreements that fall within their jurisdiction. This would facilitate Canada's eventual ratification of the convention and protocol. The Government of Canada has worked cooperatively with the provinces and territories throughout this initiative. This bill is an important step in this regard. Finally, early implementation of the convention and protocol in Canada would reaffirm Canada's leadership role in international civil aviation.

• (1320)

**Mr. Russ Powers (Ancaster—Dundas—Flamborough—Westdale, Lib.):** Madam Speaker, I am pleased to expand upon the introductory comments made by the Parliamentary Secretary to the Minister of Transport. I will take this opportunity to outline some of the anticipated benefits of adopting the proposed act on international interests in mobile equipment, that is, aircraft equipment, known as Bill C-4.

I believe we all agree that a strong, competitive aviation industry is an important component of Canada's economy in the 21st century. Adopting this bill will help the Canadian airline and aerospace industries compete more effectively in the global economy by facilitating their access to capital markets.

On March 31 of this year Canada signed the convention on international interests in mobile equipment and the protocol to the convention on international interests in mobile equipment on matters specific to aircraft equipment. The convention and protocol will establish an international framework for the financing of aircraft equipment. Within this framework, the value of the aircraft would be used as security for payment, like a mortgage or a lease.

Adopting legislation to implement the convention and protocol will reduce the financial risk to creditors, allowing them to access greater levels of financing available for aircraft purchasing. This would translate into lower costs for airlines purchasing or leasing aircraft, which would enhance their competitiveness and strengthen the airline and aerospace sectors. The expected result is a direct positive impact on airline earnings, investment and overall profitability.

Among the benefits of implementation are: greater security for creditors; an increase in the global competitiveness of the Canadian aerospace and airline industries; maintaining jobs in Canada; and spinoff effects for various regions within Canada. If Canada ratifies the convention and protocol and adopts implementing legislation in a timely manner, Canadian purchasers will be able to benefit from reduced exposure fees.

For example, in the United States, the U.S. Export-Import Bank is offering a one-third reduction in its exposure fee to companies whose home states have signed, ratified and implemented the convention and protocol before September 30, 2005. This offer recognizes that reducing uncertainty translates into lower costs. This kind of

### *Government Orders*

advantage would contribute to the industry's competitiveness. As the Canadian aviation industry becomes more cost competitive, the benefits could be passed on to consumers through increased airline service and lower fares.

A healthy aviation industry will of course translate into more jobs for Canadians. As airlines become more competitive and grow, they will expand their workforce. This has associated spinoff benefits for the aircraft manufacturing sector also. The airline and aerospace manufacturing industries generate many highly paid, specialized jobs. The importance of such jobs and their spinoff effects on the economy cannot be ignored.

Alberta and western Canada will benefit from WestJet's increased competitiveness. As the home of Air Canada, Jetsgo, Pratt & Whitney Canada and Bombardier, Quebec will no doubt enjoy a boost in its economy, and the presence of CanJet and Pratt & Whitney Canada in eastern Canada will provide a positive economic impact for these provinces.

Smaller airlines across the country will also enjoy the benefits created by the convention and protocol. In addition, aircraft manufacturers and their numerous subcontractors throughout Canada will be positively affected by the increased certainty that the convention and protocol will generate.

In short, adopting this bill will be an important step toward strengthening Canada's aviation industry, which will generate competitive and other spinoff benefits across this country.

• (1325)

[*Translation*]

**Ms. Caroline St-Hilaire (Longueuil—Pierre-Boucher, BQ):** Madam Speaker, I have listened carefully to what my hon. colleague said, and I have questions, of course. As I said earlier, we support the principle of the bill. But I would like to hear what he thinks. I assume he is on the government's side.

What kind of pressure is he putting not only on the Minister of Transport but also on the Minister of Industry to ensure that there is a national or Canadian aerospace policy in Canada?

Concretely, what can be done to ensure that there will be a follow-up on this bill, which is worthwhile of course, but is only part of the solution, because it does not solve any of the problems currently facing the industry, an industry which, as he indicated, is very important to Quebec?

[*English*]

**Mr. Russ Powers:** Madam Speaker, clearly, the answer I will provide will not totally satisfy her. However, the Minister of Transport, his parliamentary secretary and various other ministries are working aggressively to ensure that we develop a very positive and proactive national strategy for our aviation industry, to provide new jobs and to ensure that there is safety of not only our assets, but also for the travellers. We will keep all members of the House advised as the information plays out.

**Mr. Brian Masse (Windsor West, NDP):** Madam Speaker, one concern articulated in the previous question was whether this would lead to something else.

*Government Orders*

I want to revisit a little history. The auto industry, similar to the aeronautic industry, has had intense competition from other governments that have used subsidization and other practices, whether it be for infrastructure, for workers or for wages. These different types of strategies have cost us jobs. In fact Quebec has been hurt because there has not been an auto policy for the last decade. We have witnessed promise after promise.

In particular, the government set up the Canadian auto partnerships council. It has been two and a half years since the original meeting was held in Toronto, in which I participated. We expect to have some recommendations coming forward with in the next month. We have been anticipating this for a long time.

What other assurance can the member give us that we will not see two years pass before we get some substance or before something else happens? The government's pattern of behaviour has not been to introduce real meaningful changes. This industry cannot wait for that.

Jobs are very important in this industry, not only for the regions but across the country. They are well paying jobs that contribute high taxes. As well, they provide significant returns to everything from charitable donations to the United Way because people have good paying jobs. Also, auto jobs lead to six other jobs in Ontario, one in seven in Canada and one in four in Windsor. It is the same situation for the aeronautical industry.

Will the government recognize that it has been dragging its feet on the automobile industry? We still have nothing today. I want the government to make sure it does not do the same thing with aerospace. Those jobs will be gone and all that will be left is complacent Liberals.

● (1330)

**Mr. Russ Powers:** Madam Speaker, although it is not applicable to the bill before us, the member's concern is very valid. My riding is currently under duress as a result of the steel industry, which indirectly affects his industry and the Auto Pact area. Clearly, our desire to introduce this legislation early shows that we have an extreme concern about the aviation industry.

I ask the member to be assured that our interest of ensuring that the automotive industry, the steel industry and everything else which is important to the industrialized communities in our country will be looked after in an expeditious manner. All ministries are working expeditiously to ensure the legislation is brought forward.

**Mr. Pat Martin (Winnipeg Centre, NDP):** Madam Speaker, it is an honour for me to speak to Bill C-4 on behalf of the constituents I represent in the riding of Winnipeg Centre. Our critic, the member for Churchill, has done a lot of comprehensive work with respect to the legislation. The NDP can see benefits in Bill C-4 and is broadly in favour of the bill as it currently stands.

The aerospace industry is a critical industry for Winnipeg generally and for Winnipeg Centre specifically. People in my riding are interested in any initiative that may stimulate manufacturing in the aerospace industry and add to the stability of the critically important jobs that people there enjoy.

Members of the NDP have commented frequently on the aerospace industry in the House of Commons. I have spoken about

the health and stability of that industry in a number of contexts. I am reminded of one specific issue that came to light in the twilight days of the 37th Parliament. That was the rather alarming use, or one might say misuse or abuse, of a program called technology partnership loans to keep the aerospace industry solvent and healthy in Canada. We see Bill C-4 as an effort to stimulate the aerospace industry and a positive light toward helping to develop markets for the manufactured products of our Canadian industry as opposed to technology partnership loans which we see as a scandal of equal proportion and dimension as the sponsorship scandal, if not more. Billions of dollars were involved in technology partnership loans and not millions of dollars as in the sponsorship scandal.

It is really a misnomer to call technology partnership loans, loans. A loan is not a loan when it is not paid back. It then becomes something else altogether. Of the technology partnership loans, 2% have been paid back, 98% have not been. This includes \$480 million to Bombardier and millions of dollars to Pratt & Whitney and other aerospace manufacturing companies.

To get one's mind around this rate of payback, let us look at another loan program operated by the Canadian government, and that is the Canada student loan program. Of all student loads, 96% are paid back, but the government hounds the remaining 4% to their graves. No stone is left unturned to recover every penny loaned to Canadian students for their post-secondary education. The government has threatened to garnish their wages, to kick in their doors and seize their property, for heaven's sake. Yet it knowingly and willingly ignored, at last count, \$3 billion of outstanding technology partnership loans, the overwhelming majority of which did not go to struggling start-up companies in need of R and D development so they could market products. They went to the aerospace industry and to IBM.

Why in God's name did the Canadian government give technology partnership loans to IBM? Is it a struggling start-up company? Is it a Canadian company? No. Did it ever pay the money back? No. I am sorry to deviate a bit from the subject of Bill C-4, but it brings to my mind one of the shortcomings in the treatment of our support for the aerospace industry. It warrants drawing that comparison.

*Government Orders*

The NDP is in favour of the idea of the Cape Town convention and protocol which we understand would reduce the risks and costs of selling aircraft internationally. We support the intention of the protocol, which is to reduce the costs of purchasing aircraft for developing countries. We are sympathetic to the plight of developing countries. We are also sympathetic to the difficulty developing countries have in getting capital or finding lending agencies willing to provide the level of capital necessary to purchase large ticket items like aircraft. They pay ridiculous premiums on the international borrowing marketplace for capital of that nature. We understand the protocol is designed in such away to accommodate.

• (1335)

I have been negligent, Madam Speaker, in pointing out that am splitting my time with the member for Hamilton Centre.

I know the member Hamilton Centre has been following this issue with great interest and care because of the area he represents and the jobs associated with this type of industry sector. He is eager to share his views with the House today as well.

One of things that strikes me is that there is more than one way for us to promote the aerospace industry in the country, be it in Montreal, Winnipeg, Vancouver or anywhere where we have aerospace industry workers and plants. One is to try to enhance the marketplace as per the Cape Town convention and Bill C-4. Another is to provide stimulus or assistance to that industry so it can retool and stay current with the market demands that have been improved. Another is education and training and ensuring that there is an adequately skilled source of workers coming up through the labour market training system. We should address that in the House of Commons in the context of the health and well-being of aerospace industry.

We have seen a complete abandonment of any commitment to labour market training by the Liberal government. It has devolved that to the provinces in a very haphazard and less than satisfactory way. It has signed nine individual labour market training agreements with nine individual provinces, with no particular national standards and with a patchwork quilt of training.

The aerospace industry is one industry sector that has received very short shrift in any of the interprovincial or intergovernmental training strategies. One of the problems with that is it leaves the industry vulnerable. If we do not have a human resources strategy associated with an industry sector, we will be vulnerable and subject to raid within the industry sector for skilled people, one company raiding skilled people from the other. It does not build any kind of cohesive plan which will give us confidence that the sector will be stable and well served.

I would like to use my remaining moments to compliment and feature one such program in the city of Winnipeg, run by Tec-Voc School, initiated by the acting deputy minister of education, Dwight Botting. It has partnered with the aerospace industry, not at the community college level, not at the post-secondary education level, at the high school level to do an integrated work and learn program to groom young employees for the aerospace program. It is an overwhelming success. We have met an industry need with a sensible approach that keeps kids in school, gives them hope and optimism that they can go into well paying jobs. It also provides the

stability and confidence for the manufacturers in the riding, knowing there is a pool of adequately skilled young people coming up through the ranks. The employees training is geared specifically to the manufacturing plants. That match will be a recipe for growth in the industry.

Therefore, there is more than one type of program to help our aerospace industry remain healthy. One is to help it develop international markets by supporting the Cape Town convention and Bill C-4. Another, which is equally important, is a suitably skilled workforce.

This is one thing we can expand on with vision. If the House of Commons chose to, we could give direction to the government to expand the role of the EI program to bring it back to one of its former designated uses and that is labour market training on a national comprehensive scale. The EI fund is showing a surplus of \$500 million a month, not per year, but per month.

• (1340)

Income maintenance has always been the primary role for the EI program, but in the designated uses of the of the EI Act, there are also labour market training, apprenticeship, et cetera. We have devolved all that to the provinces without the financial backing to keep those programs solvent.

You are indicating, Madam Speaker, that I am out of time.

**Mr. David Christopherson (Hamilton Centre, NDP):** Madam Speaker, I rise for the first time as the newly elected member for Hamilton Centre. I want to first thank my constituents and say what an incredible honour it is to stand here at this moment and address the House of Commons of our nation.

I am joined by colleagues who were in the class of 1990 at Queen's Park in the Ontario legislature, the hon. members for Sault Ste. Marie, Dufferin—Caledon and Halton. The four of us were together at Queen's Park for 13 years and we now find ourselves fortunate enough to be here in the House of Commons. Prior to that, I had an opportunity to service on Hamilton city council.

I came here elected with the NDP caucus to address a number of issues that are important to this nation, not the least of which is the missile defence star wars, which is about to be thrust upon the people of Canada if the government and certainly the Prime Minister have their way. There are many areas of interest to me, such as environmental protection, health care, education and social services. There is a whole litany of such areas, but there are a couple of them that are of particular interest to me.

One of them is the future of cities across Canada. One of the key things we talk about in virtually every bill is money and the lack of it at every level of government. There is not a study that I am aware of in Canada which says anything other than that the future of our economic growth from coast to coast to coast is focused on the ability to have successful cities and local regional economies.

*Government Orders*

We have heard a lot of promises from this Prime Minister and this government. I have been fortunate enough to be assigned the cities portfolio as critic and, as I see it, one of my roles is in large part to ensure that the government, at the very least, enacts the minimum promises it made to cities. To that degree, we have already seen the government backing away somewhat, with certainly nowhere near the kind of investment we in the NDP believe needs to be made in our cities.

The other issue is the steel industry. That of course is very germane to Bill C-4, because the bill speaks to the aircraft industry internationally but obviously nationally, too, and it is important to us for a whole host of reasons, not the least of which is, for a member from Hamilton, the steel industry. As my friend from Ancaster—Dundas—Flamborough—Westdale mentioned, a thriving, growing aircraft industry in Canada is good for the steel industry. We, along with my good friend from Sault Ste. Marie and a number of other communities, are the steel capital of Canada. That is not to mention all the support jobs generated by the parts industry in supplying both the steel industry and the aircraft industry and, by extension, the auto industry, which was also mentioned earlier.

This bill should, if enacted in the right way, provide us with a more thriving aircraft industry. Why does that matter to us beyond the obvious? It creates jobs, of course, but what really matters is the kinds of jobs that are created. We are talking about value added jobs. That is where we win. Canada cannot win by underbidding the rest of the world, whether it is in wages, occupational health and safety or environmental laws. We cannot win that game. There will always be someone who is forced, and often exploited, to work at wages that are well below what we would ever ask of any Canadian. So we win here in Canada by the fact that we have a healthy, educated, motivated workforce. We cannot create that through tax cuts or by watering down protection for workers or protection for the environment.

An industry like the aircraft industry is hugely important to us in terms of our future and our ability to provide well-paid, challenging jobs for our children and grandchildren. If this bill at the end of the day is going to make for a stronger aircraft industry, then that is going to create a stronger steel industry and auto industry, because of the availability of disposable income from the people who have these hopefully decently paid jobs with the disposable income that allows them to buy a car and allows them to buy the other things that keep our economy going.

I will wrap up my first time on my feet here—and I am so glad I remembered to do this because it is really important—by paying my respects to and complimenting my predecessor, the Hon. Stan Keyes. Stan served in this place for 16 years with great honour and distinction. He is well respected in our community. Losing an election can happen for a lot of reasons, as those of us who have been in politics for a long time all know, and one ought not to take it personally.

● (1345)

In this case, I want to underscore that this was nothing to do with Stan as an individual. It was the politics of the day and I ran a pretty good campaign to boot, but Stan is someone who is held in a great deal of respect in the city of Hamilton. I am honoured to follow in

his footsteps. I will do the best I can to be the kind of representative for Hamilton Centre that I know Stan was in the past and that he would have been had he been here in my place.

[*Translation*]

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Madam Speaker, I listened with interest to my NDP colleague's speech. However, I might give some background about aerospace in Canada.

When I was elected in 2000, 62% of jobs in the aerospace industry were in Quebec. As a matter of fact, Canada's Prime Minister at the time, Mr. Jean Chrétien, had said that aerospace was to Quebec what the auto industry was to Ontario. He proved it to us: he closed the GM plant in Boisbriand. Of course, since that time, as members will have realized, we no longer have an auto industry in Quebec. According to the last industry figures, the percentage of jobs in aerospace manufacturing in Quebec is 55%. So we went from 62% to 55%.

Many Quebecers will say that the best way for Quebec to create its own jobs would be of course to have its own country.

However, I ask my NDP colleague if, frankly, it would not be time for the federal government to invest the funds necessary to support the aerospace industry in Canada, which is one of the main employers in Quebec. Would it not be time for the government to show its true colours and for all parties in the House to support tremendous capital infusion in the aerospace industry throughout Canada?

● (1350)

[*English*]

**Mr. David Christopherson:** I would say very directly, Madam Speaker, yes, we do support major investment in our aeronautical and aircraft industry, for the simple reason that if we look around the world, we will see that the most successful aircraft assembly, and quite frankly the only successful aircraft assembly, is in nations where the government is playing a major role. There might be the odd exception or two, but all the major players have significant investment in partnership with at least their national levels of government and sometimes other levels of government too.

As for us somehow believing that magically jobs are going to come here to Canada, I do not know why, or for whatever reason; they might think people just want to be nice to Canada. But that is not the way it is going to happen. There has to be R and D investment. That is why Bill C-4 is important, because it speaks to the marketing end of it.

There is the whole continuum of aircraft development, the research and development, the assembly, the parts assembly, the final assembly, the sale and the maintenance. All these big jobs are big money. I am certainly not going to get into a tussle over whether or not these jobs and investments should go to the member's province or mine. We will deal with that specifically as things come up one-off, but the question the member asked was, do we support in principle the philosophical argument that in order to have a thriving aircraft industry in Canada there needs to be major investment by and a role for the national government? The answer to that unequivocally is oui.



[Translation]

**Mr. Marcel Gagnon (Saint-Maurice—Champlain, BQ):** Madam Speaker, I have listened to the speeches made so far on this extremely important bill for Quebec. My colleague from Argenteuil—Papineau—Mirabel just highlighted how very important it is for Quebec. The industry is shrinking and it should not be allowed to shrink any further. I see the Minister for Transport coming in; he himself mentioned that the aerospace industry is to Quebec what the automotive industry is to Ontario.

In the same vein as what was said earlier, is it not true that it is extremely important to have an aerospace policy that would truly help the industry in view of the fact that, for the most part, this industry is located in Quebec—we can say it is a Quebec industry—and that 240 out of 250 aerospace companies are SMEs? They are the way to the future. To have big corporations, you need SMEs. SMEs as a whole employ 40,000 workers in Quebec. I would encourage the minister to invest in that area.

Would the member, who talked about training, not agree that training is done in part by SMEs? For instance, I know that in Trois-Rivières there are plants that manufacture airplane parts, renovate airplanes, painting them in particular. Their workers are competent and would like nothing better than to hone their skills and become experts in their field. I am wondering if this is what he meant when he talked about getting students to specialize in that area.

[English]

**Mr. David Christopherson:** Madam Speaker, in response to the hon. member, I think I did mention in my remarks that one of the benefits of the aerospace industry was the value added jobs. It is hard to have highly skilled workers if there is no decent education system in a country. It is harder to have highly skilled workers if they are hungry or sick. Canada already has a huge built in advantage. We need to build on that advantage.

If I understand the member's question correctly, he is asking about training specifically in the aerospace industry and whether or not we should be focusing some special attention in that area. The member is nodding to me that I do understand his question. I would say yes. How can we possibly have value added, which comes from the skills, education and talents that individual workers have, if we are not investing in the training that results in those kinds of skilled workers?

When we debate down the road, assuming things go the way they are supposed to today, about where the money for EI should go, perhaps we ought to be talking about training with that money. The Liberals seem to have found lots of uses for it. Maybe we should be finding strategic uses for the money which indeed could include highly skilled training, particularly in the aerospace industry.

• (1355)

[Translation]

**Mr. Marc Godbout (Ottawa—Orléans, Lib.):** Madam Speaker, let me congratulate you on your appointment to this position. This is the first opportunity I have had to do this.

I am pleased to be able to provide some information on the background and history of the Convention on International Interests in Mobile Equipment and the Protocol to the Convention on

*S. O. 31*

International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment.

As evidenced by recent events such as September 11, the global economic downturn, and SARS, the aviation sector is particularly vulnerable to economic shocks and other geopolitical events.

This industry would benefit greatly from a harmonized international legal regime to increase certainty for those providing credit to airlines and aircraft manufacturers.

It was a Canadian delegate to the International Institute for the Unification of Private Law, or UNIDROIT, who first proposed the establishment of an international registry for security interests in aircraft in 1988. More than 15 years later, this initiative has finally become a reality. It is strongly supported by both the airline and manufacturing elements of the aviation industry, as well as by those providing financing.

In the mid-90s, it was decided that the convention and protocol would be developed as a joint project co-sponsored by Rome-based UNIDROIT and the Montreal-based International Civil Aviation Organization or ICAO.

UNIDROIT has 59 member states. It is a leading international organization in the harmonization of private law and the preparation of uniform rules of private law for adoption by states. The ICAO, of which 188 states are members, is the specialized agency of the United Nations for matters relating to international civil aviation, including the recognition of rights in aircraft. Its membership is, therefore, virtually universal.

Canada played a leadership role in the negotiation of the convention and protocol, which are designed to facilitate the financing of aircraft equipment—airframes, aircraft engines and helicopters. There was—

[English]

**The Acting Speaker (Hon. Jean Augustine):** I am sorry to interrupt the hon. member for Ottawa—Orléans. He will have seven minutes remaining.

We will now go to statements by members.

---

## STATEMENTS BY MEMBERS

[English]

### CITIZENSHIP

**Mr. Borys Wrzesnewskyj (Etobicoke Centre, Lib.):** Madam Speaker, two generations ago my grandparents arrived in Canada as refugees. What they found was a land of opportunity and freedom where they could lay down roots and prosper. In time, they started a small business and named it "Future" because they could look forward to their future in this new country.

*S. O. 31*

Today it is an honour to represent Etobicoke Centre, a community that is reflective of Canada's multiculturalism. During Canada's Citizenship Week, let us reflect on the responsibilities of belonging to a proud, strong and multicultural society. This year's celebration centres on the theme of cultivating one's commitment to Canada. Who more can appreciate a commitment to Canada than those who worked so hard to receive citizenship, and who in Canada have found a new home and new opportunities.

I join members of this distinguished House in congratulating the new citizens of our country, firm in the conviction that with each new citizen we are deepening the human diversity and adding to the cultural mosaic that makes this country so remarkable.

\* \* \*

● (1400)

**GASOLINE TAXES**

**Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC):** Madam Speaker, it gives me great pleasure to support a motion recently passed unanimously by Renfrew County Council.

The council states that since rural Canadians are not well served by public transit to commute to jobs, attend health appointments or access recreational opportunities, it is necessary to own and maintain personal motor vehicles to seek employment, attend at health care centres and ferry family members to recreational centres.

Excise taxes on petroleum products such as gasoline and diesel fuel have become a financial burden on many Canadians who own and operate personal motor vehicles because public transit is not available to them. The federal government has imposed excise taxes on gasoline of 10¢ a litre, 4¢ a litre on diesel fuel and charges GST of 7% of the total price, and collects royalty taxes at the extraction stage of manufacturing.

Renfrew County Council is calling upon the Prime Minister to immediately roll back the excise taxes on gasoline by 5¢ a litre and on diesel fuel by 2¢ a litre.

Thanks to Reeve Bill Croshaw and Mayor Vance Gutzman for moving and seconding that motion.

\* \* \*

**ITALIAN SOCIETY PRINCIPE DI PIEMONTE**

**Mr. Ken Boshcoff (Thunder Bay—Rainy River, Lib.):** Mr. Speaker, this week in Thunder Bay is very significant as it commemorates the 95th anniversary of the Italian Society, Principe di Piemonte. This fraternal organization makes its home in the Da Vinci Centre.

The Principe di Piemonte is a well known and well appreciated organization for its outstanding contributions not only to Italian heritage but to the community of Thunder Bay and its neighbours.

The society has always been there to answer the call whenever there is a fundraising effort. Indeed, the events it hosts are renowned for combining the best of times for the worthiest of causes. *Molto grazie Società Italiana Principe di Piemonte.*

I ask members to join me in extending congratulations and best wishes for many more years of service. *Bravo!*

[Translation]

**HAITI**

**Ms. Francine Lalonde (La Pointe-de-l'Île, BQ):** Mr. Speaker, Haiti has been devastated by Hurricane Jeanne, when it was already reeling from the crisis earlier this year, as well as from the effects of deforestation and extreme poverty.

The people of Quebec wasted no time in responding to the need. It is a great tribute to their particular connection with the people of Haiti that they have donated over \$2 million in cash, and tonnes of clothing and food aid as well. Forty-six police officers, a field hospital and the required staff have also been sent.

Haiti is, unfortunately, not out of the woods yet. The experts fear a health disaster. Violence is also erupting again, with armed gangs in Gonaives and clashes between supporters of the former president and the police in Port-au-Prince.

There is an urgent need for the Canadian government to exert pressure on the international community and step up its efforts to achieve total disarmament of the armed factions and restore the climate of safety and stability that is an absolute prerequisite to the reconstruction that must take place.

\* \* \*

[English]

**COLE HARBOUR PLACE**

**Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.):** Mr. Speaker, as Canadians are increasingly aware of the importance of health promotion and integrated health services, Cole Harbour Place in my riding stands as a model of what we can do in these areas.

For years, Cole Harbour Place has been developing and investing in providing wellness and preventive health care programs for the entire family. Its services include two ice rinks, a fitness centre, mental health facilities, job search services, a library, dance and fitness studio, squash courts, three swimming pools and Stewart Hall. It recognizes that wellness includes more than hospitals; it means personal fitness, literacy, community safety and our environment.

This shining example of health promotion was duly noted by our Prime Minister who was part of a round table discussion on population health held this past April, hosted by Cole Harbour Place.

I am sure all members will join me in saluting Don Kyte, chair of the board and Mike LaGarde, general manager of Cole Harbour Place. These individuals understand the importance of healthy living and community wellness and are leading by example.

\* \* \*

● (1405)

**TOBACCO INDUSTRY**

**Mrs. Diane Finley (Haldimand—Norfolk, CPC):** Mr. Speaker, Canadian farmers deserve more respect from the Liberal government.

In my riding of Haldimand—Norfolk and in nearby Oxford and Elgin—Middlesex—London, hundreds of tobacco farmers are losing their livelihood as a result of direct actions of the government.

Under World Health Organization rules, when governments force industries out of business they must adequately compensate those industries.

Prior to the last election, the former agriculture minister promised the tobacco farming industry that farmers would be paid for being forced out of business. Not only was the offer paltry by international standards but repeated requests for details about the plan have gone unanswered. What is worse is that tobacco farmers have not seen one cent of these promised funds.

Once more the government has failed to honour its commitments to our farmers. Canada's farmers demand and deserve better.

\* \* \*

#### JUNCTION ARTS FESTIVAL

**Hon. Sarmite Bulte (Parkdale—High Park, Lib.):** Mr. Speaker, I would like to inform the House of the resounding success enjoyed by the recently held Junction Arts Festival, now in its 12th year.

The festival featured the work of more than 90 artists, including artists from the local neighbourhood, as well as artists from as far away as Lithuania and Thailand. This year the festival attracted more than 80,000 visitors.

The Junction Arts Festival is a jewel in what has been a fabulous revitalization of this historic Toronto neighbourhood. The Junction had fallen on hard times as industries relocated during the 1960s, 1970s and 1980s. However, thanks to the partnership between local residents and businesses, Toronto Hydro, the City of Toronto and the federal government, the Junction is back and booming.

The revitalization exemplifies the importance of all levels of government working together and how cultural life plays a key role in the quality of life of our cities.

Our government understands this, which is why in the Speech from the Throne we stated “What makes our communities vibrant and creative is the quality of their cultural life”. I have a living example of this vibrancy in my riding.

\* \* \*

[Translation]

#### LA TERRE DE CHEZ NOUS WEEKLY

**Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ):** Mr. Speaker, I would like to draw attention to the 75th anniversary of the farm weekly *La terre de chez nous*, which has a circulation of over 100,000. This publication dedicated to the rural cause was founded in 1929, and for a long time was the only publication delivered to rural Quebec. Over the years, this indispensable and popular weekly has become the preferred source of information for people in the agricultural and forestry sectors of Quebec, who find in its pages shared concerns, aspirations and expertise.

The impact of this publication on Quebec agriculture is concrete evidence of its importance, and now it has its own web site as well.

S. O. 31

This new tool, which is updated daily, provides Quebeckers with a host of useful information on current events and issues that shape agriculture.

My congratulations to all those who have had a hand in its success, and my wishes for a long life to both *La terre de chez nous* and its target sectors, agriculture and forestry.

\* \* \*

[English]

#### LIFETIME ACHIEVEMENT AWARD

**Mr. Alan Tonks (York South—Weston, Lib.):** Mr. Speaker, I rise to recognize Dr. Jane Goodall. Dr. Goodall is in Ottawa today to receive the lifetime achievement award from the International Fund for Animal Welfare.

Fascinated by wild animals since she was a child, Dr. Goodall first formally worked with them in Kenya in 1957. There, she worked with famed anthropologist and paleontologist, Dr. Louis Leakey, researching the work of chimpanzees.

Soon thereafter, she returned to Tanzania to continue research. In fact, she was the first to observe chimps using twigs as tools, an observation that changed the way we understood the distinction between primates and humans.

She established the Jane Goodall Institute in 1977. The institute supports research across the world to protect chimpanzees and other animals in their African habitats.

Today, Dr. Goodall continues to share her message of hope for the future and to encourage youth to make a difference in their world.

\* \* \*

#### FOREIGN AID

**Mrs. Betty Hinton (Kamloops—Thompson—Cariboo, CPC):** Mr. Speaker, it gives me great pleasure to rise today and share my thoughts about the community I am honoured to represent.

The constituents of Kamloops—Thompson—Cariboo never cease to amaze with the kindness and caring they show to others. Recently more than 1,000 people gathered at the local university to hear retired Lieutenant-General Romeo Dallaire speak about human rights and how we as a country and as individuals can effect change around the world.

Every day residents prove that philosophy with action. This year Ken Woodcock and Donna Greenlay of Kamloops are again, as in years past, behind the drive to send backpacks and shoeboxes filled with essentials and treats to Russian street kids and orphans.

As we speak, Charlene and Pete Nightly are preparing to leave the comforts of their home and community to start up an orphanage in Angola. They will be taking along their four children who range in age from nine to fifteen. I want to thank them and everyone else who remembers there is a whole world out there to care for. They make me proud.

*S. O. 31*

•(1410)

### CHILD PORNOGRAPHY

**Mr. Tom Wappel (Scarborough Southwest, Lib.):** Mr. Speaker, in this statement, the second in my series examining whether the courts are protecting our children, I want to bring to the House's attention a recent case.

A 58 year old dentist, Dr. Leslie Griesdorf, was charged with possession of child pornography. Police said that he had the largest private collection of child pornography in Canada. He pleaded guilty. Justice Robert Bigelow sentenced him to an 18 month conditional sentence, meaning no jail time, unbelievably with the crown's consent.

Justice Bigelow and the crown should have been thinking not about Griesdorf but about the protection of our children. They should have been thinking about denunciation and deterrence. They should have been thinking that Parliament and Canadians view the possession of child pornography so seriously that the maximum sentence for such possession is five years in prison.

Next time, Justice Bigelow and the crown should think seriously about protecting our children from sexual exploitation.

\* \* \*

### NAVAL APPRECIATION DAY

**Mr. Peter Stoffer (Sackville—Eastern Shore, NDP):** Mr. Speaker, on Wednesday representatives from the Navy League will be hear to tell all members of Parliament about Naval Appreciation Day.

On behalf of the New Democratic Party federally and provincially across the country and for that matter, all members of the House of Commons from all parties, I would like to extend special congratulations to all the current members of our navy, the past members of our navy and those in the Navy League.

For over 90 years the men and women of our navy have served Canada extremely well by serving in various conflicts and wars around the world.

We as parliamentarians have the ultimate responsibility to ensure that those who sign up and have the ultimate liability have their needs met.

They will be here on Wednesday. I encourage all members of Parliament to take the time to offer our congratulations to the brave men and women of our navy. They do a great job and, coming from the garrison city of Halifax, I must say that we are very proud to be the east coast home of Canada's navy.

A bravo zulu to all members of the Canadian navy.

\* \* \*

### HIBERNIA PROJECT

**Mr. Loyola Hearn (St. John's South—Mount Pearl, CPC):** Mr. Speaker, ever since the Hibernia offshore project began pumping oil, a large portion of the revenues flowing from the project have been clawed back by the federal government.

During the recent election campaign, the leader of the Conservative Party committed in writing to give the province of Newfoundland and Labrador 100% of the revenues from non-renewable resources with no clawback.

Under severe pressure and after a sleepless night, the Prime Minister made a similar commitment in an early morning phone call to Premier Williams. At a recent health summit, the Prime Minister committed to having the deal done by October 25, a week from now, and before the meetings on equalization.

This deal must be outside the equalization process. This deal must confirm that 100% of the revenues go to Newfoundland and Labrador. This deal must not be subject to clawback. This is what was promised and this is what must be delivered.

\* \* \*

[*Translation*]

### TIBET

**Mr. Richard Marceau (Charlesbourg—Haute-Saint-Charles, BQ):** Mr. Speaker, in 1959, China invaded Tibet and the result was catastrophic. More than a million Tibetans, or one-sixth of that small country's population, have died as a direct result of the Chinese occupation.

More than 6,000 monasteries have been pillaged and destroyed. It is important to mention the atrocities suffered by the Tibetans who have been imprisoned and tortured for peacefully protesting the occupation by continuing to practice their religion.

It is still illegal in Tibet to own a picture of His Holiness the Dalai Lama. Many Tibetan political prisoners are under 18, including the Panchen Lama, Tibet's second-ranking spiritual leader. The Panchen Lama was kidnapped at age six and has been missing ever since.

To stop this intolerable situation, I urge my colleagues who have not yet done so to sign the letter written by the Canada Tibet Committee calling on Canada to actively contribute to the non-violent resolution of the Tibet issue by promoting negotiations between Tibet and China.

\* \* \*

[*English*]

### FISHERIES AND OCEANS

**Mr. John Duncan (Vancouver Island North, CPC):** Mr. Speaker, last week the fisheries minister stated brilliantly that fog horns on the west coast would be silenced because there was not as much fog on the west coast as there was on the east coast. Maybe he thought this because there are fewer Liberals on the west coast.

Why fog even rolled in as far as Kelowna from the coast recently during a visit by the industry minister when he assured B.C. municipal leaders their concerns would be acted on. They then put this to the test by stating unanimously that they wanted to retain the fog horns that had just been disconnected by DFO. The fisheries minister's defence of shutting down the horns completely undercuts the statements by the industry minister.

Now the fisheries minister is attempting to justify incomprehensible DFO actions, but his feeble words “foggle” the mind. The horns should be reconnected today.

\* \* \*

• (1415)

#### HISTORIC SITES AND MONUMENTS

**Mrs. Susan Kadis (Thornhill, Lib.):** Mr. Speaker, in Thornhill today I had the distinct pleasure of attending the official unveiling ceremony for the first public statue of former Prime Minister Pierre Elliott Trudeau.

Over two years of hard work and dedication went into the completion of this statue, with Mario G. Racco, MPP for Thornhill riding being the driving force.

I had the privilege of bringing greetings from the Prime Minister, which were greeted very enthusiastically. I was also able to listen to many of my constituents who shared their thoughts and memories about our much beloved former prime minister.

It was clear that the site of the statue, which stands almost two metres tall, combined with the warm thoughts of everyone today, truly honoured the legacy of an important and distinguished figure in our history.

---

### ORAL QUESTION PERIOD

[English]

#### NATIONAL DEFENCE

**Hon. Stephen Harper (Leader of the Opposition, CPC):** Mr. Speaker, I want to ask the Prime Minister more questions about the sub debacle.

Last week the defence minister insisted in the House that the *Chicoutimi* was ready before it left port. On the weekend the Liberal chair of the House of Commons defence committee, which is about to begin hearings, contradicted the minister when he said that obviously the *Chicoutimi* was not seaworthy.

Can the Prime Minister tell us, was the *Chicoutimi* seaworthy, was it not seaworthy, or is he just not sure?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, as the hon. member knows, there is an inquiry on the whole issue involving the *Chicoutimi*. It is obviously clear that we should await the results of that inquiry before making any further comment or drawing any conclusions.

**Hon. Stephen Harper (Leader of the Opposition, CPC):** Mr. Speaker, that answer is not good enough.

One of the Prime Minister's own ministers stood and told us that the *Chicoutimi* was seaworthy. His committee chairman contradicts that.

Can the Prime Minister tell us, is he standing behind his minister's comment or not?

**Hon. Bill Graham (Minister of National Defence, Lib.):** Mr. Speaker, I can certainly inform the hon. member that I am standing behind my comment. It was appropriate in the circumstances.

#### Oral Questions

The Prime Minister has said that an inquiry is taking place around all the circumstances about the *Chicoutimi* putting to sea.

I told the House that the *Chicoutimi* had had extensive trials and it was the judgment of the navy that it was fit to make the voyage back to Canada and that it was seaworthy for that purpose. That is what the navy has told us. That is the correct position in respect of the *Chicoutimi's* voyage to Canada.

**Hon. Stephen Harper (Leader of the Opposition, CPC):** Mr. Speaker, I am glad to hear the minister stands by his own comment. He may want to check after question period to see whether his leader is prepared to stand by his comment.

When the Prime Minister was finance minister, he cut defence spending by 30%. Then he said he would increase spending. On the weekend the revenue minister said he was looking for another 5% cut, or over half a billion dollars.

When it comes to spending cuts, why does the Prime Minister always target our men and women in uniform?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, the fact is that the government has announced over \$7 billion in new military equipment.

What the hon. member would like to do is to go back to the reductions in budgets that were made in 1995. They were made as a result of a declining economy and an increasing deficit.

May I remind the hon. member that his party, in fact, advocated substantially more cuts, but we refused to engage in the scorched earth policy that was recommended by his party.

**Mr. Gordon O'Connor (Carleton—Mississippi Mills, CPC):** Mr. Speaker, the Prime Minister, as finance minister, took over \$20 billion from the military.

We now have the unconscionable situation where the government is considering taking between \$300 million and \$800 million from the underfunded forces.

The revenue minister, who is in charge of this activity, said when he was Minister of National Defence that the forces need more money simply to keep operating.

Will the Minister of National Revenue provide the House with a justification now for taking money from the cash strapped forces?

• (1420)

**Hon. John McCallum (Minister of National Revenue, Lib.):** Mr. Speaker, the forces need more money. As the Prime Minister and the defence minister have said, they have received billions of dollars in the very recent past.

My job as chair of the expenditure review committee is to solicit 5% of the lowest priority items in the budget of every department, from the PCO to the Governor General to every department in government. Then the committee will examine these offerings and will find ways to improve efficiencies and improve services to Canada across the board.

*Oral Questions*

**Mr. Gordon O'Connor (Carleton—Mississippi Mills, CPC):** Mr. Speaker, the government's action in this case demonstrates the real attitude toward the armed forces. It is prepared to have a military as long as it does not have to pay for it. The government has said it will increase the defence budget and at the same time it continues with the expenditure review. The government is sucking and blowing at the same time.

Would the Minister of National Defence explain to the House why he is not defending the Canadian Forces from this ill-conceived and unjustified tax grab?

**Hon. Bill Graham (Minister of National Defence, Lib.):** Mr. Speaker, I rose in the House on Friday and on Thursday to respond to exactly the same convoluted accusation.

The fact of the matter is, every single military organization in the world today is going through a process of evaluating what equipment it has, what personnel it has, what needs to be done to change to meet new strategies.

We are no different. This government will insist that we choose the right priorities. We will do that through our defence review. I am confident the military will come out of this enriched, both by increasing what we get and by getting rid of things we should not maintain.

\* \* \*

[Translation]

**TAXATION**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, a study conducted by Luc Godbout, of the Université de Sherbrooke, revealed that, over the last decade, federal transfers to Quebec increased by only 2.7%, as compared to 34.4% for the Canadian provinces.

On the basis of these figures, will the Prime Minister admit that the fiscal imbalance is penalizing Quebec, and that it is in fact penalizing Quebec more than the Canadian provinces?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, first, the leader of the Bloc Québécois should consider the health accord, under which very substantial amounts will be transferred to the province of Quebec as well as to the other provinces. Also, we have a meeting on equalization scheduled for next week, and Quebec will benefit yet again.

The leader of the Bloc should also, I might add, consider the fact that Quebec's economy is doing very well under this Liberal government, here in Canada, and under a Liberal government in Quebec. This is one reason. This is great news. Quebec's economy is doing well.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, since he does not want to talk about equalization, let us talk only about the transfers for health, education and social services. These have increased by 37% over 10 years in the other provinces, as compared to 8.3% over the same period in Quebec, all that because this Prime Minister changed the formula in 1995, and this formula puts Quebec at a disadvantage.

I am asking him if he will be working on eliminating this fiscal imbalance—at least, that is what it is called by everyone except the Liberals—at the October 26 meeting.

[English]

**Hon. Ralph Goodale (Minister of Finance, Lib.):** Mr. Speaker, I have not yet had the opportunity to read the full report that the hon. gentleman is referring to, but I certainly will do that.

In a preliminary way it appears that the report relates to a period of time when first of all, a limitation was placed on the payments under the Canada assistance plan to certain provinces, most especially Ontario, Alberta and British Columbia under Mr. Mulroney's government. Later on that limitation was taken off. Again, the effect was largely felt in Ontario, British Columbia and Alberta. It did not affect the flow of revenue to Quebec.

[Translation]

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, we are not talking about the same thing. We are talking about the measures taken in 1995 by the former finance minister, now the Prime Minister. Those measures penalized Quebec.

The study by Professor Godbout of the Université de Sherbrooke clearly shows, with statistics to back it up, that Quebec has been penalized far more than any other Canadian province by the changes the current Prime Minister made in federal transfer payments.

How can the Prime Minister claim that the meeting on October 26 will deal only with equalization, when it should be discussing the entire question of transfer payments?

● (1425)

[English]

**Hon. Ralph Goodale (Minister of Finance, Lib.):** Mr. Speaker, again let me say it is important to examine the period of time that is referred to in the report. It is a period of time when the flow of certain revenues to certain provinces other than Quebec was reduced and then increased again. In relative terms that showed a shift in numbers from one province compared to another.

Through all of that period of time, Quebec was unaffected by the limitations. Quebec always received its full fair share of equalization and the transfers for social and health purposes.

[Translation]

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, the changes we are talking about date back to 1995, when the new Canadian social transfer was introduced, based on need, to be calculated as a per capita payment. That penalized Quebec first and foremost. That has been the issue since 1995.

I ask the Prime Minister, can he admit the obvious and agree to correct this fiscal imbalance once and for all by transferring the income from the GST, for example, instead of giving out small crumbs like this?

*Oral Questions***NATIONAL DEFENCE***[English]*

**Hon. Ralph Goodale (Minister of Finance, Lib.):** Mr. Speaker, apart from health care where we are contributing \$41 billion more, and equalization where we are contributing \$33 billion more, the Government of Canada also contributes in a whole variety of ways to relieve the financial pressures on provinces, Quebec included. I can think of highways. I can think of infrastructure. I can think of housing. I can think of the campaign against homelessness. I can think of the contributions we make to children, to the well-being of families and senior citizens.

The Government of Canada provides its full fair share.

\* \* \*

*[Translation]***THE ENVIRONMENT**

**Mr. Jack Layton (Toronto—Danforth, NDP):** Mr. Speaker, the Minister of the Environment is watering the gas again, with respect to the environment and our Kyoto commitments. He thinks it is acceptable to do whatever one wants and then wait and see whether the necessary goals have been met. Because of that, we are the worst country in the industrialized world with respect to our greenhouse gas emissions.

I ask the Prime Minister: does he think that this kind of *laissez-faire* is an adequate response to this environmental crisis?

**Hon. Stéphane Dion (Minister of the Environment, Lib.):** Mr. Speaker, first of all, I want to congratulate the hon. member on his appointment as Kyoto critic. That shows that his leader has confidence in him, at least.

I would also like to tell him that he should quote me correctly. It would improve our debates. I never said that it was fine to do whatever one wants. I said that we had to do the best we can, find the best practices, because the Canadian government has made a 100% commitment to Kyoto.

*[English]*

**Mr. Jack Layton (Toronto—Danforth, NDP):** Mr. Speaker, we have heard from the government that the Speech from the Throne has addressed the whole question of Kyoto. Two sentences were all we got on the biggest environmental crisis facing the entire planet, and yet we have had 11 years of inaction that has left us with a record as the worst polluter in the industrialized world. George Bush does a better job, quite frankly, at achieving environmental objectives than the government does.

My question is for the Prime Minister. Does he think it is quite all right to have no rules to govern our—

**The Speaker:** The hon. Minister of the Environment.

**Hon. Stéphane Dion (Minister of the Environment, Lib.):** Mr. Speaker, I am not sure I heard the question.

Is it not action when we invest \$645 million to improve energy efficiency, or when we include \$63 million for energy efficient transportation, \$340 million for energy efficient buildings and \$240 million for energy efficient manufacturing and industrial processes? The government will work with the planet to fight climate change and to ensure that Canada will always be a good citizen of the world.

**Mr. Stockwell Day (Okanagan—Coquihalla, CPC):** Mr. Speaker, Canada's global influence continues to be diminished internationally because of the Prime Minister's lack of emphasis on our armed forces. We welcomed the news about our troops going to Haiti and now we find out that they were "prodding and begging" for basic equipment like gloves, boots and vests. There is a gap now between our expectations and our military capacity and it is hurting us internationally.

Has the Prime Minister allowed this gap to increase as a deliberate policy or simply because he is delinquent? Which one is it?

● (1430)

**Hon. Bill Graham (Minister of National Defence, Lib.):** Mr. Speaker, I had the privilege of visiting our troops in Haiti and the foreign affairs minister did as well. Nobody complained about their equipment. What they were proud of was the job they were doing. They had boots and they had fragmentation vests. These were in the course of being changed and transited the way we do with our troops. We will continue to do that.

The fact of the matter remains that as the Prime Minister has said, since 1999 we have invested 10 billion new dollars in the armed forces. We have promised \$7 billion in new equipment. We have not finished yet, just watch the budget to come. We are delivering for our armed services.

**Mr. Stockwell Day (Okanagan—Coquihalla, CPC):** Mr. Speaker, just last weekend the Liberal MP for London—Fanshawe said, "We cut too deeply. It has done damage". He was talking about the armed forces.

The Prime Minister may be interested in another quote. It goes like this: "The current gap between expectations and our military capacity is too large and truth be told, it affects our international credibility". That is not my quote. That is from the Prime Minister's own mouth when he was out on the hustings blaming Jean Chrétien for the cuts in our military.

Our influence is being diminished abroad. What is the Prime Minister going to do to restore it?

**Hon. Bill Graham (Minister of National Defence, Lib.):** Mr. Speaker, I wish the hon. member would read some of the Prime Minister's other speeches.

Since he has been Prime Minister, he has delivered on what he said on the campaign trail. We are delivering on a promise of 5,000 new troops for our services plus 3,000 to be added to our reserves. We are delivering on a new gun for the army. We are delivering on a promise of new ships. We are delivering on promises of new equipment for our military.

Of course there are going to be problems, but every single military in the world is readjusting to the changes out there. This government is readjusting our military in a positive way.

**Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC):** Mr. Speaker, what the government has delivered are submarines that do not go down and helicopters that will not go up. That is what the government has delivered.

*Oral Questions*

In a best case scenario, Sea King helicopter replacements might be here by 2010, just in time for the Vancouver Olympics, but Canadians should not hold their breath. On September 1 the Minister of Public Works and Government Services was sued over the helicopter purchase because “to avoid political embarrassment...the minister structured and carried out the helicopter procurement...so as to ensure the EH-101 was not chosen as the successful bidder”.

Why did the government play politics with giving proper equipment to our troops?

**Hon. Scott Brison (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, first of all, we are very much looking forward to providing our Canadian military with the best possible helicopter at the best possible value for the Canadian taxpayer. In fact, the open and fair procurement policy that led to the selection of this helicopter did exactly that.

**Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC):** Mr. Speaker, we heard those promises in 1993, and what did the government do? It cancelled the EH-101 program. It cost taxpayers \$500 million and our troops' lives are in danger because they are flying 50 year old helicopters that do not work.

These kinds of answers are not good enough for our troops. I want to know, taxpayers want to know and our troops want to know if, because of this lawsuit, the helicopter procurement and helicopter replacement is going to be pushed back even further, further endangering the lives of our troops. They want to know. Is it going to do that?

**Hon. Scott Brison (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, in fact, we intend on continuing with the contract process beyond October 26. We have waited in view of the legal process in respect of that.

This is actually a very positive initiative. This Prime Minister acted very quickly to ensure that the procurement process proceeded and that in fact once again our brave men and women in the Canadian armed forces get the helicopter they need at the best possible value for the Canadian taxpayer. That is what this process delivered. We are looking forward to delivering those helicopters to our men and women in the Canadian armed forces.

\* \* \*

[Translation]

**AEROSPACE INDUSTRY**

**Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ):** Mr. Speaker, on Friday, the Minister of Industry rejected the notion that there is a sense of urgency regarding the assistance that should be provided to Bombardier.

How can he dismiss the notion of urgency in this issue, considering that 5,000 new jobs are at stake in Montreal and that competing offers, including from American states, are already on the table? What will it take for the minister to consider this an urgent matter?

• (1435)

[English]

**Hon. David Emerson (Minister of Industry, Lib.):** Mr. Speaker, my officials have been working closely with Bombardier officials and members of the aerospace industry across Canada.

We are giving top priority to developing an aerospace strategy for all of Canada and we are going to do it responsibly and efficiently. We are going to take care of the aerospace industry in Canada.

[Translation]

**Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ):** Mr. Speaker, as for the Minister of Transport, he said last week that we should not give in to a bidding war regarding Bombardier.

How can the government explain that, in the case of Bombardier, it does not seem to be in a real hurry to make an offer of assistance, but that during the election campaign, it took very little time to announce that half a billion dollars would be allocated to help Ontario's automobile industry? Is this not a double standard?

**Hon. Jean Lapierre (Minister of Transport, Lib.):** Mr. Speaker, I am sure the hon. member will realize that the case of Bombardier is a priority for this government. We did not wait for his questions or his party's interest in this issue to deal with it. We will make sure that this is done responsibly. We said there would be no public bidding war and there will be no such war, because we are talking about taxpayers' money here.

\* \* \*

**PETRO-CANADA**

**Mr. Guy Côté (Portneuf—Jacques-Cartier, BQ):** Mr. Speaker, Valeurs mobilières Desjardins, which is a subsidiary of Quebec's largest financial institution, has been excluded from the most important public share issue in Canadian history, that of Petro-Canada, to the tune of \$3.2 billion. No justification was given for the fact that Desjardins is not among the 22 firms retained by the federal government.

Could the Prime Minister provide some explanation regarding this mysterious decision which, to this day, remains unexplained?

[English]

**Hon. Ralph Goodale (Minister of Finance, Lib.):** Mr. Speaker, the firms that participated in the process were in each and every case properly selected on entirely objective grounds. I am pleased to say that there were firms participating from every part of Canada, including western Canada, Ontario, Quebec and Atlantic Canada.

[Translation]

**Mr. Guy Côté (Portneuf—Jacques-Cartier, BQ):** Mr. Speaker, among the 22 firms that were retained, some are small and specialized in bond financing.

Will the Prime Minister, who has yet to reply to the letter of Alban D'Amours, president of the Mouvement Desjardins, asking him for an explanation, provide such explanation to us, here in this House today?



*Oral Questions*

[English]

**Hon. Ralph Goodale (Minister of Finance, Lib.):** Mr. Speaker, I am not aware of the letter to which the hon. gentleman refers, but if there is outstanding correspondence it will indeed be properly replied to, because this has been judged by all of those who watched this transaction, from near or far, as one of the single most successful transactions of its kind in the last decade in the western world.

\* \* \*

**NATIONAL DEFENCE**

**Mr. Dave MacKenzie (Oxford, CPC):** Mr. Speaker, in May 2003 the Canadian Department of National Defence published a report stating, "Reactivation of the submarines to meet safe diving certification prior to acceptance by DND is the technical and financial responsibility of the U.K."

We now know there was an equipment failure on the *Chicoutimi*, which resulted in flooding of the sub with sea water. Can the Minister of National Defence tell the House if the *Chicoutimi* had received its safe diving certification from the U.K.?

**Hon. Bill Graham (Minister of National Defence, Lib.):** Mr. Speaker, as I said earlier in the House, I have been informed by the navy that all steps were taken necessary to make these ships ready to go to sea, that they set to sea after all necessary trials had taken place, and that the navy was satisfied they were in a situation ready to go to sea. If there are any other problems, I suggest we wait until the inquiry has completed its process so that we can determine exactly what situation prevailed at the time.

**Mr. Dave MacKenzie (Oxford, CPC):** Mr. Speaker, the *Chicoutimi* was only in service for one year in the British navy before it was dry docked because of serious concerns about its reliability at sea. Can the Minister of National Defence explain why the government did not consider the 1991 British auditor general's report of major design faults, which raised serious questions about the safe operation of these submarines?

**Hon. Bill Graham (Minister of National Defence, Lib.):** Mr. Speaker, the government considered many reports. The procurement people in my department and in Public Works went through all of the specifications and all of the issues around the purchase of these submarines.

Every modern piece of sophisticated equipment always has issues about it. These were examined with great care, in detail. I would refer the hon. member to the report of the British House of Commons, which pointed out that even with the issues around these submarines they were excellent submarines and the British government should even consider building more.

\* \* \*

● (1440)

**SPONSORSHIP PROGRAM**

**Mr. Peter MacKay (Central Nova, CPC):** Mr. Speaker, now we know why last February the Prime Minister told us that there had to be political direction in the sponsorship scandal: because his political staff was giving it. His political staff made calls to lobby for sponsorship funds on behalf of Internationaux du Sport de Montréal, a company headed by Serge Savard. After being rejected for funds, a call was made and presto, the group received \$250,000.

Can the Prime Minister tell us why he hid the fact that his office was running political interference in the sponsorship program?

**Hon. Scott Brison (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, first of all, the Prime Minister has been clear that he was aware, as were all members of Parliament, of the sponsorship program. He was not aware of the alleged malfeasance. When he became aware as a result of the Auditor General's report, he acted swiftly to end the sponsorship program and beyond that, to establish the Gomery commission, which we are cooperating with fully.

I would urge the hon. member to support Justice Gomery in his deliberations, to not prejudge the results of Justice Gomery based on day to day testimony and play by play on that testimony, and to support what Canadians want, and that is for Justice Gomery to report back to Canadians with the truth.

**Mr. Peter MacKay (Central Nova, CPC):** Mr. Speaker, I had hoped for support from this person before.

This is for the Prime Minister, not the wannabe. The firm of Serge Savard received sponsorship money and yet raised \$1 million for the Prime Minister—

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

**The Speaker:** Order, please. It sounds like there are a lot of wannabes, but the question is being asked by the member for Central Nova and it is he we are going to want to hear for the moment.

**Mr. Peter MacKay:** Mr. Speaker, Serge Savard raised \$1 million to help the Prime Minister, yet received sponsorship money. Mr. Savard was both a fundraiser for the Prime Minister and the president of a company seeking sponsorship. In addition, his board included the then Canada Post chairman, André "What Receipts?" Ouellet, and Francis Fox, the Prime Minister's principal secretary.

His staff was involved. His confidants and political supporters were aware. How does the Prime Minister expect Canadians to believe that he was not in the loop on the sponsorship scandal?

**Hon. Scott Brison (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, I am surprised that somebody who calls himself a lawyer would not understand the importance of the independence of a judicial inquiry and respect of that independence. I suspect he is having a bit of a lapse of legal judgment today. Perhaps that was the same lapse of judgment that led him to rip up a written agreement he made with David Orchard.

*Oral Questions***AGRICULTURE**

**Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.):** Mr. Speaker, my question is for the Minister of Agriculture and Agri-Food. In May 2004 the former Minister of Agriculture and Agri-Food announced a plan to assist tobacco producers. Will the current Minister of Agriculture and Agri-Food inform the House of when he plans to implement the commitment made by the government to provide transitional assistance to tobacco producers?

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, the Government of Canada recognizes the difficulties that our tobacco producers and the communities that support them are experiencing. I am pleased to advise that we will be honouring the commitment made last May. We are working with the industry on the particulars of the implementation of the program and we expect to see that implementation take place this fall.

\* \* \*

**HEALTH**

**Hon. Bill Blaikie (Elmwood—Transcona, NDP):** Mr. Speaker, my question is for the Minister of Health. The Minister of Health will recall that as leader the Prime Minister in the recent election campaigned against the Tories because he said he was against credit card medicine. We now have credit card medicine in Montreal.

What is the Minister of Health doing about it and how does he reconcile the fact that he is not doing anything with the things the Liberals said during the election campaign?

• (1445)

**Hon. Ujjal Dosanjh (Minister of Health, Lib.):** Mr. Speaker, I want the member to remember that we just poured \$41 billion into health care for the next 10 years. I just want him to remember that.

We are the defenders and protectors of health care. I am looking at the Canada Health Act situation with respect to the Montreal clinic. It is very important that we review the situation. It is also important that we deal with these issues in an amicable way to make sure that the spirit of the act survives and that across the country public health care thrives every day.

**Hon. Bill Blaikie (Elmwood—Transcona, NDP):** Mr. Speaker, I am beginning to understand why we did not get anything for him when we traded him to the Liberals.

The Minister of Health said that pharmacare was years away, that they could not afford it, and yet they promised a national pharmacare program during the election. Presumably they did not know they had the kind of surplus they have today. Why can they not afford pharmacare today when they have a surplus that is way larger than it was when they promised it?

**Hon. Ujjal Dosanjh (Minister of Health, Lib.):** Mr. Speaker, after I left, I did not know whether they had anything to give over there. I honestly did not know.

We established a task force headed by the minister of health from B.C. and myself as co-chairs. We are going to look at bulk purchasing. We are going to look at national formulary. We want to make sure that we build the blocks so that eventually we may have a national pharmacare plan across the country.

**Mr. Steven Fletcher (Charleswood—St. James—Assiniboia, CPC):** Mr. Speaker, last week provided more evidence that the new

health minister has no clue about what he is doing. He told Canadians that the government will review the rules of the hepatitis C fund and give compensation to those outside the 1986-90 window. In fact, we have found out that he had no intention of opening the fund.

What he did was give false hope to these people. While the government compensates its pals with millions of dollars of ad contracts and golf balls, victims sit at home, getting sicker every day.

When will the minister stop giving these people false hope and apologize for his comments?

**Hon. Ujjal Dosanjh (Minister of Health, Lib.):** Mr. Speaker, the hon. member neither listens to me nor reads the press clippings carefully.

What we did say was that there may be potentially an actuarial surplus in the fund and that actuarial surplus would have to be determined by the court. We will have to work with the provinces and territories to ensure that we can look at that surplus, and we will of course have to talk with the lawyers of the plaintiffs.

It is important that we treat this issue seriously. This is an issue of serious injury to ordinary people across the country.

**Mr. Steven Fletcher (Charleswood—St. James—Assiniboia, CPC):** Mr. Speaker, I understand why the NDP traded him away.

The minister refuses to give Canadians an honest answer. Why is the government blatantly discriminating against the pre-1986 and post-1990 victims? Why will the minister not stand up in the House right now and tell Canadians that all victims of hepatitis C from tainted blood deserve compensation?

Canadians know. Give an honest answer and do the right thing.

**Hon. Ujjal Dosanjh (Minister of Health, Lib.):** Mr. Speaker, there is a trust fund established by the courts. Contributors to that trust fund are the federal and provincial governments. We need to speak to those partners. We need to speak to the lawyers of the plaintiffs. We need to then approach the courts to take a look at whether or not there is an actuarial surplus. We are in the process of doing exactly that.

\* \* \*

**AGRICULTURE**

**Mrs. Diane Finley (Haldimand—Norfolk, CPC):** Mr. Speaker, last Friday the United States department of commerce announced unfair preliminary anti-dumping duties on Canadian hogs. This decision means that Canadian hog producers now have to post potentially crippling bonds on their pork exports to the United States.

I ask the international trade minister, is it not true that the government's mismanagement of Canada-U.S. relations may result in U.S. protectionism hurting our farmers once again?

*Oral Questions*

● (1450)

**Hon. Jim Peterson (Minister of International Trade, Lib.):** Mr. Speaker, the U.S. trade dispute is very unfortunate. We have an integrated market in North America and once again the Americans have taken punitive action against our hog producers who can compete with the best in the world. We are going to stand behind them and fight this anti-dumping action with all the resources we have.

**Mrs. Diane Finley (Haldimand—Norfolk, CPC):** Mr. Speaker, the last hog trade dispute with the U.S. lasted 15 years. The industry cannot afford yet another lengthy trade dispute. According to the chairman of the Manitoba pork council and I quote:

The duties announced today will have a profound effect upon the nation's swine exporters.

Why has the government done nothing to prevent this protectionist action from happening in the first place?

**Hon. Jim Peterson (Minister of International Trade, Lib.):** Mr. Speaker, would that we could stop in advance the United States from taking trade actions against us. We have seen in many cases how it has taken actions against us, such as on softwood lumber. We have continually won these actions in the NAFTA and the WTO. We will continue to do this on behalf of our great hog producers.

\* \* \*

[Translation]

**REFUGEES**

**Ms. Meili Faille (Vaudreuil-Soulanges, BQ):** Mr. Speaker, in July, the Minister of Citizenship and Immigration asked churches to stop giving sanctuary to refugees under threat of deportation. At the end of September, she repeated her request and at the same time announced that consultations would be held on the reform of the refugee status determination process.

What steps does the minister intend to take in order to make the refugee process more humane?

[English]

**Hon. Judy Sgro (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, I wish to congratulate the critic from the Bloc. I look forward to working with her as we move forward on a variety of these issues.

As I have indicated before, we will be initiating in the very near future a variety of issues to do with refugee reform. In particular, on the issue of the churches that she raised, I have had various meetings with the churches. We will continue to work together to ensure that we give protection to the people that need it the most.

[Translation]

**Ms. Meili Faille (Vaudreuil-Soulanges, BQ):** Mr. Speaker, this weekend, religious leaders joined other stakeholders, including the Bloc Québécois, in calling upon the government to take action to establish an appeal system for refugee claimants.

We are near the end of 2004 and we have been waiting for two years for the refugee appeals section to be established; when, at last, will refugee claimants be able to count on an appeal system that will treat them fairly and justly?

[English]

**Hon. Judy Sgro (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, as you know, Canada is renowned throughout the world for having a very strong, effective and fair process for refugees. We will continue to work with our partners to ensure that the process is fair and that diligence is present all the time for all of the applicants.

\* \* \*

**BROADCASTING INDUSTRY**

**Ms. Bev Oda (Durham, CPC):** Mr. Speaker, when faced with a tough issue like RAI TV, the heritage minister hides behind the independence of the CRTC. The minister says that Canadians and the Italian foreign affairs minister will have to wait for the CRTC's arm's length decision. However, the foreign affairs minister promised to deliver full access to RAI TV within a few months.

Who speaks for the government and is the CRTC an independent body or not?

**Hon. Liza Frulla (Minister of Canadian Heritage and Minister responsible for Status of Women, Lib.):** Mr. Speaker, as the hon. member knows, before a foreign service such as RAI International may be distributed by Canadian cable or satellite operators, the approval must be given by the CRTC. The CRTC is currently reviewing its policy on the distribution of non-Canadian satellite services in Canada. We look forward to the report of the CRTC's review.

**Ms. Bev Oda (Durham, CPC):** Mr. Speaker, many Liberal candidates promised to bring RAI TV to Canada in order to get elected. Last week the foreign affairs minister promised his Italian counterpart that RAI would be delivered within months.

Is it now the government's plan to use political interference to deliver on its election promise and deliver RAI TV to Canadians?

● (1455)

**Hon. Liza Frulla (Minister of Canadian Heritage and Minister responsible for Status of Women, Lib.):** Mr. Speaker, we understand the Italian community wants RAI. A report was prepared by a panel on third language public television services. It provided some interesting recommendations which we are reviewing along with the CRTC.

The CRTC is an independent body. We are looking forward to its review of its policy.

\* \* \*

[Translation]

**THE ENVIRONMENT**

**Hon. Denis Paradis (Brome—Missisquoi, Lib.):** Mr. Speaker, my question is for the Minister of the Environment. This morning in Montreal, before the Canadian Wind Energy Association, the Minister of the Environment and his colleague the Minister of Natural Resources announced a world premiere, an atlas of unequalled high resolution wind statistics.

Can the Minister of the Environment explain the importance of this announcement for all Canadians and tell us whether the winds are favourable?

*Oral Questions*

**Hon. Stéphane Dion (Minister of the Environment, Lib.):** Mr. Speaker, the *Canadian Wind Energy Atlas*, unveiled today and developed by our scientists, will help in placing wind generators exactly where they need to be for maximum efficiency. It is proof that Canada's wind energy potential is the best in the world.

[English]

This is great news for our environment, for Kyoto and our climate change strategy, for regional economies and job creation strategies, and for our overall competitiveness in the sustainable economy.

\* \* \*

[Translation]

**CANADA POST**

**Mr. Brian Pallister (Portage—Lisgar, CPC):** Mr. Speaker, since when does a minister investigate himself? Is there not some lack of transparency if the minister responsible for National Revenue and Canada Post investigate the reckless spending of André Ouellet? That is a bit like having taxpayers verify their own income tax returns.

When will the minister responsible order a public inquiry into this?

**Hon. John McCallum (Minister of National Revenue, Lib.):** Mr. Speaker, as I said some months ago, Mr. Ouellet has resigned and, as I said more recently, there have been two new developments.

The first of these is that the chairman of the board has again called for him to produce receipts. The second is that I have informed the House that the authorities at National Revenue are looking at the expenditures relating to the office of the President of Canada Post.

[English]

**Mr. Brian Pallister (Portage—Lisgar, CPC):** Mr. Speaker, Mr. Ouellet spent \$2 million on entertainment in just five years. That is about \$1,500 for every working day and the minister's actions are not adequate. He says there is an audit underway, but it will not be a value for money audit. It will not be made public. Why not? Because the minister is in a position of conflict.

The fact is that the Minister of National Revenue is also the minister in charge of Canada Post. How can he pretend to be objective when he is both the auditor and the audited? How can he pretend to be objective when he is auditing himself?

**Hon. John McCallum (Minister of National Revenue, Lib.):** Mr. Speaker, I can only characterize that line of thinking as somewhat far-fetched.

The point of the matter is that as minister responsible for Canada Post, I have been informed by Canada Post that an audit by the Canada Revenue Agency is about to take place surrounding the expenses of the office of the president over the last several years.

As minister responsible for revenue, privacy and income tax regulations prevent me from saying anything publicly about any audit, whether it is Mr. Ouellet or the hon. member, or anyone else.

[Translation]

**TOURISM INDUSTRY**

**Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ):** Mr. Speaker, the Saguenay—Lac-Saint-Jean region has been benefiting from the program to extend the tourist season since 2002. The agreement terminating December 10 is essential to the development of the region. In all, 180 jobs and 35 businesses depend on it.

Can the minister give us assurance today that this program that is so vital to the region of Saguenay—Lac-Saint-Jean will be renewed for another two-year period?

**Hon. Joseph Volpe (Minister of Human Resources and Skills Development, Lib.):** Mr. Speaker, I thank the hon. member for raising this point. This was a pilot project, and we need to wait for the results. After that, decisions will be made on whether or not to continue it.

\* \* \*

• (1500)

[English]

**GASOLINE PRICES**

**Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.):** Mr. Speaker, my question is for the Minister of Industry.

In 2002 the industry committee proposed to bring amendments to the Competition Act in order to, among other things, level the playing field for independent gasoline retailers.

In view of the high gasoline prices to consumers right now, would the minister tell us what he intends to do to protect this vital sector of the industry to ensure that multinationals are not gouging consumers anymore than they are already?

**Hon. David Emerson (Minister of Industry, Lib.):** Mr. Speaker, my department is reviewing possible revisions to the Competition Act. On May 4 of this year the Competition Bureau commenced an investigation into gasoline pricing in Canada.

It will, among other things, assess whether there has been a conspiracy to fix prices, and whether in fact there has been predatory pricing practices on the part of major oil companies. When that report is complete, the Competition Bureau will take appropriate action.

\* \* \*

**PRESENCE IN GALLERY**

**The Speaker:** I would like to draw the attention of hon. members to the presence in the gallery of His Excellency Longin Hieronim Pastusiak, President of the Senate of the Republic of Poland.

[The Speaker spoke in Polish]

**Some hon. members:** Hear, hear!

**The Speaker:** I would also like to draw the attention of hon. members to the presence in the gallery of the Hon. Michael de Jong, Minister of Forests for British Columbia.

**Some hon. members:** Hear, hear!

**SPEECH FROM THE THRONE**

[*Translation*]

**RESUMPTION OF DEBATE ON ADDRESS IN REPLY**

The House resumed from October 12 consideration of the motion for an Address to Her Excellency the Governor General in reply to her speech at the opening of the session, and of the amendment as amended.

**The Speaker:** It being 3 p.m., pursuant to the order made on Tuesday, October 5, 2004, the House will now proceed to the taking of the deferred recorded division on the amendment as amended to the Address in Reply to the Speech from the Throne.

Call in the members.

[*English*]

**Mr. Jay Hill:** Mr. Speaker, there have been discussions between all the parties and I believe if you would seek it there would be unanimous consent for the official opposition's amendments to the throne speech.

**The Speaker:** Is it agreed that the amendment, as amended, be carried?

**Some hon. members:** Agreed.

(Amendment, as amended, agreed to)

**GOVERNMENT ORDERS**

[*English*]

**CRIMINAL CODE**

The House resumed from October 13 consideration of the motion.

**The Speaker:** Pursuant to order made on Tuesday, October 5, the House will now proceed to the taking of the deferred recorded division on the referral to committee before second reading of Bill C-2.

• (1515)

[*Translation*]

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

(*Division No. 1*)

**YEAS**

Members

Adams  
Anderson (Victoria)  
Angus  
Augustine  
Bagnell  
Bakopanos  
Beaumier  
Bell  
Bennett  
Bevilacqua  
Blaikie  
Blondin-Andrew  
Boivin  
Bonsant

Alcock  
André  
Asselin  
Bachand  
Bains  
Barnes  
Bélangier  
Bellavance  
Bergeron  
Bigras  
Blais  
Boire  
Bonin  
Boshcoff

*Government Orders*

Bouchard  
Boulianne  
Bradshaw  
Broadbent  
Brunelle  
Byrne  
Cardin  
Carrier  
Catterall  
Chan  
Clavet  
Coderre  
Comuzzi  
Cotler  
Crowder  
Cullen (Etobicoke North)  
D'Amours  
Demers  
Desjarlais  
DeVillers  
Dion  
Drouin  
Duceppe  
Efford  
Eyking  
Folco  
Frulla  
Gagnon (Québec)  
Gagnon (Jonquière—Alma)  
Gaudet  
Godbout  
Godin  
Graham  
Guay  
Holland  
Ianno  
Julian  
Karetak-Lindell  
Khan  
Kotto  
Lalonde  
Lapierre (Lévis—Bellechasse)  
Lavallée  
LeBlanc  
Lemay  
Lévesque  
Loubier  
Macklin  
Maloney  
Marleau  
Martin (LaSalle—Émard)  
Martin (Winnipeg Centre)  
Matthews  
McDonough  
McGuire  
McLellan  
Ménard (Hochelega)  
Minna  
Murphy  
Neville  
O'Brien (London—Fanshawe)  
Pacetti  
Paradis  
Patry  
Peterson  
Phinney  
Pickard (Chatham-Kent—Essex)  
Poirier-Rivard  
Proulx  
Redman  
Robillard  
Rota  
Saada  
Savage  
Scarpaleggia  
Sgro  
Silva  
Simard (Saint Boniface)  
Smith (Pontiac)  
St. Amand  
Steckle  
Szabo  
Temelkovski  
Basques)

Boudria  
Bourgeois  
Brison  
Brown (Oakville)  
Bulte  
Cannis  
Carr  
Carroll  
Chamberlain  
Christopherson  
Cleary  
Comartin  
Côté  
Crête  
Cullen (Skeena—Bulkley Valley)  
Cuzner  
Davies  
Deschamps  
Desrochers  
Dhalla  
Dosanji  
Dryden  
Easter  
Emerson  
Faille  
Fontana  
Fry  
Gagnon (Saint-Maurice—Champlain)  
Galloway  
Gauthier  
Godfrey  
Goodale  
Guarnieri  
Guimond  
Hubbard  
Jennings  
Kadis  
Karygiannis  
Kilgour  
Laframboise  
Lapierre (Outremont)  
Lastewka  
Layton  
Lee  
Lessard  
Longfield  
MacAulay  
Malhi  
Marceau  
Martin (Esquimalt—Juan de Fuca)  
Martin (Sault Ste. Marie)  
Masse  
McCallum  
McGuinity  
McKay (Scarborough—Guildwood)  
McTeague  
Ménard (Marc-Aurèle-Fortin)  
Mitchell  
Myers  
O'Brien (Labrador)  
Owen  
Paquette  
Parrish  
Perron  
Pettigrew  
Picard (Drummond)  
Plamondon  
Powers  
Ratansi  
Regan  
Rodriguez  
Roy  
Sauvageau  
Savoy  
Scott  
Siksay  
Simard (Beauport—Limoilou)  
Simms  
St-Hilaire  
St. Denis  
Stoffer  
Telegdi  
Thibault (Rimouski-Neigette—Témiscouata—Les

### Government Orders

Thibault (West Nova)	Tonks
Torsney	Ur
Valeri	Valley
Vincent	Volpe
Wappel	Wasylycia-Leis
Wilfert	Wrzesniewsky
Zed— 207	

### NAYS

#### Members

Ablonczy	Allison
Ambrose	Anders
Anderson (Cypress Hills—Grasslands)	Batters
Benoit	Bezan
Breitkreuz	Brown (Leeds—Grenville)
Carrie	Casey
Casson	Chong
Day	Devolin
Doyle	Duncan
Finley	Fitzpatrick
Fletcher	Forseth
Gallant	Goldring
Goodyear	Grewal (Newton—North Delta)
Grewal (Fleetwood—Port Kells)	Guergis
Hanger	Harper
Harris	Harrison
Hearn	Hiebert
Hill	Hinton
Jaffer	Jean
Johnston	Kamp (Pitt Meadows—Maple Ridge—Mission)
Keddy (South Shore—St. Margaret's)	Kenney (Calgary Southeast)
Komarnicki	Kramp (Prince Edward—Hastings)
Lauzon	Lukiwski
Lunn	Lunney
MacKay (Central Nova)	MacKenzie
Mark	Menzies
Merrifield	Miller
Mills	Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)	Nicholson
O'Connor	Obhrai
Oda	Pallister
Penson	Poilievre
Prentice	Preston
Rajotte	Reid
Reynolds	Richardson
Ritz	Scheer
Schellenberger	Schmidt (Kelowna—Lake Country)
Skelton	Smith (Kildonan—St. Paul)
Solberg	Sorenson
Stinson	Strahl
Stronach	Thompson (Wild Rose)
Tilson	Toews
Trost	Tweed
Van Loan	Vellacott
Warawa	Watson
White	Williams
Yelich— 93	

### PAIRED

Nil

**The Speaker:** I declare the motion carried. Accordingly, the bill stands referred to the Standing Committee on Justice, Human Rights, Public Safety and Emergency Preparedness.

(Bill referred to committee.)

\* \* \*

[English]

### PUBLIC SERVANTS DISCLOSURE PROTECTION ACT

The House resumed from October 14 consideration of the motion.

**The Speaker:** Pursuant to order made on Tuesday, October 5, the House will now proceed to the taking of the deferred recorded division on the referral to committee before second reading of Bill C-11.

**Hon. Karen Redman:** Mr. Speaker, if the House would agree, I propose that you seek unanimous consent that members who voted on the previous motion be recorded as having voted on the motion now before the House, with Liberal members voting in favour, except for those members who would like to be registered as having voted otherwise.

**The Speaker:** Is there unanimous consent to proceed in this fashion?

**Some hon. members:** Agreed.

**Mr. Jay Hill:** Mr. Speaker, members of the official opposition present this afternoon are opposed to the motion.

[Translation]

**Mr. Michel Guimond:** Mr. Speaker, members of the Bloc Québécois will be voting in favour of this motion.

**Mr. Yvon Godin:** Mr. Speaker, members of the New Democratic Party will be voting in favour of this motion.

● (1520)

[English]

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

(Division No. 2)

### YEAS

#### Members

Adams	Alcock
Anderson (Victoria)	André
Angus	Asselin
Augustine	Bachand
Bagnell	Bains
Bakopanos	Barnes
Beaumier	Bélangier
Bell	Bellavance
Bennett	Bergeron
Bevilacqua	Bigras
Blaikie	Blais
Blondin-Andrew	Boire
Boivin	Bonin
Bonsant	Boshcoff
Bouchard	Boudria
Boulianne	Bourgeois
Bradshaw	Brison
Broadbent	Brown (Oakville)
Brunelle	Bulte
Byrne	Cannis
Cardin	Carr
Carrier	Carroll
Catterall	Chamberlain
Chan	Christopherson
Clavet	Cleary
Coderre	Comartin
Comuzzi	Côté
Cotler	Crête
Crowder	Cullen (Skeena—Bulkley Valley)
Cullen (Etobicoke North)	Cuzner
D'Amours	Davies
Demers	Deschamps
Desjarlais	Desrochers
DeVillers	Dhalla
Dion	Dosanji
Drouin	Dryden
Duceppe	Easter
Efford	Emerson
Eyking	Faille
Folco	Fontana
Frulla	Fry
Gagnon (Québec)	Gagnon (Saint-Maurice—Champlain)
Gagnon (Jonquière—Alma)	Galloway
Gaudet	Gauthier

*Government Orders*

Godbout  
 Godin  
 Graham  
 Guay  
 Holland  
 Ianno  
 Julian  
 Karetak-Lindell  
 Khan  
 Kotto  
 Lalonde  
 Lapierre (Lévis—Bellechasse)  
 Lavallée  
 LeBlanc  
 Lema  
 Lévesque  
 Loubier  
 Macklin  
 Maloney  
 Marleau  
 Martin (LaSalle—Émard)  
 Martin (Winnipeg Centre)  
 Matthews  
 McDonough  
 McGuire  
 McLellan  
 Ménard (Hochelaga)  
 Minna  
 Murphy  
 Neville  
 O'Brien (London—Fanshawe)  
 Pacetti  
 Paradis  
 Patry  
 Peterson  
 Phinney  
 Pickard (Chatham-Kent—Essex)  
 Poirier-Rivard  
 Proulx  
 Redman  
 Robillard  
 Rota  
 Saada  
 Savage  
 Scarpaleggia  
 Sgro  
 Silva  
 Simard (Saint Boniface)  
 Smith (Pontiac)  
 St. Amand  
 Steckle  
 Szabo  
 Temelkovski  
 Basques)  
 Thibault (West Nova)  
 Torsney  
 Valeri  
 Vincent  
 Wappel  
 Wilfert  
 Zed— 207

Godfrey  
 Goodale  
 Guarnieri  
 Guimond  
 Hubbard  
 Jennings  
 Kadis  
 Karygiannis  
 Kilgour  
 Laframboise  
 Lapierre (Outremont)  
 Lastewka  
 Layton  
 Lee  
 Lessard  
 Longfield  
 MacAulay  
 Malhi  
 Marceau  
 Martin (Esquimalt—Juan de Fuca)  
 Martin (Sault Ste. Marie)  
 Masse  
 McCallum  
 McGuinty  
 McKay (Scarborough—Guildwood)  
 McTeague  
 Ménard (Marc-Aurèle-Fortin)  
 Mitchell  
 Myers  
 O'Brien (Labrador)  
 Paquette  
 Parrish  
 Perron  
 Pettigrew  
 Picard (Drummond)  
 Plamondon  
 Powers  
 Ratansi  
 Regan  
 Rodriguez  
 Roy  
 Sauvageau  
 Savoy  
 Scott  
 Siksay  
 Simard (Beauport—Limoilou)  
 Simms  
 St-Hilaire  
 St. Denis  
 Stoffer  
 Telegdi  
 Thibault (Rimouski-Neigette—Témiscouata—Les  
 Tonks  
 Ur  
 Valley  
 Volpe  
 Wasylcyia-Leis  
 Wrzesnewskyj

Jaffer  
 Johnston  
 Keddy (South Shore—St. Margaret's)  
 Komarnicki  
 Lauzon  
 Lunn  
 MacKay (Central Nova)  
 Mark  
 Merrifield  
 Mills  
 Moore (Fundy Royal)  
 O'Connor  
 Oda  
 Penson  
 Prentice  
 Rajotte  
 Reynolds  
 Ritz  
 Schellenberger  
 Skelton  
 Solberg  
 Stinson  
 Stronach  
 Tilson  
 Trost  
 Van Loan  
 Warawa  
 White  
 Yelich— 93

Jean  
 Kamp (Pitt Meadows—Maple Ridge—Mission)  
 Kenney (Calgary Southeast)  
 Kramp (Prince Edward—Hastings)  
 Lukiwski  
 Lunney  
 MacKenzie  
 Menzies  
 Miller  
 Moore (Port Moody—Westwood—Port Coquitlam)  
 Nicholson  
 Obhrai  
 Pallister  
 Poilievre  
 Preston  
 Reid  
 Richardson  
 Scheer  
 Schmidt (Kelowna—Lake Country)  
 Smith (Kildonan—St. Paul)  
 Sorenson  
 Strahl  
 Thompson (Wild Rose)  
 Toews  
 Tweed  
 Vellacott  
 Watson  
 Williams

## PAIRED

Nil

**The Speaker:** I declare the motion carried. Accordingly, the bill stands referred to the Standing Committee on Government Operations and Estimates.

(Bill referred to a committee.)

\* \* \*

[Translation]

## CANADA SHIPPING ACT

The House resumed consideration of the motion that Bill C-3, an Act to amend the Canada Shipping Act, the Canada Shipping Act, 2001, the Canada National Marine Conservation Areas Act and the Oceans Act, be read the second time and referred to a committee.

**The Speaker:** The House will now proceed to the taking of the deferred division on the motion at second reading stage of Bill C-3.

[English]

**Hon. Karen Redman:** Mr. Speaker, if the House would agree, I propose that you seek unanimous consent that members who voted on the previous motion be recorded as having voted on the motion now before the House with Liberal members voting in favour.

I would draw the attention of the House to the fact that the member for LaSalle—Émard has absented himself from the House, and except those members who would be registered as voting otherwise.

**The Speaker:** Is there unanimous consent to proceed in this fashion?

**Some hon. members:** Agreed.

**Mr. Jay Hill:** Mr. Speaker, Conservative members present are in favour of the motion.

[Translation]

**Mr. Michel Guimond:** Mr. Speaker, members of the Bloc Québécois will be voting in favour of this motion.

## NAYS

## Members

Ablonczy  
 Ambrose  
 Anderson (Cypress Hills—Grasslands)  
 Benoit  
 Breitreuz  
 Carrie  
 Casson  
 Day  
 Doyle  
 Finley  
 Fletcher  
 Gallant  
 Goodyear  
 Grewal (Fleetwood—Port Kells)  
 Hanger  
 Harris  
 Heam  
 Hill

Allison  
 Anders  
 Batters  
 Bezan  
 Brown (Leeds—Grenville)  
 Casey  
 Chong  
 Devolin  
 Duncan  
 Fitzpatrick  
 Forseth  
 Goldring  
 Grewal (Newton—North Delta)  
 Guergis  
 Harper  
 Harrison  
 Hiebert  
 Hinton

*Government Orders*

[English]

**Mr. Yvon Godin:** Mr. Speaker, members of the NDP are in favour of the motion.

[Translation]

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

*(Division No. 3)*

## YEAS

## Members

Ablonczy	Adams
Alcock	Allison
Ambrose	Anders
Anderson (Cypress Hills—Grasslands)	Anderson (Victoria)
Angus	Augustine
Bagnell	Bains
Bakopanos	Barnes
Batters	Beaumier
Bélangier	Bell
Bennett	Benoit
Bevilacqua	Bezan
Blaikie	Blondin-Andrew
Boivin	Bonin
Boshcoff	Boudria
Bradshaw	Breitkreuz
Brisson	Broadbent
Brown (Leeds—Grenville)	Brown (Oakville)
Bulte	Byrne
Cannis	Carr
Carrie	Carroll
Casey	Casson
Catterall	Chamberlain
Chan	Chong
Christopherson	Coderre
Comartin	Comuzzi
Cotler	Crowder
Cullen (Skeena—Bulkley Valley)	Cullen (Etobicoke North)
Cuzner	D'Amours
Davies	Day
Desjarlais	DeVillers
Devolin	Dhalla
Dion	Dosanjh
Doyle	Drouin
Dryden	Duncan
Easter	Efford
Emerson	Eyking
Finley	Fitzpatrick
Fletcher	Folco
Fontana	Forseth
Frulla	Fry
Gallant	Galloway
Godbout	Godfrey
Godin	Goldring
Goodale	Goodyear
Graham	Grewal (Newton—North Delta)
Grewal (Fleetwood—Port Kells)	Guamieri
Guergis	Hanger
Harper	Harris
Harrison	Hearn
Hiebert	Hill
Hinton	Holland
Hubbard	Ianno
Jaffer	Jean
Jennings	Johnston
Julian	Kadis
Kamp (Pitt Meadows—Maple Ridge—Mission)	Karetak-Lindell
Karygiannis	Keddy (South Shore—St. Margaret's)
Kenney (Calgary Southeast)	Khan
Kilgour	Komarnicki
Kramp (Prince-Edward—Hastings)	Lapierre (Outremont)
Lastewka	Lauzon
Layton	LeBlanc
Lee	Longfield
Lukiwski	Lunn
Lunney	MacAulay
MacKay (Central Nova)	MacKenzie
Macklin	Malhi

Maloney
Marleau
Martin (Winnipeg Centre)
Masse
McCallum
McGuinty
McKay (Scarborough—Guildwood)
McTeague
Merrifield
Mills
Mitchell
Moore (Fundy Royal)
Myers
Nicholson
O'Brien (London—Fanshawe)
Obhrai
Owen
Pallister
Parrish
Penson
Pettigrew
Pickard (Chatham-Kent—Essex)
Powers
Preston
Rajotte
Redman
Reid
Richardson
Robillard
Rota
Savage
Scarpaleggia
Schellenberger
Scott
Siksay
Simard (Saint Boniface)
Skelton
Smith (Kildonan—St. Paul)
Sorenson
St. Denis
Stinson
Strahl
Szabo
Temelkovski
Thompson (Wild Rose)
Toews
Torsney
Tweed
Valeri
Van Loan
Volpe
Warawa
Watson
Wilfert
Wrzesnewskyj
Zed— 245

Mark
Martin (Esquimalt—Juan de Fuca)
Martin (Sault Ste. Marie)
Matthews
McDonough
McGuire
McLellan
Menzies
Miller
Minna
Moore (Port Moody—Westwood—Port Coquitlam)
Murphy
Neville
O'Brien (Labrador)
O'Connor
Oda
Pacetti
Paradis
Patry
Peterson
Phinney
Poilievre
Prentice
Proulx
Ratansi
Regan
Reynolds
Ritz
Rodriguez
Saada
Savoy
Scheer
Schmidt (Kelowna—Lake Country)
Sgro
Silva
Simms
Smith (Pontiac)
Solberg
St. Amand
Steckle
Stoffer
Stronach
Telegdi
Thibault (West Nova)
Tilson
Tonks
Trost
Ur
Valley
Vellacott
Wappel
Wasylcia-Leis
White
Williams
Yelich

## NAYS

## Members

Asselin
Bellavance
Bigras
Boire
Bouchard
Bourgeois
Cardin
Clavet
Côté
Demers
Desrochers
Faile
Gagnon (Saint-Maurice—Champlain)
Gaudet
Guay
Kotto
Lalonde
Lavallée
Lessard
Loubier
Ménard (Hochelaga)
Paquette
Picard (Drummond)



Plamondon  
Roy  
Simard (Beauport—Limoilou)  
Thibault (Rimouski-Neigette—Témiscouata—Les Basques)  
Vincent — 54

Poirier-Rivard  
Sauvageau  
St-Hilaire

### PAIRED

Nil

**The Speaker:** I declare the motion carried.  
(Bill read the second time and referred to a committee)

\* \* \*

[English]

### WAYS AND MEANS

#### INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

**Hon. Andy Scott (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, Lib.)** moved that a ways and means motion to give effect to a land claims and self-government agreement among the Tlicho, the Government of the Northwest Territories and the Government of Canada, to make related amendments to the Mackenzie Valley Resource Management Act and to make consequential amendments to other acts, be concurred in.

**The Speaker:** Is it the pleasure of the House to adopt the motion?

**Hon. Karen Redman:** Mr. Speaker, if the House would agree, I would propose that you seek unanimous consent that members who voted on the previous motion be recorded as having voted on the motion now before the House with Liberal members voting in favour. I would note that the member for LaSalle—Émard has rejoined us in the House.

**The Speaker:** Is there unanimous consent to proceed as indicated by the chief government whip?

**Some hon. members:** Agreed.

**Mr. Jay Hill:** Mr. Speaker, Conservative members present this afternoon are opposed to not only this motion but the process that has been used.

[Translation]

**Mr. Michel Guimond:** Mr. Speaker, members of the Bloc Québécois will be voting in favour of this motion.

**Mr. Yvon Godin:** Mr. Speaker, members of the New Democratic Party will be voting in favour of this motion.

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

#### (Division No. 4)

### YEAS

#### Members

Adams  
Anderson (Victoria)  
Angus  
Augustine  
Bagnell  
Bakopanos  
Beaumier  
Bell  
Bennett  
Bevilacqua  
Blaikie  
Blondin-Andrew

Alcock  
André  
Asselin  
Bachand  
Bains  
Barnes  
Bélangier  
Bellavance  
Bergeron  
Bigras  
Blais  
Boire

Boivin  
Bonsant  
Bouchard  
Boulianne  
Bradshaw  
Broadbent  
Brunelle  
Byrne  
Cardin  
Carrier  
Catterall  
Chan  
Clavet  
Coderre  
Comuzzi  
Cotler  
Crowder  
Cullen (Etobicoke North)  
D'Amours  
Demers  
Desjarlais  
DeVillers  
Dion  
Drouin  
Duceppe  
Efford  
Eyking  
Folco  
Frulla  
Gagnon (Québec)  
Gagnon (Jonquière—Alma)  
Gaudet  
Godbout  
Godin  
Graham  
Guay  
Holland  
Ianno  
Julian  
Karetak-Lindell  
Khan  
Kotto  
Lalonde  
Lapierre (Lévis—Bellechasse)  
Lavallée  
LeBlanc  
Lemay  
Lévesque  
Loubier  
Macklin  
Maloney  
Marleau  
Martin (LaSalle—Émard)  
Martin (Winnipeg Centre)  
Matthews  
McDonough  
McGuire  
McLellan  
Ménard (Hochelaga)  
Minna  
Murphy  
Neville  
O'Brien (London—Fanshawe)  
Pacetti  
Paradis  
Patry  
Peterson  
Phinney  
Pickard (Chatham-Kent—Essex)  
Poirier-Rivard  
Proulx  
Redman  
Robillard  
Rota  
Saada  
Savage  
Scarpaleggia  
Sgro  
Silva  
Simard (Saint Boniface)  
Smith (Pontiac)  
St. Amand  
Steckle  
Szabo

### Government Orders

Bonin  
Boshcoff  
Boudria  
Bourgeois  
Brison  
Brown (Oakville)  
Bulte  
Cannis  
Carr  
Carroll  
Chamberlain  
Christopherson  
Cleary  
Comartin  
Côté  
Crête  
Cullen (Skeena—Bulkley Valley)  
Cuzner  
Davies  
Deschamps  
Desrochers  
Dhalla  
Dosanjh  
Dryden  
Easter  
Emerson  
Faille  
Fontana  
Fry  
Gagnon (Saint-Maurice—Champlain)  
Galloway  
Gauthier  
Godfrey  
Goodale  
Guamieri  
Guimond  
Hubbard  
Jennings  
Kadis  
Karygiannis  
Kilgour  
Laframboise  
Lapierre (Outremont)  
Lastewka  
Layton  
Lee  
Lessard  
Longfield  
MacAulay  
Malhi  
Marceau  
Martin (Esquimalt—Juan de Fuca)  
Martin (Sault Ste. Marie)  
Masse  
McCallum  
McGuinty  
McKay (Scarborough—Guildwood)  
McTeague  
Ménard (Marc-Aurèle-Fortin)  
Mitchell  
Myers  
O'Brien (Labrador)  
Owen  
Paquette  
Parrish  
Perron  
Pettigrew  
Picard (Drummond)  
Plamondon  
Powers  
Ratansi  
Regan  
Rodriguez  
Roy  
Sauvageau  
Savoy  
Scott  
Siksay  
Simard (Beauport—Limoilou)  
Simms  
St-Hilaire  
St. Denis  
Stoffer  
Telegdi

*Routine Proceedings*

Temelkovski	Thibault (Rimouski-Neigette—Témiscouata—Les
Basques)	
Thibault (West Nova)	Tonks
Torsney	Ur
Valeri	Valley
Vincent	Volpe
Wappel	Wasylycia-Leis
Wilfert	Wrzesnewskyj
Zed— 207	

## NAYS

## Members

Ablonczy	Allison
Ambrose	Anders
Anderson (Cypress Hills—Grasslands)	Batters
Benoit	Bezan
Breitkreuz	Brown (Leeds—Grenville)
Carrie	Casey
Casson	Chong
Day	Devolin
Doyle	Duncan
Finley	Fitzpatrick
Fletcher	Forseth
Gallant	Goldring
Goodyear	Grewal (Newton—North Delta)
Grewal (Fleetwood—Port Kells)	Guergis
Hanger	Harper
Harris	Harrison
Hearn	Hiebert
Hill	Hinton
Jaffer	Jean
Johnston	Kamp (Pitt Meadows—Maple Ridge—Mission)
Keddy (South Shore—St. Margaret's)	Kenney (Calgary Southeast)
Komarnicki	Kramp (Prince Edward—Hastings)
Lauzon	Lukiwski
Lunn	Lunney
MacKay (Central Nova)	MacKenzie
Mark	Menzies
Merrifield	Miller
Mills	Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)	Nicholson
O'Connor	Obhrai
Oda	Pallister
Penson	Poilievre
Prentice	Preston
Rajotte	Reid
Reynolds	Richardson
Ritz	Scheer
Schellenberger	Schmidt (Kelowna—Lake Country)
Skelton	Smith (Kildonan—St. Paul)
Solberg	Sorenson
Stinson	Strahl
Stronach	Thompson (Wild Rose)
Tilson	Toews
Trost	Tweed
Van Loan	Vellacott
Warawa	Watson
White	Williams
Yelich— 93	

## PAIRED

Nil

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

[English]

I wish to inform the House that because of the deferred recorded divisions, government orders will be extended by 20 minutes.

## ROUTINE PROCEEDINGS

● (1525)

[English]

## CRIMINAL CODE

**Mr. Daryl Kramp (Prince Edward—Hastings, CPC)** moved for leave to introduce Bill C-215, an act to amend the Criminal Code (consecutive sentence for use of firearm in commission of offence).

He said: Mr. Speaker, I am pleased to introduce a bill entitled an act to amend the Criminal Code (consecutive sentence for use of firearm in commission of offence).

The bill would require that a sentence for the commission of certain serious offences be supplemented if a firearm is used. The additional sentence would be served consecutively to the other sentence and there would be a further minimum punishment of five years imprisonment if the firearm is not discharged, 10 years if it is discharged and 15 years if it is discharged and as result a person, other than an accomplice, is caused bodily harm.

As a former OPP officer, I fully agree with the bill. I hope it will earn the support of all of my esteemed colleagues in the House.

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

\* \* \*

## LOUIS RIEL ACT

**Mr. Pat Martin (Winnipeg Centre, NDP)** moved for leave to introduce Bill C-216, an act respecting Louis Riel.

He said: Mr. Speaker, coming from the province of Manitoba, I am pleased to introduce this private member's bill regarding Louis Riel.

The bill seeks to reverse the conviction of Louis Riel for high treason and to recognize and commemorate his role in the advancement of Canadian Confederation and the rights and the interests of the Metis people and the people of western Canada, and to call him a father of Confederation.

I am pleased to introduce the bill on behalf of the many Metis people in the province of Manitoba and elsewhere in the country.

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

\* \* \*

## CANADA PENSION PLAN

**Mr. Pat Martin (Winnipeg Centre, NDP)** moved for leave to introduce Bill C-217, an act to amend the Canada Pension Plan (early pension entitlement for police officers and firefighters).

He said: Mr. Speaker, on behalf of police officers and firefighters across the country, the bill seeks to amend the Canada pension plan legislation so that contributions can be made in such a way that it would more accurately reflect the fact that firefighters and policemen often take early retirement at age 50 rather than 55.

Therefore, in this way, in the years between age 50 and 55, they would be able to make contributions at a higher rate during their working years and would not have to pay a penalty to achieve the early retirement age.

*Routine Proceedings*

We submit the bill on behalf of the many firefighters and police officers who have made representation seeking this simple amendment. We point out that it is not a cost factor to the plan, that the extra time would be made up by extra contributions by the employee and the employer during their working life.

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

\* \* \*

•(1530)

**INCOME TAX ACT**

**Mr. Pat Martin (Winnipeg Centre, NDP)** moved for leave to introduce Bill C-218, an act to amend the Income Tax Act (deductibility of expense of tools provided as a requirement of employment).

He said: Mr. Speaker, on behalf of fellow tradesmen across the country, I am introducing the bill to amend the Income Tax Act which would allow for the deduction of the cost of providing tools necessary for their work, if they are required to do so as a condition of employment at their workplace.

I point out that tradesmen who are self-employed already have the right to deduct the tools of their trade but employees anywhere who need to buy certain tools to do their work should be allowed to deduct that as a tax deduction just as a business person is allowed to enjoy that same tax deduction.

I am pleased that the hon. member for Windsor West is seconding the bill to allow the deductibility of the expense of tools when those tools are necessary as a condition of employment for any working person in Canada.

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

\* \* \*

**CANADA BUSINESS CORPORATIONS ACT**

**Mr. Pat Martin (Winnipeg Centre, NDP)** moved for leave to introduce Bill C-219, an act to amend the Canada Business Corporations Act (qualification of auditor).

He said: Mr. Speaker, the bill I am introducing today seeks to amend the Canada Business Corporations Act dealing with the qualifications of auditors. It calls for the complete independence of auditors. So we can trust the financial statements of the companies where many of our pension plans are invested, we want to ensure that the auditor auditing the financial statements is completely independent of the company.

In other words, it would preclude the auditor or auditing firm from selling any other financial services to the same company. The financial contractor should not be able to give tax advice to the company and also serve as the auditor of the company's books. We believe it is a direct conflict of interest.

We believe this is a very important and timely bill if we are to trust the financial statements of the companies in which we invest.

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

•(1535)

**FOOD AND DRUGS ACT**

**Mr. Pat Martin (Winnipeg Centre, NDP)** moved for leave to introduce Bill C-220, an act to amend the Food and Drugs Act (trans fatty acids).

He said: Mr. Speaker, I am very pleased to introduce this bill to amend the Food and Drugs Act in regard to trans fatty acids or hydrogenated vegetable oils as they are known in their scientific term.

We now know that these trans fatty acids are terribly harmful for people. Yet when we brought this to the attention of the minister of health, her reaction was that the government would put in mandatory labelling, but not ban these products outright. In other words, it is all right to put poison in our foods as long as it is properly labelled.

The bill seeks to eliminate trans fats from our diet. They are harmful to our children. They increase the rate of obesity, diabetes and heart disease. Just one gram per day of these toxic substances is enough to increase the risk of heart disease by 15% to 20%.

This is an important bill that will save lives.

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

\* \* \*

**CANADA WATER EXPORT PROHIBITION ACT**

**Mr. Pat Martin (Winnipeg Centre, NDP)** moved for leave to introduce Bill C-221, an act to prohibit the export of water by interbasin transfers.

He said: Mr. Speaker, I am pleased to present this bill as a very timely and topical issue, and that is to outlaw and ban the interbasin transfer of water and the bulk sale of water.

This is an issue of national and international prominence. It comes to the public's consciousness every once in a while when people have the crazy idea that perhaps we should co-modify and commercialize water and begin to sell this precious resource as any other marketable commodity.

It is bad for the environment. It is bad for ecosystems. It is bad public policy to put this necessary life giving substance on the open market with other commercialized commodities. It is especially dangerous in light of NAFTA. Once we commercialize water by selling it in any form or substance, it becomes subject to the provisions of the free trade agreement.

I urge broad support from my fellow colleagues in the House of Commons to outlaw and prohibit the export of water by interbasin transfers.

*Routine Proceedings*

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

\* \* \*

**CANADA BUSINESS CORPORATIONS ACT**

**Mr. Pat Martin (Winnipeg Centre, NDP)** moved for leave to introduce Bill C-222, an act to amend the Canada Business Corporations Act (annual financial statements).

He said: Mr. Speaker, I will be very brief on this bill. It is again an effort to amend the Canada Business Corporations Act. With specific reference to auditors, information regarding any other professional services offered by the auditor to the corporation must be clearly cited in the annual financial statements of that company so shareholders are made aware that there could be a conflict of interest in the event that a financial institution is selling financial services to the same company that are of an audit and non-audit nature.

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

\* \* \*

●(1540)

**BANKRUPTCY AND INSOLVENCY ACT**

**Mr. Pat Martin (Winnipeg Centre, NDP)** moved for leave to introduce Bill C-223, an act to amend the Bankruptcy and Insolvency Act (unpaid wages to have first priority in distribution).

He said: Mr. Speaker, as my hon. colleague from Windsor West, who was good enough to second this bill, says, this bill is all about justice. In the event of a bankruptcy, the bill would put the wages of workers as a top priority in terms of those people who might get the shares of the assets of the bankrupt company. Currently, there are 10,000 bankruptcies per year. Over \$2 billion is left owing to workers in back wages, pension contributions and benefits.

We believe there should be broad support for this idea. Even the owners of the bankrupt companies should be pleased to see that debts to their employees would be realized and made good upon after the fact, when the assets of the company are divided up. I believe unpaid wages should have first priority in distribution, not sixth, or seventh or eighth priority as is currently the case.

It is a matter of simple justice, and I encourage all members of Parliament to read the bill and hopefully see fit to vote with me to do something for Canadian workers who are left holding the bag when companies go bankrupt, as is so often the case.

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

\* \* \*

**REFERENDUM ACT**

**Mr. Pat Martin (Winnipeg Centre, NDP)** moved for leave to introduce Bill C-224, an act to amend the Referendum Act (reform of the electoral system of Canada).

He said: Mr. Speaker, I thank my colleague from Windsor West again. He has played an equal role in putting forward a great number of the bills today. It is a very aggressive legislative package coming from the NDP.

With the bill, we seek to amend the Referendum Act to allow a referendum to be held on any question related to the reform of the electoral system in Canada. I raise this, given the reference in the Speech from the Throne and the amendments to it, which passed unanimously today, in contemplation that the House of Commons may in the very near future cause a referendum to happen on the issue of how we elect our governments in Canada.

In anticipation of that progressive move by the House of Commons, I urge members to contemplate passing this enabling legislation, which would allow a referendum to be held across the country, without any subsequent amendments made to any other acts, to hopefully review the way we elect members of Parliament in Canada.

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

\* \* \*

**BUSINESS DEVELOPMENT BANK OF CANADA ACT**

**Mr. Pat Martin (Winnipeg Centre, NDP)** moved for leave to introduce Bill C-225, an act to amend the Business Development Bank of Canada Act and the Canada Student Loans Act to provide for a student loan system that is more supportive of students.

He said: Mr. Speaker, I introduce this bill on behalf of the many students who are struggling under crippling debt loads to achieve their post-secondary education. Some of the pages in our House of Commons today may be in that group of students.

This idea is in recognition of rising tuition costs. The purpose is to establish the Business Development Bank of Canada as a lender of guaranteed student loans, to provide that student loan interest rates are set at the same rate of inflation for the previous year and are set annually by the Business Development Bank of Canada. This would ensure that students and persons still paying off student loans would have reasonable financing, that they would not be subject to the vagaries of the free market that deals with interest rates in other sectors and that they would not be unduly burdened by their debt after completing their education.

Persons who have existing loans from the lenders previously set up by the Canada Student Loans Act would be able to apply for loans from the Business Development Bank of Canada to pay them off and then would be covered by the new interest provisions set by the bill and reset on an annual basis.

This would be good for students and I hope members take note of that and see fit to vote for it when the time comes.

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

\* \* \*

●(1545)

**PROPORTIONAL REPRESENTATION REVIEW ACT**

**Mr. Pat Martin (Winnipeg Centre, NDP)** moved for leave to introduce Bill C-226, an act to provide for a House of Commons committee to study proportional representation in federal elections.

*Routine Proceedings*

He said: Mr. Speaker, once again on the subject of electoral reform, which was referenced in the Speech from the Throne and again in the amendments to the Speech from the Throne, the purpose of the bill is to provide for the consideration of proportional representation as one of those electoral reforms options in the House of Commons.

If the bill is enacted, a standing committee of the House will be designated to consider the matter and to report with recommendations after public hearings across the country. At that time, a referendum may be held in concert with the other bill I introduced. The question shall be put as to whether electors favour replacing the present system with a system proposed by the committee as concurred in by the House of Commons. The referendum must then be held at the same time as the next general election.

There is broad support and interest for revisiting our electoral system. We believe proportional representation is a model that should be studied carefully by the House of Commons. We believe the time to do it is at the next general election when a referendum question would be added to the ballot to change the system of how we elect our members thereafter.

Most parties support proportional representation. Some parties are more narrow-minded in their scope, but we would hope that people are interested in this issue here.

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

\* \* \*

**LABOUR MARKET TRAINING ACT**

**Mr. Pat Martin (Winnipeg Centre, NDP)** moved for leave to introduce Bill C-227, an act to provide for the establishment of national standards for labour market training, apprenticeship and certification.

He said: Mr. Speaker, I submit this bill in reaction to the devolution of labour market training to the provinces which has left us with an unequal and uneven regime in terms of apprenticeship and other labour market training.

As a journeyman carpenter I can say that curriculums are different in every province in the country. It does not serve industry well that persons who get their journeyman papers in Nova Scotia do not have the equal training when they move to British Columbia to get a job in that province.

Recognizing the mobility of Canada's workforce, this bill would put in place national standards for the entrance requirements to the apprenticeable trades and national standards for the curriculums in each of the trades. It would also seek to create a national advisory committee for each of the skilled trades to keep those curriculums up to date and current. This national advisory board would have labour, industry and government representation.

The bill seeks to fill a glaring void left behind by the government's hasty devolution of labour market training powers to the provinces. This would remedy some of the gap in our human resources strategy as it pertains to labour market training, other than post-secondary education.

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

● (1550)

**PENSION OMBUDSMAN ACT**

**Mr. Pat Martin (Winnipeg Centre, NDP)** moved for leave to introduce Bill C-228, an act to establish the office of Pension Ombudsman to investigate administrative difficulties encountered by persons in their dealings with the Government of Canada in respect of benefits under the Canada Pension Plan or the Old Age Security Act or tax liability on such benefits and to review the policies and practices applied in the administration and adjudication of such benefits and liabilities.

He said: Mr. Speaker, I have introduced this bill today to create the office of a pension ombudsman simply in response to the overwhelming volume of casework that members of Parliament deal with at their offices of frustrated Canadians who have nowhere to turn with their valid and legitimate grievances associated with the administration of the Canada pension plan, the OAS or the GIS.

We believe it is due to the hasty cutbacks to the civil service during the 1990s and we believe that an unfair burden has been placed on members of Parliament with no corresponding budget to provide service to Canadians.

The purpose of this bill is to establish the office of a pension ombudsman whose function it would be to assist persons dealing with the Government of Canada in respect of benefits under the Canada pension plan, the Old Age Security Act or tax liabilities in cases where they are dealt with unfairly or unreasonably, or with unreasonable delay, which is often the case. Even if someone can get access to service, the delays are so unreasonable that it is truly justice denied.

The ombudsman would investigate complaints and report on complaints that were not satisfactorily resolved. The reports may be referred to the relevant minister as to the specific details of these complaints. The ombudsman would provide great comfort to the many Canadians who are frustrated by the bureaucratic logjam of trying to have their complaints dealt with in any kind of reasonable timeframe.

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

\* \* \*

**ENERGY PRICE COMMISSION ACT**

**Mr. Pat Martin (Winnipeg Centre, NDP)** moved for leave to introduce Bill C-229, an act to establish the Energy Price Commission.

He said: Mr. Speaker, I want to thank my seconder on this bill, the member for Sault Ste. Marie. We rise today to introduce this bill to address the spiralling, out of control and out of whack, costs of energy, home heating fuel and gasoline. On behalf of Canadians everywhere, we seek to find some remedy, some way to give comfort to Canadians who are being kicked in the teeth once again by their energy costs.

*Government Orders*

This bill seeks to create the energy price commission to regulate the wholesale and the retail costs of motor fuels including gasoline, diesel, propane, heating fuel and electric power.

The purpose of price regulation is to avoid unreasonable increases that affect the cost of living and keep businesses down. Frankly, Canadians have a gut feeling that they are being gouged. I am here to say that they are being gouged by unreasonable rip-off prices by oil cartels.

This bill would provide reasonable consistency in prices. This commission would set prices for a six month period. If the oil prices wanted to raise those prices, they would have to go before this national commission and justify why increases in oil and gas prices were justified, and then lock in for six months so that small businesses and homeowners could have some stability and some ability to cope with these costs for energy that are often out of their control.

I think there will be broad national support for this idea of an energy price commission. People in Calgary and Edmonton may be somewhat concerned, but I can assure members that this is not a national energy plan. This is a national price commission to assist Canadians so that they are not ripped off every year when it comes to gas and home heating fuel costs.

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

\* \* \*

● (1555)

[Translation]

**QUESTIONS ON THE ORDER PAPER**

**Hon. Dominic LeBlanc (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, this being the first time I have had the floor when you have been in the Chair, may I congratulate you, and also ask that all questions be allowed to stand.

**The Acting Speaker (Mr. Marcel Proulx):** Is it agreed?

**Some hon. members:** Agreed.

**GOVERNMENT ORDERS**

[Translation]

**INTERNATIONAL INTERESTS IN MOBILE EQUIPMENT (AIRCRAFT EQUIPMENT) ACT**

The House resumed consideration of that motion that Bill C-4, An Act to implement the Convention on International Interests in Mobile Equipment and the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment, be read the second time and referred to a committee.

**Mr. Marc Godbout (Ottawa—Orléans, Lib.):** Mr. Speaker, I too am pleased to congratulate you on your appointment. I am certain that the House will be enriched by your presence in the Chair.

I also would like to indicate that I will be splitting my time with the hon. member for North Vancouver.

● (1600)

[English]

Canada played a leadership role in the negotiation of the convention and protocol which were designed to facilitate the financing of aircraft equipment, airframes, aircraft engines and helicopters.

There was strong support for this project from the provinces, territories, airlines, industry associations and aircraft manufacturers. Canada's active involvement in the negotiation leading up to the adoption of the convention and protocol highlights this country's commitment to seek global solutions to global problems in cooperation with the rest of the international community.

Extensive consultation with interested parties were held throughout the development process. Representatives of the Canadian industry were present and participated in many of the meetings leading up to the diplomatic conference at Cape Town as well as at the meeting that formally adopted the instruments.

Momentum for achieving these instruments grew very strong in early 1999 with negotiations in Rome and Montreal involving Unidroit and ICAO. The convention and protocol were adopted on the last day of the diplomatic conference held in Cape Town, South Africa, from October 29 to November 16, 2001.

The package adopted at Cape Town is rather novel in form. It consists of a convention drafted in general terms and a protocol with rules specific to aircraft equipment that complement and vary the rules of the convention.

To make the instruments more user friendly, the Cape Town conference decided that a consolidated text would be produced and distributed along with the convention and protocol. The consolidated text will be a useful interpretive tool.

Canada signed the convention and protocol on March 31, 2004. To date, 28 countries have signed the instruments and four countries have ratified them. The convention came into force on April 1, 2004, and the protocol will come into effect once eight countries have ratified it.

The United States has passed implementing legislation and the president has senate authorization to ratify the convention and protocol. Other countries can be expected to follow suit once the U.S. ratifies it.

The convention and protocol are the subject of the bill currently being considered. They represent an unparalleled example of cooperation between governments and industry in creating a harmonized international legal regime.

In addition, the International Air Transport Association has indicated that it estimates that the convention and protocol would generate savings of \$5 billion for the airline industry.

*Government Orders*

[*Translation*]

It seems obvious then that passage of this bill will mark an important stage in the creation of an international system which the aviation industry throughout the world will find highly advantageous.

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Mr. Speaker, I also take the opportunity to congratulate you on your appointment.

You know that, of course, the Bloc Québécois supports Bill C-4, since it will allow to give equipment as security to bankers throughout the world. There is no problem with that.

However, the question I ask the member is this: does he not find it strange that we are discussing giving equipment as a security when the industry is in the middle of an unprecedented crisis? To give aircraft as security, we must be able to build them.

Of course, I find once again that the Minister of Transport, by introducing this bill before introducing the one to help the aerospace industry throughout Canada, is having a very bad start in his role as the Minister of Transport. Once again, he is putting the cart before the horse. He has done so all his life.

I will then ask my question to our Liberal colleague.

**Mr. Marc Godbout:** Mr. Speaker, you will remember that the entire aerospace industry supports this new protocol under which, when there are bankruptcy problems, state parties would be able to resort to an international legislation allowing equipment to be used as security.

There is no doubt that the industry is anxiously waiting for this and will achieve considerable gains through this international agreement.

**Mr. Robert Vincent (Shefford, BQ):** Mr. Speaker, I read the bill. My question is rather complex, and yet it is not.

I read somewhere that this bill will improve airlines' ability to buy aircraft. My understanding is that, under this convention, aircraft can be seized, and lending institutions can take engines and aircraft by way of security in order to get their money back in case buyers do not pay.

Here is my question about aircraft being used to carry passengers. If a carrier does not pay, and if the aircraft is abroad and is seized by the owner, how are the travellers supposed to get back to Canada?

• (1605)

**Mr. Marc Godbout:** Mr. Speaker, there is no doubt this piece of legislation is quite complex. International agreements stipulate that operational details will come later on, and only then will the agreement be really in force.

Of course, these issues are under study and will be resolved as soon as the protocol becomes operational and the details of its implementation are finalized.

**Mr. Réal Ménard (Hochelaga, BQ):** Mr. Speaker, I would like to join my colleague in offering my congratulations to you on your new duties. If there is someone in the House who deserves to occupy the chair, it is you.

That said, I would like to put a question as well to our new colleague, whom I wish good luck in his new duties.

In the Bloc Québécois, as the member for Richelieu knows, we have given a lot of thought to Technology Partnerships Canada, because it is a program that was not sufficiently capitalized in terms of the needs of the aerospace industry, an industry which, as we know, is pivotal in Quebec's industrial sector.

Would our colleague join the dynamic team of the members of the Bloc Québécois caucus who, as we know, made the defence of Quebec's interests the focus of their concerns, to ask that more money be allocated to Technology Partnerships Canada, to enable us, for example, to better support a company like Bombardier?

**Mr. Marc Godbout:** Mr. Speaker, I thank the hon. member for his question. I hope I understood him well, but if is asking me to join the Bloc Québécois, I must of course tell him that it is not in my intentions as a Liberal member.

However, in my opinion, Canada has always supported Quebec's aerospace industry, and it will continue to do so. The industry minister has said it very often. Clearly, the aerospace industry is a pillar of our industry, not only in Quebec, but also in Canada.

[*English*]

**Mr. Don Bell (North Vancouver, Lib.):** Mr. Speaker, I will let my previous record stand in terms of congratulations to you.

I am pleased to have this opportunity to discuss the legislative amendments that will come into force upon the ratification of the convention on international interests and mobile equipment, and the protocol to the convention on international interests and mobile equipment on matters specific to aircraft equipment.

Canada is a leader in electronics registries and has one of the most modern asset based financing systems in the world. Canada already has a sophisticated financial regime that uses assets as collateral. However, implementation of the convention and protocol would benefit the aviation industry by amending insolvency legislation and establishing an international registry specifically for aircraft equipment.

The convention and protocol would establish an international registry in which interests in aircraft equipment would be registered. This registry would replace individual national registries. It would record the existence of rights and prospective rights and determine their priority for use in the purchasing and financing of aircraft.

*Government Orders*

Currently in Canada each province and territory maintains its own aircraft registry and the federal government maintains a registry as mandated by the Bank Act. The establishment of a single worldwide international registry would replace both the federal and provincial registries for aircraft and aircraft parts in Canada, greatly simplifying aircraft registration. This will create a uniform, secure and predictable environment at the international level for Canadian business. This is in line with Canada's goal of achieving enhanced transparency, security and predictability in international business.

The Bank Act's special security regime allows banks in Canada to register security interests on a national basis for certain types of defined products listed in the act. The types of products that can be registered under the Bank Act are technically broad enough to include aircraft equipment covered by the new protocol.

Since the goal of the protocol is to create a single international registry, amendments to the Bank Act would be required to avoid overlap. The most effective means of doing this would be to remove the aircraft equipment from the application of the Bank Act. The international registry would allow aircraft owners, lessors and financial institutions to record their rights, including security interests in aircraft and aircraft engines.

Registration establishes the purchasers' or the creditors' priority over the unregistered or the subsequently registered interests of other parties. Information in the Internet based registry will be available to and accessible by any individual or company directly. This will provide a considerable advantage in terms of time, cost savings and improved certainty in resolving questions of priorities of interests.

Aviareto, an Ireland based company, was selected as registrar to a tendering process supervised by the International Civil Aviation Organization. The establishment of the international registry has begun and Aviareto will operate the registry once the convention and protocol come into force.

Before Canada ratifies the convention and protocol, a careful examination will be done of the final acceptability of the terms of operation of the new international registry. Canada will withhold ratification until it is satisfied that the registry is fully operational and secure. Amendments to the Bankruptcy and Insolvency Act, the Companies' Creditors Arrangement Act, and the Winding-Up and Restructuring Act would also be required in order to implement the convention and the protocol.

The bill provides for a special remedy in the case of insolvency that would impose a fixed stay period of 60 days. After this period, creditors could reclaim an aircraft or aircraft equipment on which they have a security. Under current legislation there are various periods within which creditors are subject to a stay on their ability to enforce security interests. These stays can sometimes extend to more than a year. The adoption of a fixed 60 day stay period would increase certainty in the system and level the playing field between Canada and the United States.

● (1610)

The U.S. industry already benefits from a similar provision under the U.S. bankruptcy code. The adoption of consequential amendments to Canada's insolvency laws would benefit Canadian aircraft manufacturers, financiers and airlines at the international level.

Although these changes would provide better protection for creditors, they would not materially impact the debtors' ability to pursue reorganizations in the case of insolvency.

The federal legislation required to implement the convention and protocol would make the necessary amendments to the relevant acts. The legislative amendments may be proclaimed into force at different times, but no later than the date on which the convention and the protocol enter into force in Canada.

The establishment of the international registry and the associated harmonized asset based legal regime will significantly reduce the risks associated with aircraft financing. The effect will be a healthier, more stable international aviation industry. Adopting the bill will set in motion the legislative amendments required to achieve the goal.

[*Translation*]

**Mr. Marc Boulianne (Mégantic—L'Érable, BQ):** Mr. Speaker, may I also commend you on your appointment, as my colleague for Hochelaga has already done.

Mr. Speaker, it is a pleasure to be here to speak to Bill C-4. I have a comment and a question.

As far as the principle of Bill C-4, we are not against virtue. However, in my opinion, it does not solve all the problems. The lack of a real aerospace policy is a major issue. It was mentioned earlier. Someone talked about Bombardier and the fact that some American states are trying to convince it to set up shop south of the border. Meanwhile, Ottawa is waiting. In addition, support for research and development is anemic. Many issues are pending. Technology Partnerships also suffers from underfunding.

It is well known that the aerospace industry in the province of Quebec generates annual sales of \$14 billion and employs 40,000 people. A huge number of jobs are at stake.

We feel it is urgent that the government implement a real aerospace policy. Does the hon. member of the government party not think that that would be the real solution, rather than focusing only on one element of such a policy with Bill C-4?

● (1615)

[*English*]

**Mr. Don Bell:** Mr. Speaker, certainly the aeronautics industry is very important and vital to the economy of Canada. I can say that the Minister of Industry and the Minister of Transport are both working on an aeronautics policy which they will bring to the House for consideration.



*Government Orders*

[Translation]

**Mr. Réal Lapierre (Lévis—Bellechasse, BQ):** Mr. Speaker, since the Liberal Party rushed to help the Ontario auto industry during the electoral campaign, can the member assure us that measures will be taken to counter the approaches made by the three American states courting Bombardier well before an aerospace policy is adopted?

[English]

**Mr. Don Bell:** Mr. Speaker, I can assure the hon. member that all the stakeholders involved will be brought into the process so that their interests are carefully considered by the government as it considers the solution to the aeronautics policy.

[Translation]

**Mr. Louis Plamondon (Bas-Richelieu—Nicolet—Bécancour, BQ):** Mr. Speaker, I also congratulate you on your recent appointment and your heavy responsibilities. Having known you for a long time, I am sure that you will do a good job.

I have a very quick question, because I do not have too much time left. I know we are only allowed five minutes for questions and comments.

My question is for the new member. He said that the legislation would include an international aircraft registry. Since Canada already has a national registry, can the member tell me how these two registries will be transferred or how we will work with these two registries?

[English]

**Mr. Don Bell:** Mr. Speaker, first, we are working along with 28 other countries, four of which have signed on to this protocol, and four have already ratified it. As I indicated in my comments, before Canada ratifies this agreement it will have to be satisfied that it protects the interests we have in Canada.

[Translation]

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Mr. Speaker, I repeat my question. We are very well aware of the problem. I repeat that the Bloc Québécois supports bill C-4. The problem is that the industry needs a major investment program in the aeronautics and the aerospace sector.

Can the member confirm that he will support quick action in order to help the whole industry?

[English]

**Mr. Don Bell:** Mr. Speaker, the purpose of the action that has been taken by the two ministers I mentioned, both the Minister of Industry and the Minister of Transport, in advancing the importance of the aeronautical policy and bringing forward this proposed legislation is exactly in the interests the hon. member has raised.

[Translation]

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Mr. Speaker, you will understand that having in my riding the beautiful Mirabel region, home to a fair chunk of the aerospace industry in Quebec, it is a pleasure for me to rise and speak to Bill C-4.

My colleagues have stated the Bloc Québécois's position several times already. We are in favour of the bill entitled: an act to

implement the Convention on International Interests in Mobile Equipment and the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment

We have all understood that the bill is meant to allow bankers to take equipment sold as security. It is true that the industry is facing financing problems and that airlines have difficulty getting the required financing for equipment they sell because buyers, at present, are close to insolvency. All major airlines are seeking protection under the Bankruptcy and Insolvency Act. Some U.S. airlines are considering that protection for the second time. Therefore, this bill is clearly needed.

I repeat the comments I have been making since the beginning of this debate. Once again, I find it rather odd that the Minister of Transport is bringing this legislation before us on its own, without any real plan to revive and relaunch the entire aeronautics and aerospace industry in Canada.

I say that because our companies are under enormous pressure, not only because they have trouble financing themselves, but also because there are many other countries that want to see this industry move to their own territory.

For some weeks, we have been listening to our American neighbours. Three states in the U.S. are ready, on their own, to offer the same amount as the Government of Canada to help Bombardier, among others, launch its complete new aircraft concept, for example.

This is a difficult message for the aeronautics and aerospace industry in Canada. I can give the House a few figures. The United States invests \$45 billion per year in aeronautics and aerospace research and development. Some \$6.5 billion goes to three companies—Boeing, Raytheon and United Technologies.

In Europe, Airbus receives \$3 billion for research and development from various European countries. Here in Canada only \$165 million is available, not for Bombardier alone but for the entire aeronautics and aerospace industry.

It should be clear to everyone that this sector is underfunded. Obviously, I have a lot of trouble with that. I will repeat that I come from the Mirabel region. We have heard that men and women who work in this fine industry are going to lose their jobs. Some have already lost them. That is unacceptable.

It is unacceptable when the only action the government is taking is to introduce a bill whose purpose is to have the banks fund this industry. It is as if the Government of Canada said to all industries, "Look here. What we are proposing today is that you go see your bank. The banks will provide financing for your buyers".

And yet we know that, even if this bill is passed, even if all the countries in the world passed this legislation and an international registry were created, there are not many bankers who would be more interested in taking airplanes as collateral, given the state of this industry throughout the world.

*Government Orders*

Will it help? Yes, the industry thinks it will; it is asking for this legislation. It has been asking for it for years, and Canada has been waiting for years.

The problem is people are now hitting the panic button. We want a major recovery plan for the aerospace industry throughout Canada. The industry is hitting the button, but obviously, nobody in the federal government is responding. A drama is taking place in the industry. It is a drama, because 55% of all jobs in aerospace are in Quebec.

• (1620)

I repeat that when I started as a member of Parliament in 2000, the Prime Minister, Jean Chrétien, made a declaration, which he repeated during the election campaign. It struck me. Understandably so. Such things are of interest to an MP whose riding includes Mirabel. He said that the aerospace industry was to Quebec what the auto industry was to Ontario. At the time, he pointed out that a little more than 61% of all aerospace jobs were in Quebec.

Unfortunately, since then, we have lost 7% of them. The figures have just come out. The industry prepared an update, and representatives reported it to us last week. The Liberal members refused to meet with them. But the representatives reported that the figure is now 55%. The Liberals are happy that Quebec has 55% of all jobs in this sector, despite the fact that this figure represents a 7% reduction for Quebec. That is the reality.

In my region, as you know, Mirabel is close to Boisbriand. We benefited a little bit from the auto industry. The one remaining auto manufacturing plant in 2000 was there. However, in the past three years, since the statement by the prime minister, the GM plant in Boisbriand has shut down. Before the last election, the Liberals announced a support and recovery program for the auto industry in Ontario. Once again, Quebec and the whole aerospace industry are crying for help, arguing that survival was despite all odds. I am very pleased that it got through the events arising from September 11, 2001. The industry managed to survive. But we are currently witnessing drastic staff cuts and, obviously, fierce competition from the US and other countries in the world. They are prepared to ask our businesses, our Bombardiers of this world, the flagships of Quebec's and Canada's economy, to build a plant there, because they have money for them.

Once again, playing fair, Bombardier asks Canada to tell it promptly what its intentions are before it responds to the offers made elsewhere. Today, in this chamber, we are discussing Bill C-4 on the financing of equipment and the fact of putting the future of Bombardier into the hands of the bankers. Everybody knows that it will help and that we agree with that. The problem, though, is that Canada does not have a relief and recovery plan for the industry.

We have the figures to back up what we are saying, with the analysis provided by the famous Technology Partnerships Canada program for research and development. This program was established in 1996. Believe it or not, not one cent more has been made available since, more or less. Despite the fact that the industry's research and development expenditures increase by 8% per year, the budget for the Technology Partnerships Canada program has not been increased. Why? Assistance is provided to the industry and, under this program established in 1996, royalties are paid. Financial

assistance is provided to the industry and, when the industry makes sales, it pays royalties, which are reinvested into the program. The only money available is the money that comes in. Because agreements were signed respecting the development of equipment, be it helicopters or airplanes, throughout the industry, no matter what company, money is coming back. The only new money available is the money that has been put back by the industry since the program was established in 1996.

The industry says that this does not make any sense at a time when competition is becoming ferocious. In the United States, some \$45 billion is available, and \$3 billion U.S. in Europe. That is how much is available to those competing with our industrial flagships, the likes of Bombardier or Pratt & Whitney, which manufacture all aerospace components in Quebec. The recovery or development plans developed by these industries cannot be too extensive. Yet, that is what Bombardier wants to do in order to be competitive: introduce an entire line of new aircraft. The first phase of the plan includes research and development, production and construction of new lines.

There is also financing to promote exports. In addition, it is true that the bill will help bankers get guarantees. All countries, however, have funding support programs for equipment.

• (1625)

This has been the object of many debates in recent months. There was the loss of the contract. Air Canada bought some equipment from Embraer. This is how things work: the country where the industry is located, Brazil in the case of Embraer, provides some of the funding required. This is why I said earlier that this bill is good, because it allows bankers to take security. However, the problem is that, right now, bankers in the world do not have confidence in the aerospace industry, and particularly not in buyers. Therefore, governments are forced to provide guarantees.

Currently, Brazil is funding 80% of Embraer's deliveries, while here, the Canadian government is funding only 41% of the deliveries of Regional Jet and Bombardier. So, after the buyer paid a visit to the bank and was told that it could not get help, or that it could but only up to a certain percentage, and as Embraer needed venture capital, it turned to the Brazilian government, which guaranteed the loans. This is of course the system in place. Liquid assets must obviously be protected.

In this regard, Canada's program has not been reviewed. Once again, we are debating a bill that is indeed important and one that the industry has been asking for years. However, it merely delegates to bankers the responsibility for getting the aviation and aerospace industry back on track, but this is not what we need. We need a major federal support program, otherwise, unfortunate as this may sound, the new Bombardier regional jets will be developed in some American states or in other countries.

*Government Orders*

Of course, when we put questions to him, the Minister of Transport says that we should be realist and respectful of the ability of Canadians to pay. I hope that the minister will also be respectful of the ability of the Brazilians, Americans or Europeans who fund this high tech industry so important to us.

During the last Parliament, I had the opportunity to go with you, Mr. Speaker, to the international show at Le Bourget as the Bloc Québécois representative and transport critic; you too were involved in the transportation file. I was surprised by the eagerness of countries without an aircraft or aerospace industry that would have liked at all cost to attract aerospace manufacturing to their country. Having such an industry is very glamorous for a country. It is high tech at its highest level. This is the reality.

We in Quebec are fortunate to have the second highest concentration of aerospace and aeronautical industries in North America. That is very fortunate. We have the fourth highest concentration of aerospace manufacturing in the world.

Once again the federal government is dragging its feet. However, during the last election campaign, it did not forget to invest to help the automobile industry. It did not forget, and it was done at Quebec's expense. As you know, since the Boisbriand GM plant closed down, no car is manufactured in Quebec although the province is one of the biggest producers of aluminum and magnesium in the world. Some 85 per cent of these metals are used to build automobiles. We are one of the biggest producers of those basic materials. We do not manufacture automobiles and very few car parts because, as you now know, it is all about industrial clusters. When you have an automobile industry, a whole spare part industry gravitates around it. That is what is meant by an industrial cluster.

They set up shop in Quebec. That is what happened with the aviation and aerospace industry, but we are losing ground. I explained it earlier. In 2000, we had 62% of jobs; in 2004 we only have 55%. I repeat we must put money where ideas are. Of course I remember the statement by the then Prime Minister of Canada, which the new Transport Minister has repeated, namely, that the aerospace industry is to Quebec what the automobile industry is to Ontario. However money speaks louder than words. One must be able to invest where needed. A vigorous aerospace industry expansion program is long overdue. Time is of the essence.

• (1630)

Such a program ought to have been tabled simultaneously with Bill C-4. That is what we ought to have been hearing today, speeches in support of the government, as there are for this bill. All parties would have risen to speak in support of a massive renewal effort for the aerospace and aeronautical industry. But it is not there.

When will it be? We have just heard some members tell us that yes, they are working on it. Let them go and talk with the owners of the aviation and aerospace companies and they will see that they know what they want. They could provide you with a draft program in no time. Agreement would not be long in coming.

The problem is that there is no desire on the part of the federal government to create any major revival of this industry. Why not? I would say for political reasons. Of course, there are still bitter

feelings toward Quebec. That is the harsh reality, and that is why many Quebecers feel Canada is not their country and they would be better off on their own.

Once again today we find ourselves faced with the same reality: a federal government that is turning a deaf ear to the demands of an industry that is, once again, concentrated in large part in Quebec, but has lost a lot of ground since 2000.

The Bloc Québécois will do everything in its power in this House to return the aerospace industry to its former status in Quebec, and in Canada of course. We are here to defend the interests of Quebec. We were here, we will continue to be here, and in greater numbers than in 2000. We have many new colleagues with us now to tell this House that Quebec has needs

If Canada cannot give Quebec what it wants, it just needs to let us go. It is as simple as that, no more complex than that. We will take our own tax money and with it will be able of helping these leading lights of our industry. That solution fully respects the interests of each party.

Once again, on behalf of the people of Quebec, I am asking the federal government to waste no time in tabling a recovery plan for the entire aerospace and aeronautical industry across Canada. The entire industry needs help, and so does the part of it that is situated in Quebec.

I will end on that note. Mirabel experienced Liberal-style management. Land was expropriated for the construction of Mirabel airport. That was the approach taken. The dream came true at a cost of displacing more than 3,000 people, the greatest deportation of men and women since the deportation of the Acadians. That is what happened in Mirabel.

An airport was built in the middle of nowhere. I know there is no turning back once the airport is built. The only problem is that the Liberals have never had the courage of their political decisions. It was the Pearson government that decided to put Mirabel airport there. Do not tell me that when the airport was built they did not have plans for autoroutes 13 and 50 and a high-speed train to make it accessible. A station was built under the terminal. Anyone who has followed this file closely, knows it.

The only problem is that the Liberals lacked the political will. Just think back to when the decision was made. Mirabel was built in order to close Dorval and have all flights go through Mirabel. That was the objective, but no highway or railway links were ever built. When there were 75 Liberal MPs in Quebec it was decided that Dorval would stay.

*Government Orders*

It is time to stop thinking that the Liberals have the answer to everything. When it comes to Mirabel, they caused most of the problems we are having. In my view they have been in power far too long. The Liberals have been in power for 30 of the 40 years since Mirabel was announced. We have seen the results.

We have seen what that did to the automotive industry. GM in Boisbriand is now closed and demolished thanks to the Liberal government. I hope the aviation and aerospace industry will not experience the same fate as Mirabel and GM in Boisbriand. I hope the Liberals will be able to respect Quebeckers for once.

● (1635)

**Mr. Réal Ménard (Hochelaga, BQ):** Mr. Speaker, like myself and all members of this House, you have seen how immensely talented my colleague is. When he rose in the House, he was well aware that he spoke for a large segment of the Quebec population, and he did so with confidence. As he reminded us, the aerospace and aeronautics industry is a major element in Quebec's industrial structure.

I will ask my colleague three short questions. Could he share with us his brief evaluation of the member for Outremont's performance as Transport minister? Second, could he tell us how and in what way he would like to see the Technology Partnerships Canada program improved? Third, could he tell us in closing how he sees events unfolding in the Bloc Québécois's battle over this issue?

● (1640)

**Mr. Mario Laframboise:** Mr. Speaker, I thank the hon. member for Hochelaga for his very good questions. You know he is a hard worker, always present in the House as much as possible, except when he is called outside to discuss matters from his riding.

My colleague's first question was about the work of the hon. member for Outremont, the new Minister of Transport. It was no accident that I said that, when the Liberal Party decided not to transfer all international flights from Dorval to Mirabel but to divide them, it was during an era when there were 75 Liberal members from Quebec. The present member for Outremont and Minister of Transport was one of those who could not keep his pants on and did not have enough backbone to respect the promises made by all the previous Liberal Party leaders.

That is why I was saying that Mirabel is under Liberal governance. It was the Pearson government that made that decision. I will say that it was very wise in 1965 to build an airport outside the major urban area, and it is an even better idea in 2004, especially since September 11, 2001. The problem is that there have been other Liberal governments who let the West Island of Montreal play rough with the rest of Quebec. The West Island would rather do business with Toronto than with the rest of Quebec. Such are the hard facts.

The hon. member for Outremont, now the transport minister, was one of those 75 spineless MPs of that time who were not able to say that a decision had been made in 1965 and that it should become reality by closing Dorval and concentrating everything at Mirabel, in a brand new airport away from Montreal. In comparison to new airports built around the world, in terms of their distance from the downtown, Mirabel is about average. It is comparable to the new facilities constructed in the major industrialized capitals of the world. Once again, the Liberal MPs regressed. Just moving forward in time

is not progress. Pearson was right in 1965. It is the Liberal MPs since then who have regressed. It is no accident that there are fewer Liberal MPs this time than the last time.

To answer the question of my colleague from Hochelaga, I repeat that the famous Technology Partnerships Canada program is very relevant. This money is needed for research and development. The money available in this program today still corresponds to the money that was available at the time it was created in 1996, while the industry needs are increasing by 8% every year. Is it \$150 million more? I would tell you very quickly that the industry as an association can sit down with the government and tell it what it needs for the next five years. I encourage the government to do so. All members of the Bloc Québécois are willing to help, to participate with the industry and to meet with members of the other parties in the House so that we can arrive quickly at an appropriate investment for the industry.

My colleague finished his intervention by wondering how the Bloc Québécois was relevant in this issue. I just told him. I just reached out to other members in the House. The Bloc Québécois is willing to sit in committee with members of all political parties. Choose the committee that you want; we will be there to be able to invite the industry to appear and tell us what it needs. This can be done the following week. We will be there to see that the budgets necessary for the revitalization of this important industry for Quebec and the rest of Canada are adopted as quickly as possible.

**Mr. Marc Boulianne (Mégantic—L'Érable, BQ):** Mr. Speaker, first, I want to make a comment, then, I will ask a question of my colleague for Argenteuil—Papineau—Mirabel. I commend him for his speech. He mentioned very interesting statistics. We now have a very clear understanding of the topic. His presentation was very exhaustive. He talked about research, exports, small and medium-sized business as well as competition.

I have a question to ask him. He again raised a very important issue, that is the need for a real plan to relaunch the aerospace industry. I would like him to tell us what he thinks the cornerstone or priority of this new policy should be.

● (1645)

**Mr. Mario Laframboise:** Mr. Speaker, first, I thank the hon. for Mégantic—L'Érable for his question. It is always with pleasure that I answer questions as important as the one from my colleague for Mégantic—L'Érable. We can see, from his question, that he has a lot of experience when it comes to small and medium-sized businesses, which abound in my riding. I know he works hard for the support and development of industry as a whole in Mégantic—L'Érable.

*Government Orders*

The programs are well known. There is Technology Partnerships Canada and, of course, support and loan guarantee programs for the industry. We must be competitive and be able to offer what the competition is capable of offering. When we talk about competition, everybody thinks we are talking about other industries. This is not what we are talking about. We are talking about the American states which are trying to attract our best companies by telling them, "We think you are doing a good job. We are ready to offer you the \$700 million you need". What was asked for in the case of Bombardier was \$700 million for the development of a new plan and a new aircraft.

We have competitors. We must be able to stand up to them. Once more, I am convinced that the members of the House can very quickly sit in committee and invite the industry to come and tell us what programs it wants improved. That done, we would be ready to vote in favour of the necessary credits so that these investments could be made for the benefit of the communities, and Quebecers in particular.

**The Acting Speaker (Mr. Marcel Proulx):** It is my duty pursuant to Standing Order 38 to inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for Chambly—Borduas, employment insurance.

**Mr. Réal Ménard (Hochelaga, BQ):** Mr. Speaker, you will understand that it is with barely contained excitement that I join the debate on Bill C-4 which, on the surface, might seem very dry and technical, but still has its romantic side. I will get back to this later on.

Having said that, while we support the bill, as all my predecessors have said, there is nevertheless a certain amount of disappointment. The member for Outremont and Minister of Transport was so outspoken during the electoral campaign. All my colleagues remember this. He said that he would be very vigilant in defending Quebec's interests. Given what the member for Outremont has been saying, we would have expected one or two legislative initiatives before the introduction of Bill C-4.

Not that this bill is not important. I will get back to this. It is a bill to implement international conventions that give loan guarantees and that pertain to a whole series of processes for mortgages, mobile equipment and aircraft registries. We are not saying that it is not important since a number of industrialized countries have signed on to this convention. However, would it not have been more important for this House to deal first with former Bill C-26? Would it not have been more important for the Minister of Transport to take his responsibilities and reintroduce former Bill C-26 that gave the Canadian Transportation Agency—a quasi-judicial administrative tribunal—power to mediate in those cases where the railway companies do not act properly or do not respect the surrounding communities?

I am sure that, through you, we could ask those members who represent ridings where railway companies show no respect for the local communities, making noise and switching engines at all hours of the day in a residential area, to raise their hand. In my riding of Hochelaga, on Moreau street, the CP is operating 24/7. I have been told that, in the Lévis area, this very beautiful area of Quebec's national capital, a former mayor has called the Government of Canada on this matter. In Outremont, there is a switching yard. Some

of our fellow citizens are being deprived of their quality of life, by a lack of respect, a lack of regulations. When the transportation agency proposed regulations, the CP went to court. As a result, the Federal Court of Appeal brought down a decision, saying that the transportation agency did not have jurisdiction to propose such regulations.

All this to say that, when my amiable colleague from Longueuil and transportation critic spoke this morning, she urged the Minister of Transport to restore former Bill C-26. We need legislation like that, because, in every province, in every community, there are railway companies behaving like barons of industry, interested only in money and with little or no regard for our fellow citizens. When, in a residential area, a person lives next to a railroad track, has to fight with railway companies behaving in an irresponsible fashion, we believe it is the role of this Parliament and of the Minister of Transport to become more vigilant and to introduce a bill to remedy the situation much sooner than they have.

Were we not entitled to expect—we have been talking about it in the Bombardier file—that we would be presented with a policy on aeronautics and aerospace? Every time the federal government prepared to fulfill its responsibilities in the area of transportation, it failed miserably. The oldest members in this House—not in chronological terms, but the oldest politically speaking, those who were here before the June 2004 election—can recall the disaster brought about by the Minister of Transport with his policy of divestment of wharves in smaller ports.

● (1650)

The government wanted to entrust the management of these ports to the communities, but without making the necessary resources available. If it had not been for the members of the Bloc, this file would just about have gone unnoticed by the Quebec Liberal caucus.

People will recall, of course, as the member for d'Argenteuil—Papineau—Mirabel mentioned, the boondoggle created by Pierre Elliott Trudeau. I can think of no other words to describe the white elephant that the whole issue of the Mirabel airport became. It was the kind of anarchic way of doing things that was questioned.

I could also talk about shipping. As you know, I have been the member for Hochelaga since 1993. In the 1980s, not that long ago, shipyards in Canada, in my constituency and in various provinces were closed. I do not know how old you were then, Mr. Speaker, but I am sure you were sufficiently aware and interested in public affairs that you can remember that.

In Hochelaga—Maisonneuve, generations had worked for the MIL Vickers Inc., a shipbuilding industry. In the 1980s, we realized there was a 30% shipping overcapacity throughout the world. The decline in this industry is not due to any lack of vigour on the part of the workforce, but to a lack of will to continue improving our product and technologies. These workers were left to their own resources, and the federal government shunned its responsibilities.

*Government Orders*

The provinces did take theirs. I remember the excellent government of René Lévesque—and I am talking here with the objectivity I am known for—had already suggested elements of a policy to help workers adjust and move to another career.

I am sure my colleagues remember the Program for Older Worker Adjustment, or POWA, which goes back to the days of Brian Mulroney's Conservatives. The initiator of this program was minister Cadieux. This program had a big flaw. In communities with a population of over 100,000 residents, like Montreal, 100 workers had to be laid off for them to be eligible. We had layoffs in a number of communities, but POWA could not kick in because the number of laid off workers was not high enough.

On several occasions, Bloc Québécois members introduced bills to rectify this situation, but the government never provided any support to get such a bill passed.

This file has been a disaster right from the beginning. The Mirabel file is a disaster too. When it comes to shipyards, the government missed the boat.

I remember the excellent work done by the former member for Lévis-et-Chutes-de-la-Chaudière, whom I can call by name now since he no longer is an MP. I am sure you have fond memories of him too, Mr. Speaker. I am talking about Mr. Antoine Dubé. On several occasions he put forward bills and organized workers to get the federal government to invest in a shipbuilding policy, to help workers at the then Lévis shipyard.

I am sure Mr. Dubé's successor, the member for Lévis—Bellechasse, who, as you know, is a Bloc Québécois member, will keep on urging the federal government to come up with a shipbuilding policy.

• (1655)

I digress. We might reasonably have expected other bills to come before Bill C-4.

But let us back to Bill C-4. We will support it at least at this stage. We will see if we can continue supporting it in committee. As the member for Longueuil said with her traditional dynamism we will support the bill in principle.

We are aware that there are differences between Canada and Germany with regard to the law. In Canada, even though the executive might ratify an international convention, it does not in itself create law. In Germany, it does. They have a monist system. As soon as the executive creates or signs a convention, it creates law.

Here in Canada for a convention to be implemented, we need an implementation bill. Bill C-4 is exactly that.

I am sure that television viewers are anxious to know that Bill C-4 seeks to implement international agreements. What are these agreements? They are the Convention on International Interests in Mobile Equipment and the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment.

What do we want to achieve through these conventions? We want to change somewhat the rules of the game in the international aerospace industry. Let us face it: if there is an industry that has been

affected by globalization, it is the aerospace industry. A number of companies have their head office in Montreal or in Toronto. Many subcontractors are involved in the building of an aircraft. Sometimes, subcontractors may even be located abroad.

When an aircraft is built, creditors involved in the funding process will sometime ask for loan guarantees. The hon. member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques knows about this, because he follows very closely what is happening on the international scene. When such guarantees are requested, they must of course be provided. It is what is commonly called a mortgage.

Incidentally, this notion is studied in law school. While I would definitely not go so far as to say that these are the most popular courses, students must pass them, because they are mandatory.

When mortgages are sought to provide funding, those who provide them may ask for guarantees. We could have a situation where an international consortium may be the debtor regarding various equipment located abroad, in different countries, and incorporated under different laws.

Bill C-4 proposes to harmonize all this, so that things will be a little clearer. This legislation is good for both creditors and debtors. The bill even proposes an international registry in which the names of all those involved in commercial transactions relating to aircraft would be listed.

Therefore, it would be difficult for the Bloc Québécois not to support such a bill, or at least its underlying principle. However, we remain just as disappointed by the fact that Bill C-4 was given priority over other measures which, we feel, should have taken precedence.

Let us take the example of Bombardier. As members know, I represent a riding of Montreal and I would like to say a few words about Bombardier.

• (1700)

We know that Bombardier is currently being courted by many. The media is reporting that some U.S. states—our neighbours to the south—and European countries, have made concrete proposals. Bombardier has been offered several million dollars for its expertise in aircraft, especially for 100 and 110 seat airplanes.

The Minister of Transport has been very vocal in other arenas, but not very firm when it comes to defending Quebec's interests. We would have expected him to defend Bombardier's interests a little more vigorously.

*Government Orders*

When we think of modern day Quebec, we think of a certain number of things: René Lévesque's political party financing legislation, the Quebec education system, CEGEPs, and so on, but also the aeronautics industry. Generations of workers in today's Quebec—Quebec since the Quiet Revolution—have worked in the aeronautics and aerospace industry. In today's fiercely competitive market, Bombardier is not in a vulnerable position, but in a highly competitive position.

That is why in the previous Parliament, the member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup will recall, the Bloc Québécois was extremely clear in its call for better funding for Technology Partnerships Canada. We feel that public funds are needed in situations like the one Bombardier is in.

My colleagues will agree that we in the Bloc Québécois are not extreme interventionists. However, we find that the lending package that Technology Partnerships Canada provides is a connection between private enterprise and the role of the government. That is why we think it is important for the Minister of Transport to deal with this issue.

I do not know what my colleagues think, but I was very unhappy when I heard the Minister of Transport say in two or three televised news reports that there would be no counteroffers. What a thing to say. As though it were a question of counteroffers. Of course not. Public funds have to be used wisely.

From the time that a proposal is put on the table, that jobs are at risk in Quebec and, thus, that there is a threat to one of our most important industrial sectors, is it not the role of the transport minister, particularly if he is a Quebecker, to put a proposal on the table? One would have expected him to make a formal proposal rather than serving us up a clever but meaningless speech which is actually a denial of responsibility.

It is in situations like this that Quebecers will realize how well advised they were, in June, to put their confidence in the 54 members of the Bloc Québécois. Rest assured that the Bloc Québécois will work relentlessly to make sure that those jobs are not lost to the Americans. It will also make sure that the Minister of Transport tables a proposal at the appropriate time. Finally, the Bloc Québécois will try to make sure that Bombardier remains among the 20 top industries of the aeronautics sector. This is no small matter.

•(1705)

In light of the success Bombardier has achieved, we should not hesitate to act and answer the call of these members of the business community.

When I was elected in 1993, I think you were in your early twenties. Lucien Bouchard asked me to take on the file of the restructuring of the military industry into a civil industry and the file of technology. I was somewhat surprised by his choice. I am a big-hearted person, but I had trouble hooking up my VCR; I was not very knowledgeable about technology. However, I took an interest in this file and I discovered that there was a program called DIPP or Defence Industry Productivity Program.

As a critic, when I delved into—

**The Acting Speaker (Hon. Jean Augustine):** I am sorry to interrupt the hon. member for Hochelaga, but his time has expired. The hon. member for Windsor West.

[*English*]

**Mr. Brian Masse (Windsor West, NDP):** Madam Speaker, it is a privilege to rise again today in the House to talk about this important issue. As always, my colleague is very passionate in the House.

Since 9/11 we have seen a lot of things happen to the world. The aerospace industry in particular has been hard hit. Here are some simple facts. Over 35 major international airlines have gone bankrupt since 9/11, and those jobs in Canada have dropped by 13,000 to approximately 40,000, a drop of about 25%. We are looking at specific circumstances that have really made the industry capitulate in unusual ways. It is important to recognize that we need a specific plan that is transparent and accountable to the Canadian public. Similar to that with Ottawa, I have been arguing as well.

I have a question for my colleague. I believe this is an issue for Canada. My colleague has done a good job of talking about the effects on Quebec and how evolved this industry is there, but I know that in other parts of Ontario and also in the rest of the country there is very much a connectedness to this particular problem we are facing. We have to ensure that whatever we do we are going to roll out a program or changes that will be beneficial for all of Canada, because all the pieces connect to a healthy industry. As the member has demonstrated in his discussion, it is not just one area that is involved. We are facing the world with respect to competition.

I would ask the member to describe the industry's connection to Quebec but also to the rest of Canada.

•(1710)

[*Translation*]

**Mr. Réal Ménard:** Madam Speaker, I thank our colleague from Windsor West for his question. It is true that there are, outside Quebec, important industrial centres which are linked to the aeronautics and aerospace industry. I know that such centres exist in Ontario.

I believe that what our colleague meant by his statement is that, unfortunately, the federal government failed miserably at what one would have expected from a responsible government, that is developing a real aerospace and aeronautics policy.

There are elements supporting this. As our colleagues in the Bloc Québécois have shown, the Technology Partnerships Canada program can provide strong support for this program. However, the reality is that every time a federal government has been called upon to have a somewhat enlightened short, mid- and long-term policy, it has not been able to do so.

*Government Orders*

In the area of transportation, the federal government's leitmotif has always been to shift the responsibilities into the provinces' backyard. We were talking a while ago of the ports divestment policy, which did not include the financial resources needed. We were also discussing earlier on the airport activity sector. I gave the rail industry as an example. How different can things be with incentives? There are several countries around the world where the rail industry plays a much more important role.

The federal government took no interest in these questions. It did not invest the financial resources needed. Above all, it ignored a very important word: intermodality. Indeed, the very development of the trucking industry is inextricably linked with each of its components.

[*English*]

**Mr. Tony Martin (Sault Ste. Marie, NDP):** Madam Speaker, I appreciate the comments of the member for Hochelaga and I understand the challenge for a province like Quebec. It is certainly not dissimilar to an area of my province, northern Ontario, where for a number of years now the government and financiers have turned their backs on the industry that has supported us for a long time and would probably be better suited to providing good paying jobs for people. We have kind of turned our backs on that and have become infatuated in many ways with the new high tech e-commerce type industry out there.

Canada has fallen behind in further research and development and investment in industries such as the auto sector. In my part of the world it is in the mining and the manufacturing of steel industries, and in Quebec it is in the aerospace industry. I think it is a very important and real challenge to the government.

In particular, the member suggested that the Minister of Transport had a lot to say during the election but that he had fallen a bit silent now that he was part of the inner circle of government in terms of the kinds of things he might put in place.

Perhaps the member for Hochelaga might speak a bit about some of what he thinks should be put in place that would concretely support the aerospace industry in Quebec, not dissimilar from my colleague from Windsor who is concerned about the auto strategy and my own concern with how we support and help the resource based industry that exists in northern Ontario.

[*Translation*]

**Mr. Réal Ménard:** Madam Speaker, I have three comments on the speech made by our colleague from Sault Ste. Marie, a new NDP member I believe.

First of all, the aerospace industry is a labour intensive and costly industry. These also are small businesses. They are not all companies like Bombardier. Bombardier of course comes easily to mind because we hear a lot about it in the media these days. However, I have statistics here that will probably reinforce the member for Sault Ste. Marie's belief that it is an industry that is much more fragmented than we might think it is.

I do not know what is going on on the other side of the border as well. However, we know that the sales in the Quebec aerospace industry amount to \$14 billion. It gives work to 40,000 people, half the number of jobs in the high technology sector in Canada. More

important still, 240 of the 250 businesses in this sector are small and medium size businesses.

So, as far as small and medium size businesses are concerned, it is important to have a certain access to venture capital. It is important to be able to count on adequate research and development programs. This is not what we call a one shot deal. In the research and development cycles, we sometimes have to go back two, three or four times. This is why research and development funds are so important. I hope that the Minister of National Defence realizes this.

Unfortunately, Technology Partnerships Canada is underfunded. I urge the minister to get this on the agenda at the next cabinet meeting. If we cannot count on the member for Outremont, maybe we can count on the Minister of National Defence. What is clear is that more money is needed in the Technology Partnerships Canada program. The Bloc members have been calling for such an increase for at least five years now.

• (1715)

**Mr. Yves Lessard (Chambly—Borduas, BQ):** Madam Speaker, my question is for the member for Hochelaga. I will first thank him. As we can see, the experience he has gained in this place and elsewhere representing his riding is considerable and varied, and he shared it with us as he spoke on the transport issue. He did not stick to the bill, but covered a lot of things to make it clear that the issue is broad. In fact, it encompasses not only air transport, but surface and maritime transport as well. His approach is very much appreciated.

The transport minister spoke of upping the ante when we debate this and he said that other countries had shown interest in Bombardier's technology and in helping Bombardier financially as well. It would seem that we should be speaking of opportunities rather than of upping the ante. We should be discussing the opportunities we are afforded. With respect to this, I would like to know how the member for Hochelaga sees things at present in which the government is failing to support, as he said earlier, a flagship of our aerospace industry.

**Mr. Réal Ménard:** Madam Speaker, I thank our colleague for his speech. This recalls a chapter of our history, the history of the sovereignty movement that is.

We must remember that in the 1960s, the 1970s and the 1980s, when we compared the internal and external investments made in research and development, Quebec was clearly disadvantaged. I recall seeing the list of the research and development centres in Ontario and Quebec: it was three to one.

What a company like Bombardier did was to ensure research and development in the aerospace industry. This is why the transport minister must answer the call, and make sure the jobs related to Bombardier stay in Quebec. Such is the challenge, and you can count on the Bloc Québécois to ensure that is the direction taken.



*Government Orders*

• (1720)

**Mr. Christian Simard (Beauport—Limoilou, BQ):** Madam Speaker, I am pleased to speak today. First, I congratulate you on your appointment and your presence here this afternoon.

There is no doubt that for a new member of Parliament, it is both an honour and cause for nervousness to speak after such distinguished colleagues as the members for Hochelaga, Chambly—Borduas and Montmagny—L'Islet—Kamouraska—Rivière-du-Loup.

We are dealing here with a technical bill. Actually, it is quite symptomatic to have highly technical bills at the beginning of a new session. It is symptomatic of this Liberal or neo-Liberal administration to introduce a stopgap solution to problems—as it unfortunately seems to be doing with the submarines—instead of coming up with actual policies.

I was born in Chicoutimi, where my family still lives. I realize that I have always been in contact with the transport industry. In my childhood, I remember that we used to go and watch the famous white ships of Canada Steamship Lines. At that time, they did not belong to the Prime Minister's family but rather to the Soeurs de la charité of Quebec City. We do not know much about that. I was also distressed to see that this marine industry, which was the engine of economic development, disappeared, as usual because of a lack of vision or policy.

Later on, I moved to the North Shore. I lived in Baie-Comeau. The port of Baie-Comeau is also suffering from underfunding and has been all but abandoned by the Liberal government. This is due to reforms that are stillborn, if I may put it that way, reforms that do not go all the way, that lack means. Because of that, Baie-Comeau, which was once a vital component of the Quebec economy, is now sliding into a kind of economic stagnation that is often due to shortsighted policies and to a lack of understanding of transportation.

I now represent the Beauport—Limoilou riding, just opposite the Davie shipyard. My colleague from Lévis—Bellechasse was telling me that there are now only eight workers left in a shipyard that certainly employed more than 2,000 people at one point. It is very disturbing to see this yard, which has the biggest dry dock in Canada, crumbling because of a lack of policy that very often, let us face it, unfortunately discriminates against Quebec.

Of course we reiterate our general support for the principle of Bill C-4. We are sometimes disappointed to see the very narrow focus of the bills that are introduced, but sometimes they are necessary. The Bloc Québécois agrees with the principle of the bill.

We will recall that the purpose of this bill is to implement two international agreements, namely the Convention on International Interests in Mobile Equipment and the related Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment. These two agreements were negotiated under the International Institute for the Unification of Private Law, with the poetic acronym of UNIDROIT, and the International Civil Aviation Organization, whose headquarters are in Montreal, as we all know. In fact, that is no coincidence; it is headquartered in Montreal because Montreal is an important centre.

Hon. members know that I come from Quebec's national capital. As I indicated earlier, I have lived in the regions, but the economic vitality of Montreal is benefiting all of Quebec. And when we have centres as major a Montreal, we have to help them and their industries. Helping Montreal benefits the workers of Hochelaga as much as those of Beauport—Limoilou.

I would also like to share with you, Madam Speaker, something I feel is important for you to know. I have extensive experience in the field of sustainable development and environmental protection. I also worked in social housing.

• (1725)

What matters in sustainable development is the notions of environmental protection, of sustainability of resources, of equity and employability. Sustainable development requires that people have work, that their industry not be undermined, and that governments provide the support necessary to promote a fairer and more equitable society which shares its resources.

Unfortunately, that is not what we have at present. Here is a bill to better articulate the financing of heavy transportation equipment. We are talking about aircraft, but other similar legislation will be required in areas like aerospace, satellites, and rail. The protocols and conventions for those areas are not quite ready.

So, the government introduces an itchy bit of policy, this itchy bit of legislation to deal with financing, the mortgage and guarantees to secure financing and to have comparable international rules with respect to the financing and the procurement of air materiel.

At the present time, 32 countries have signed or ratified the convention and the protocol. Canada did so in March 2004 and the European Union has plans to do so. So this is all pretty recent. I would remind hon. members—since I believe there is an educational aspect to this House—that the purpose of the agreements is to ensure that countries have harmonized legislation when it comes to securities—what the rest of us might call mortgages—placed by lenders on mobile assets such as aircraft or trains.

As well, the agreements call for the creation of an international registry of aircraft, which would make it possible for lenders to readily determine the condition of a plane or to know whether there is a security against it and if so how much and by whom. Hon. members are aware that registries are important, or at least if they are properly kept.

Once again, unfortunately, we cannot say that the Liberal government's administration of such registries has impressed us much. One need only think of the firearms registry, and how laxly it was managed, with the result that the majority of Canadians and Quebecers withdrew their support of candidates they associated with that government in this last election.

At the present time, much confusion reigns as far as the financing of aircraft is concerned. An airline can be subject to the law of one country, have loans from lenders in two different countries, owe money to an aircraft engine manufacturer in a fourth country, who has placed a security on one engine in the event of non-payment. In short a situation as clear as mud, as they say.

### Government Orders

If these countries do not have harmonized legislation, particularly concerning the order in which creditors are paid off, endless court battles could ensue, leading to long and costly delays when an airline is no longer able to make its payments.

As well, contradictory legislation causes a great deal of uncertainty and increases the risks for lenders, who offset this by charging high interest rates. One might describe what is called in Latin the *statu quo ante*, or previous situation, as a total financial mess. No matter what term one uses, the reality is that there is total confusion, an unworkable situation that prevented harmonious international commerce.

Currently every country keeps its own aircraft registry using its own criteria, which might be confusing. The passing of this bill and the passing of similar pieces of legislation in other countries in the world will help put an end to such confusion, decrease the risks for lenders and, therefore, for borrowers. So doing they will help improve the ability for air carriers to get airplanes. This will give the aircraft industry a hand, which is good I think.

I am talking about giving the aircraft industry a hand, but we could talk about giving it a finger because what would really help the aircraft industry would be a real aeronautics policy to keep jobs in Montreal and at Bombardier. We are not talking about peanuts; we are talking about 5,000 jobs that are at stake. Due to a lack of policy, workers in the aircraft industry face an uncertain future.

● (1730)

The Bloc Québécois demands an aeronautics and aerospace policy covering important elements. It would support industrial research. With close to a third of high-tech exports, Quebec is way ahead of the other Canadian provinces. When it comes to the number of jobs in the high-tech industry, the Montreal area comes second in North America behind the famous Silicon Valley in California, well-known for producing computers and for its high-tech industry in general.

Telecommunications, aircraft, aircraft engines and parts are among the ten top exports from Quebec. Quebec has climbed to the sixth place in terms of sales generated by the aerospace industry. Montreal is the fourth city in North America for the number of jobs in the biopharmaceutical industry. Quebec industries are innovative. Industrial research is the only area in which Quebec gets its fair share of federal research and development funding.

All this is being threatened by the government's procrastination and lack of vision. Currently several American states are courting Bombardier, which is seeking help and not getting any.

With 31 per cent of Canada's high-tech exports, Quebec industries are getting 30 per cent of federal funding. That being said, even though Quebec is getting its share, as a whole funding is grossly inadequate.

Developing a high tech product, be it a drug or an airplane, takes time and costs a lot of money. At this stage, government financing is vital. As the member for Hochelaga and my distinguished colleagues have said previously, the funding of the Technology Partnerships Canada program is stagnant. In constant dollars, it has actually decreased, with the result that we can no longer support this industry.

Furthermore, the government is starting to receive royalties for products whose development was financed in part with public money. Indeed, the Technology Partnerships Canada program is a risk sharing program established in 1996. Through this program, Ottawa invests in research and development. Then, once a product is marketed, five, ten or fifteen years later, the government gets its money back through royalties.

The government is starting to receive these royalties. And while industrial research spending is increasing by about 8% a year, government investment in the Technology Partnerships Canada program remains about the same. Eight years after being launched, this program is now clearly underfunded. This seriously threatens the aerospace industry, the flagship of Quebec industry as we have pointed out earlier.

Our aerospace industry, which exports 89% of its production, must be in a position to stand up to competitors, which get much more support. In the United States, this support comes from the military industry, and in Brazil, the industry gets a permanent and massive support from the government.

The Minister of Transport told us we should avoid a subsidy war, but we should not turn a blind eye either. We should not ignore the problem, but we should realize the competition is international. If, strangely enough, we let down an industry that creates wealth in Quebec while we support the automobile industry in Ontario, this will be an unacceptable double standard.

We are in a society where jobs should be supported. We should not support lame ducks, but we should help successful industries. The aerospace industry is successful. This is not a joke. Nobody wants an open bar or a subsidy war. I think some are indulging in theatrics or try to hide the facts in order to avoid responding to this emergency.

The impact of not responding right now with a serious offer and a partnership with Bombardier would be extremely serious. We risk losing a massive number of jobs. This lack of vision and policy could cost us dearly.

During the election campaign, the Minister of Transport made a habit of using shock formulas and distasteful images that evoke the funds received by the Liberal Party. The management of a department or of policies is not a matter that can be handled in a 10-second clip on television, or by saying that one is against interventionism, when there was a lot of intervention in sponsorships, and the management of the gun registry, which was completely botched.

● (1735)

The government intervenes a lot to take away from working and unemployed Quebecers and Canadians what is rightfully theirs. In these cases, it is very interventionist.

*Government Orders*

When the time comes to pay off a deficit on the backs of the provinces and the unemployed, when the government hides surpluses in an incredible way—we are talking about \$9.1 billion instead of \$1.8 billion—we realize that this government is characterized by secrecy, lack of vision and arrogance. As a result, there is no policy to support programs. We are always in a minefield. We are always facing the possibility of losing jobs and emptying the regions.

This lack of policy does not relate only to transportation; these are realities. We find ourselves without a consistent employment policy. The government undermines employment insurance, as my colleague from Chambly—Borduas has demonstrated. It does not allow youth who have seasonal jobs to stay in their region in the winter, perhaps to create a small business. It sends them instead to urban areas such as Quebec City or Montreal. It sends them to cities, which literally empties the regions. It fears after the fact that Montreal and Quebec City will have the same problem. This lack of policy is very negative.

What we are calling for is a policy to help Bombardier, not only very specific bills, framework legislation and broad views which should not be used to spend public money but to attract industries and improve what is already functioning well.

Obviously, even if Bill C-4 is a step in the right direction in terms of financing the purchase of aircraft equipment, it does not solve the real problem of Quebec's aerospace industry, which is the lack of an aerospace policy.

Bombardier is being courted by three American states who would like the company to set up shop there for the construction of its 110 and 115 seat airplanes. According to the CBC, these states are all offering over \$700 million. Can we accept the Minister of Transport's response that the government does not want a bidding war? Could this not be translated to mean that the government does not want to intervene and that it will let the American market dictate where our jobs will go? It is extremely cynical and dangerous. This is playing with fire.

I hope this will not be the only response of the Minister of Transport and that someone, somewhere, is trying to reach an agreement with Bombardier and to support this job-creating industry. However, if this is not the case, if there is no policy to quickly reach a solution on an urgent basis, I think such an attitude would border on irresponsibility. They will then have no excuse for saying that they thought the American states were bluffing and that they were not serious.

Quebec's aerospace industry, which has annual sales of \$14 billion and employs more than 40,000 workers, represents almost half of high-technology jobs in Canada. Of the 250 businesses in the sector, 240 are small and medium-sized businesses. As Prime Minister Jean Chrétien said, the aerospace industry is to Quebec what the automotive industry is to Ontario. If the automotive sector gets help, so should the aerospace sector.

It is urgent that this government implement an aerospace policy.

• (1740)

**Mr. Réal Lapierre (Lévis—Bellechasse, BQ):** Madam Speaker, what pleases me about these last few speakers is that I was touched

by the remarks by two members concerning something that happened in my riding. In my riding, I must admit, there was a shipyard working full out; it had hired over 3,000 people at one time and now, unfortunately, hires practically no one. This is despite the fact that the shipyard in question has one of the most modern dry docks in Canada and leading-edge equipment.

Here is the question I want to put to my colleague. In fields such as shipping, the fact of having a shipping policy will at least enable our most efficient shipyards to survive. Once again, the province of Quebec is directly targeted, because of the seaports that have already closed and others that are on the verge, and also because of the aerospace and aeronautics industry. Why is it that we are always arguing about the reasons for trying to give a legitimate birth to policies that could help us survive? Why is it that in Ontario, during the election campaign, these arguments did not have to be double-checked in order to get confirmation of Liberal Party support to help the automobile industry survive?

Therefore, I ask the hon. member for Beauport—Limoilou how he can explain that we must always go over these elements point by point even though they are quite obvious, because they are part of our daily lives? No one here in this House is denying that Ontario's auto industry is efficient. Thank heavens, it is.

On the other hand, how is it that in Quebec, where we have the credentials that prove how efficient we are, we must constantly struggle to achieve a minimum of legislation and, in particular, with respect to the amounts of money needed as guarantees so that we can make better progress in the international competition we face?

**Mr. Christian Simard:** Madam Speaker, Beauport—Limoilou is a beautiful riding if ever there was one.

I would like to thank my colleagues for their questions. I ask myself the same questions. We can come up with answers, but it is up to the government to respond to these questions that are so unsettling for all Quebecers.

It seems as though this is a country in which we unfortunately do not belong. One day we will have our own country, we hope. We are all working toward that goal.

In this country of Canada, everything happens in Toronto. In some cities, they used to talk about everything happening somewhere else, but now everything happens in Toronto. It is like the French who, in their centralist country, felt like everything was in Paris. Here we feel like everything is in Toronto.

Maybe we can come up with an answer for my colleague from Lévis—Bellechasse. During the last election campaign, the Liberals said they would not reform employment insurance immediately. The poor member—I can use his name since he is no longer in the House of Commons, unfortunately for him—the former member for Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok, George Farrah said, “You know, we cannot all win.” In Toronto, they are not sure why so much money would go to the unemployed since there is not much unemployment in Toronto.

*Government Orders*

There is a misunderstanding about what makes Quebec strong and what is less urgent. I do not believe that it is necessarily a conscious anti-Quebec reaction; it is the ignorance of the famous two solitudes. At the end of the day, despite the opening speeches and the theoretical respect for provincial jurisdictions, there is still encroachment. Industry never gets the support it needs and things have to start over from scratch.

I was listening to the Minister of Finance during oral question period. He did not know that Desjardins—Quebec's largest financial institution—had not even been retained as a broker in the Petro-Canada matter. The Minister of Finance was not aware of that. Yet, this was front page news. The government does not respect one of Canada's largest financial institutions and the single largest one in Quebec. It does not think that Valeurs mobilières Desjardins deserves to be recognized as a broker.

It is this whole culture, this mix of ignorance and lack of understanding, that has carried a political weight for this government, which now finds itself in a minority situation. The Liberals will carry this weight for a long time. If they maintain this lack of understanding and this centralizing federalism, it is my hope that, some day, we will build a country for ourselves, we will have our own country. If they cannot help our aerospace industry, we will, provided we are given the means to do so.

In the meantime, we are paying taxes. We should get something in return. This is good for Quebec, for workers in Montreal and for the whole Quebec society. We hope that, some day, this government will understand this reality.

• (1745)

[English]

**Hon. Jim Karygiannis (Parliamentary Secretary to the Minister of Transport, Lib.):** Madam Speaker, I listened to my colleague across the way, and I have been listening to the Bloc members all afternoon. Although they are supporting the bill, I have to give them credit for wanting to voice their opinions and get back to their constituents their points of view.

I took exception to one thing the member said. He said that everything is centred in Toronto. I have to remind my colleague that this country goes from St. John's, Newfoundland, to Victoria, B.C., from the 49th parallel right up to Resolute Bay. Everything is not centred in Toronto, although geographically, if one throws a dart on a map of Canada, it might hit Toronto or Winnipeg.

The country is a vast. Members of Parliament are from all over Canada. We are here to exchange ideas and views. I think my colleague might want to reconsider when he says that everything is centred in Toronto. Certainly I hear from a lot of constituents and colleagues in Toronto how much they enjoy it every time they travel to Quebec, or drive to Montreal or to other areas of Canada. Singling out members and saying that everything is centred in Toronto is like saying Toronto is bad, which is quite the opposite.

I remind my colleague that Toronto is the economic engine of the country. However, we do not see it that way. We see the country as inclusive. If my colleague has different ideas, I am sure he might want to reconsider or if he has a focus with a blinders on, I really feel sorry for him.

[Translation]

**Mr. Christian Simard:** Madam Speaker, I thank you for giving me this opportunity to reply to the hon. member's question.

I have travelled a lot across this country called Canada, this strange confederation that looks more like a centralizing federation than the confederation that we would expect to respect the respective powers of its members. Everywhere, I have seen the enormous weight of Ontario. I have been involved in cooperative housing and in the environment. We could show figures indicating that Ontario always gets proportionally more in subsidies than its demographic weight justifies. Conservative members often raise this issue. Indeed, western provinces also feel that the distribution pattern is unfair.

For a long time, Montreal was Canada's economic metropolis. This is no longer the case. Why? Perhaps because of policies that did not promote Montreal's development, policies that did not respect the Quebec reality and that did not support Quebec. The hon. member for Bas-Richelieu—Nicolet—Bécancour knows, like me, that policies that benefit Toronto at the expense of Montreal, with the result that over the years a lot of capital money has left our province, are nothing new. We no longer want to experience this in Quebec. We have too much dignity for that.

• (1750)

**Mr. Marc Boulianne (Mégantic—L'Érable, BQ):** Madam Speaker, the riding of Mégantic—L'Érable is indeed a beautiful one. Riches of all kinds are to be found there: granite, chrysotile asbestos, maple syrup. This is quite important.

I would first want to congratulate you, Madam Speaker, on your appointment. I also want to congratulate my colleague for Beauport—Limouilou, who gave us a heartening speech on Bill C-4. I would also like to congratulate the member for Hochelaga. Earlier, he gave us the full background of the various modes of transport. To me, this is important. This afternoon, we were given historical explanations, which were very interesting.

As for Bill C-4, an act to implement the Convention on International Interests in Mobile Equipment and the Protocol to the Convention on International Interests in Mobile Equipment, the Bloc Québécois gives its approval in principle. After all, there are important issues here. In fact, it was mentioned earlier that two contracts will be honoured. We have the Convention on International Interests in Mobile Equipment and, secondly, the Protocol to the Convention on International Interests in Mobile Equipment. When all this is implemented, laws on guarantees—which we agree with—will be better harmonized and there will also be less confusion.

This is still something important, which is why the Bloc agrees in part with this bill. It can be supported in principle; however, as I mentioned earlier, the bill is incomplete. Even though it goes in the right direction, the fact is that the real problem of the aerospace industry is the lack of policies. Indeed, there are problems that are major and that remain so.

*Government Orders*

For example, there is the Bombardier problem. It is around this issue that the bill should evolve and be converted into policy. My colleague from Hochelaga talked at length about competition; some American states want this company to move to the United States and they offer many opportunities. These are major competitors, which have a lot of money and offer much more than Canada can offer. We must focus on this project to solve the Bombardier case once and for all.

What is Ottawa doing in this issue? It has a wait and see approach. It supports research in a very anemic way. I believe research and development to be the central point of a major policy. The Technology Partnerships Canada program, even though it is funded at a certain level, is still underfunded. The same goes for the export contracts that are supported; there are still very few of them.

There are still problems that Bill C-4 does not solve. This is why it is vital to put in place a real policy. The hon. member for Beauport—Limoilou said earlier that, in Quebec, the aerospace industry's sales amounted to \$14 billion. We will keep repeating it. It is very important. This industry employs more than 40,000 people. This is half of all high technology jobs in Canada.

The hon. member for Argenteuil—Papineau—Mirabel said another very important thing earlier. It is about SMEs. I will come back later to the role of SMEs, which, in our ridings and regions in particular, create jobs. Consequently, it is very urgent for the government to not only talk, but to act. When the minister and hon. member for Outremont says that the aerospace industry is to Quebec what the automobile industry is to Ontario, the words must not be hollow. The companies must also be supported, meaningfully. It is important.

The Bloc Québécois raised some very important points for the development of a real aerospace policy. They can be summarized in the following three main elements: first, support industrial research. We talked about it earlier, it is essential. We must also encourage exports and, as I said earlier, we must support SMEs.

• (1755)

We talk about supporting industrial research, telecommunications, planes, engines, aircraft parts, which are among the top ten exports in Quebec. Quebec has climbed to the sixth place with regard to sales generated by the aerospace sector. It is a well-known fact that Quebec is the fourth North American city when it comes to the number of jobs in the bio-pharmaceutical industry.

Quebec industries are constantly evolving. They are innovative. Industrial research must be subsidized to the maximum. The same goes for high-tech exports. Again, the federal funding is inadequate. It is clearly not enough.

It takes a lot of time and money to develop a high tech product, be it an aircraft or a drug. It is not enough to quote statistics and say how much you give. It takes subsidies and time to develop a product.

If research is under-funded, the industry is jeopardized. It was mentioned earlier. The industry becomes anemic and does not develop. There is neither financial support nor technical support to develop resources.

This is why industrial research, which is one of the engines and pillars of development, is not working. And you cannot deliver. As we know, as soon as investment drops, and the goals are not met, jobs disappear. Some 2,000 once in Montreal. The SMEs are affected.

The same goes for sub-contractors. In our regions, in a riding like mine, SMEs are responsible for 40 per cent of jobs. As soon as subsidies dry out, sub-contractors suffer.

When it comes to research and development, one must make sure that the level of funding is not only adequate, but that it is enough to develop a product. It is urgent that we provide our industry with the same level of support as our competitors. We must provide the highest level possible of support.

This is why the Bloc Québécois is asking for a substantial and very quick increase in federal investments. We talked earlier about globalization. Manufacturing in this area is developing really fast. If we want to remain leaders in this market, we must act quickly. This was the first aspect of the position put forward by the Bloc in favour of an aeronautics policy.

There was a second aspect we talked about earlier, namely exports. Prospects for the aeronautics industry in the Canadian market are obviously limited. Our businesses will only be able to amortize their development costs if they invest in the global market. Globalization is a reality with which we have to live.

The aeronautics industry exports 89% of its production. Yet, in this area, Ottawa encourages export far less than do other countries. Thus, our businesses are more often exposed to foreign competition. Statistics show that in the past three years, Export and Development Canada financed, on average, 41% of Bombardier's airplane deliveries.

In the case of our competitors, it is much higher. Again, whether it be in research or in development, the federal government must increase its financial support for business export contracts to the same level—at least, if possible—to the level enjoyed by foreign competitors. We always come back to that.

Those are two areas which will absolutely have to be developed, namely exports and industrial research.

Thirdly, we must support small and medium businesses. I mentioned earlier that my riding, Mégantic—L'Érable is said to be a special place for small and medium businesses, whether they are involved in iron, aluminum, chrysotile or metallurgy. We have many of them.

*Government Orders*

•(1800)

Thus, 40% of our jobs are within SMEs. When a region such as ours lives for several years from a single industry, chrysotile asbestos, that is to say, there comes a time when diversification has to take place, because the market is slowing down, there is a misperception of our product, asbestos, and there is bad publicity. Diversification is thus a necessity. The way to do it is with SMEs. We have companies such as CIF Métal, Industries Canatal Inc., Granirex. All of them are businesses which are involved in subcontracting and they are extremely important.

When Montreal is doing well, regions feel the impact: our SMEs and job creation are doing well, and our economic diversification is expanding. As my colleague from Beauport—Limoilou has said often, we are providing instruction. So I do that too. Quebec's aerospace industry, which has sales of \$14 billion dollars a year and which employs over 40,000 people, accounts for close to half the jobs.

Canada must do more for SMEs. Foreign companies are important too, as they represent roughly two thirds of the industry's suppliers. That speaks of the potential of Quebec's SMEs for growth. If they managed to gain a part of the market it would be hugely important in terms of job creation. To achieve that, they need assistance. If we take as an example a SME in the city of Thetford Mines, its competitor could be a city in Germany or in London. Competition is extremely strong. Assistance is thus needed to support the SMEs, to create employment in the sector and also to diversify the product. We do not have a choice, above all when talking about diversification.

What happens in the area of the SMEs, which form a very important third component of a policy is that to be certified and become a supplier, an SME must comply with a series of very strict criteria set by the contract givers. It must thus be able to be associated with the development of any new product, from the beginning of its design to its finalization.

If legislation is inadequate and recognizes only one part, it will be hard to implement in the regions. This issue was broached earlier, and the hon. member for Argenteuil—Papineau—Mirabel was quite clear. He said we need a real plan, a real policy. They will help the small and medium businesses. They will be able to meet stringent requirements concerning quality, skills, manpower and, of course, job creation.

All of this combined costs money. A small business with 20 or even a 100 workers cannot do that all by itself. It needs help, and the government can help. The SMEs cannot meet the cost of this development by themselves.

The Bloc Québécois has among its priorities economic, fiscal and regional concerns. We are almost the only ones speaking often about regional development, regional economies and the SMEs and their development. With the aerospace industry, we have a very important opportunity using the aerospace industry to develop our SMEs and regions, and to be in sync with this policy.

The federal government's role is to help businesses, which are very often ready to make the transition from small or micro business with precarious financing to medium business, which can take on the market if only it is given the chance and the means.

I am thinking here of several business in our area which are on the borderline. They managed to succeed and create jobs. With a little help in the form of subcontracting or subsidies, they could eventually develop and make the transition to a much higher status.

•(1805)

We have to provide some very important measures in the case of small and medium business. As I explained at the beginning, I insist on this because it is an important reality in our region. First, we have to be vigilant and implement a loan guarantee programs to increase the enterprises' working capital.

When a small or very small business in financial difficulty comes to our office, the first thing we do is to look at its working capital. Afterwards, we look for programs to help. A problem in working capital is the major impediment to development. Therefore, we should establish a program to enable these businesses to get more involved in product development and to bid on more important contracts, as well. If very small businesses grow to small and then, to medium-sized, it should also be given the opportunity to bid and to play a more significant role in the operation and development of the economy, not only at the regional level but also at the level of the whole province of Quebec.

The second important point is that we will have to set up a program to support certification—this remains almost a daily problem—of SMEs with regard to large businesses. Everyone understands the linkages between an SME or a very small business and a large business. To operate requires certification. The objectives are the same for large and small businesses alike: job creation, economic development and local and regional development. It is therefore extremely important to enact this type of measure or, as we would prefer, to have it set out in a policy.

The third point has to do with something small businesses cannot do, unfortunately, and that is to establish measures in support of promotion and marketing. Often, the product is a good one. Problems come up and the situation reverses. The business can no longer market the product. It does not have the money to do it. It does not get any help to do it. Over the past few months, I have visited a number of these small businesses, where, as I said earlier, cupboards and aluminum parts are made. Some businesses score very well but cannot advertise. Promotion support is therefore needed.

Finally, we should also look into the possibility of helping out these SMEs with regard to subcontracting and contracts. In a general way, I believe that this bill will certainly help, but it is incomplete. As was said earlier, there are gaps in the bill. For example, government funding is insufficient. There is also a lack of clarity.

To conclude, speaking for the Bloc Québécois, I will say that we must use this opportunity to give ourselves a real aerospace policy so we may finally develop our regional economies along with the aerospace industry.

*Government Orders*

•(1810)

**Mr. Réal Lapierre (Lévis—Bellechasse, BQ):** Madam Speaker, my colleague from Mégantic-L'Érable has just described Quebec's circumstances in the aviation and aerospace industry. He pointed out economic spinoffs to the tune of \$14 billion. He also mentioned the hiring of more than 40,000 people. He alluded to the fact that out of 250 companies in this sector, 240 are SMEs. I know full well that my colleague lives in a region that can be called a SME hotbed.

My question is the following: over and beyond the measures being proposed by the Bloc to provide Quebec with a true policy in the area of aerospace, does my colleague from Mégantic—L'Érable think that, in spite of it all, the Liberal government is doing everything it can to save the aerospace sector in Quebec?

**Mr. Marc Boulianne:** Madam Speaker, as I have said, the principle of Bill C-4 is there. They want to make an effort. For example, loan guarantees absolutely must be harmonized. That is important, as is reducing the confusion between partners. This is a starting off point toward solving certain problems. This is in answer to the question by my colleague for Lévis—Bellechasse, for which I thank him.

So this represents an effort to solve the problem, but as has been said, although one must not fault good intentions, they are not enough. A bill such as this one is not enough to fix the major shortcomings that have been described. What is needed is a true three-point policy based on what I have already listed: industrial research and development, exports and small and medium sized businesses.

As far as the latter are concerned, it is not specified that these must be in aerospace. Any kind of small or medium business could develop an affinity with a major industry.

To answer the hon. member's question, I think that what they are wanting to do is insufficient. That Bill C-4 is not enough, as it addresses only one aspect. What is needed, and as quickly as possible, is a general policy.

[*English*]

**Hon. Jim Karygiannis (Parliamentary Secretary to the Minister of Transport, Lib.):** Madam Speaker, I listened with interest to my colleague. He pointed out a few things that need to be done. Or should I say that he complained about things not being done? He talked about diversity, new products and the need for us to be competitive. He talked about how we need a real policy.

That is all well and good, and I am sure he is here in order to serve his constituents, as we all are, but I wonder if my colleague has researched the bill. I know that his party is agreeing to it in principle. If my colleague were to look carefully at the bill, he would notice that this is one milestone step in moving in that direction in order to make sure that the aerospace industry in Canada is a vital one, a milestone step in order to provide for the airline industry and for passengers and everybody concerned. It gives the spinoff industries the tools they need in order to be on a strong footing and to move forward.

It is good to say in this place that we need this or that, but the bill does address this. It is a milestone step. It is something that we have been trying to bring together since 1988. It was brought forward by

one Canadian. It is like opening the eyes and saying, "Here it is, world, let us do it". I am hearing that members are agreeing with this in principle, but I do not hear that this is the first step and we have to work from here. The only thing I hear is that we need the real policy. This is a real policy.

•(1815)

[*Translation*]

**Mr. Marc Boulianne:** Madam Speaker, my colleague refers to a milestone step, and we to a principle. There is not that much difference between the two.

As far as principles are concerned, as we have said, the Bloc Québécois supported the principle of a degree of recognition, of the need to do something in this field. So whichever term you use, that is what it is all about.

What we have also said is that it is good but incomplete. It will not meet the needs of development or research. More is needed. A real and effective policy is needed.

**Mr. Yves Lessard (Chambly—Borduas, BQ):** Madam Speaker, my question for the hon. for Mégantic—L'Érable is based on the statement made by the Liberal member, who said that, with Toronto being Canada's economic engine, as he called it, it follows that more massive investments should be made in the Toronto area.

In spite of this statement made by the Liberal member, does my colleague find it reasonable that most of the government's investment in research and development is made in Toronto, and that the rest of the provinces, Quebec included, have to share the remainder?

**Mr. Marc Boulianne:** Madam Speaker, the hon. member for Chambly—Borduas is justified in wondering. It is not right that research and development, credits and subsidies be concentrated in Ontario. That is what I alluded to earlier in quoting the minister and member for Outremont who made an unwarranted assertion, because there is no logic in saying that the aerospace industry is to Quebec what the automobile industry is to Ontario.

It is a totally different story with subsidies. There is no logic in that. The hon. member just came up with that assertion. It is not right. If there is a principle whereby what is true for Ontario has to be true for Quebec, that has to be verified.

As was demonstrated earlier in several areas, there are statistics that can be verified. In research as in any other area, Ontario has always been privileged, contrary to Quebec.

[*English*]

**Mr. Brian Masse (Windsor West, NDP):** Madam Speaker, one of the things mentioned by the Parliamentary Secretary to the Minister of Transport was that this is a milestone step, but I think that opens up the debate we need to have today to tell Canadians how important this industry is, what is happening to it and why we need further aerospace policies.

*Government Orders*

Since 9/11, over 35 major airlines across the world have declared bankruptcy. They were from Switzerland, Peru, the U.S.A., Italy, Finland, Colombia, Mexico, Canada, Germany, Ireland, Australia and France. This is something that affects all industries across the world. Major airlines like United Airlines and Hawaiian Airlines have been going through this process.

What we have to recognize here is that it is not necessarily just a Quebec issue. I think that sometimes it is being seen as that. For example, 33% of aerospace jobs are in Ontario and 4% in Nova Scotia. As well, Manitoba has around 7%. That is a significant portion. There is some diversification of the industry and it is very important for all of it to be successful.

The big issue is that the industry right now has a trading surplus of around \$5 billion, which comes back to this country in significant wages for employees and also for their communities, whereas the pharmaceutical industry has a deficit of over \$5 billion. We are watching ourselves lose money on that front.

I would like to ask the hon. member to compare the two scenarios and how that fits in with a debate on aerospace policy. We have one industry that contributes to a \$5 billion surplus and another industry that is costing Canadians over \$5 billion because more is actually shipped in and more jobs are exported for other nations.

● (1820)

[*Translation*]

**Mr. Marc Boulianne:** Madam Speaker, I found my hon. colleague's remarks very relevant, when he said that this is not just a Quebec issue. I think he is right about that: the whole aerospace industry across the country is affected.

Regarding the \$5 billion, that is a considerable amount of money. We must act to change the way the federal government is acting in that respect.

**Mr. Benoît Sauvageau (Repentigny, BQ):** Madam Speaker, I too am pleased to have an opportunity to speak to Bill C-4. It is, of course, always important to refocus the debate and to give some explanations for the benefit of our listeners. People who watch our debates should know what Bill C-4 is about. It is also important for members of Parliament to know that we are a part of the discussions.

I therefore note that Bill C-4 is an act to implement two international agreements. The first is the Convention on International Interests in Mobile Equipment and the second, the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment.

Bill C-4 deals primarily with these two international conventions. We live increasingly in an era of globalization. The purpose of this act is to bring Canada into line with other countries of the world as far as aerospace policies are concerned.

The purpose of Bill C-4 is to adapt federal legislation to the requirements of the convention. This bill includes the following five aspects.

The Canadian aircraft registry has been dropped and replaced with an international registry. My colleagues have clearly expressed how, in the international construction scheme, an aircraft engine could be bought in one country while the fuselage was made in another

country, and so on. We get to a point where we do not know who owes what to which country. In this way, by keeping an international registry of aircraft properties, it is much easier for aircraft equipment companies and for investors. This is to the benefit of all.

The purpose of this bill is also to amend the Bank Act, particularly to replace the references to the national registry with references to the international registry. The changes and improvements have to be adopted and implemented. Another purpose of the bill is to amend the Bankruptcy and Insolvency Act to harmonize the payment order lists for the secured creditors or the mortgages with the requirements of the international convention. A little more is involved for an aircraft than for a house.

This bill also seeks to amend the Companies' Creditors Arrangement Act to ensure that a company cannot give as a guarantee something that is already used as an international guarantee. In the wake of September 11 events, we witnessed the problems experienced by some airlines. We do not want these carriers to be able to use loopholes in the legislation and have two or three loans, two or three guarantees for the same aircraft.

Finally, Bill C-4 seeks to amend the Winding-up and Restructuring Act for the same purpose, namely to comply with international agreements.

I want to express the views of my constituents, as my colleagues have done. In Quebec, what does this mean? We are Bloc Québécois members. My friend, the NDP member, said that our speeches deal primarily with Quebec. I hope he is not surprised by this. I remind him that our party's name is the Bloc Québécois. We protect the interests of Quebec and we promote sovereignty.

The Quebec aerospace industry generates annual sales of \$14 billion. It employs 40,000 people. This is close to half of all high tech jobs in Canada. Quebec produces one third of the world's civilian helicopters. The civilian helicopters made in Quebec to be sold do work, contrary to the submarines bought from Great Britain, which sink while en route.

Bombardier is one of the primary employers in Quebec's aerospace industry. This makes a lot of our Conservative friends cringe, because their party is not represented in Quebec. The others are Pratt and Whitney, and Bell Helicopter. Out of 250 companies in that industry, 240 are small or medium size businesses that act as suppliers for large companies. This means that there are 10 large companies out of these 250, while 240 are either subcontractors or small businesses that act as suppliers for these 10 large companies. Together, these 240 small and medium size businesses account for 10% of the total sales of Canada's aerospace industry.

● (1825)

That is why the Minister of Transport and member for Outremont stated in one of his famous and magnificent rhetorical flights that the aerospace industry is to Quebec what the automobile industry is to Ontario. If that is true, let the federal government give the Quebec aerospace industry the equivalent of what it gives to the automobile industry in Ontario.



*Government Orders*

If Dennis Mills, a former member from the Toronto area, were in the House today, maybe he would tell the hon. member for Outremont what he said during the election campaign or just before, that “the hon. member for Outremont should either filter his thoughts between his thinking and his speaking, or do what he says.” I will quote more pronouncements by the hon. member for Outremont to show how Dennis Mills could sometimes be right.

The Minister of Transport said that the aerospace industry was the equivalent in Quebec of the automobile industry in Ontario. As my colleagues made it their duty and their pleasure to point out during the election campaign, there was no debate or vote in the House of Commons. The government went to southern Ontario and announced that, since the automobile industry had problems, it would get \$500 million. The GM plant in Boisbriand had just closed down, and no funds were available then, but that was not important. The automobile industry in Ontario would get \$500 million. If the majority of electors there were to vote for the Liberals, if their votes were needed, the government would hand out \$500 million because things were not looking as good.

I ask the Minister of Transport once again: if aerospace is to Quebec what the automobile is to Ontario, why does he not provide money?

The Minister of Transport says one thing and does another, which means that he does not help Quebec's aerospace industry at all or only barely. Since he has been away from Parliament and government for a while, I advise him to take a look at what has happened in Canada ever since he first sat, as Minister of Transport, of Industry, or in some other capacity.

The Minister of Transport should know why we should invest in Quebec. He could take a look at the sectors of activity where the federal government has invested outside Quebec. He could accompany the Industry Minister in the Maritimes and stop in Newfoundland. He would see the billions of dollars invested in the Hibernia platform. The federal government helped them out by the billions of dollars. The Minister of Transport would surely be astounded to see what has happened in Newfoundland with federal help, and also in the Maritime provinces.

After Newfoundland, he could visit Ontario's nuclear energy industry, where the federal government has invested billions of dollars. Because there was no hydroelectricity, they developed nuclear energy. As he aptly said himself, the transport minister could look at the automobile industry in southern Ontario, where the government invests billions of dollars.

If he wanted to deal with these issues, the transport minister could go to downtown Toronto to see how much money the federal government has given to GO Transit for the development of public transit, such as highways, the subway or buses. The federal government provided this money.

In the meantime, how much did it give to Quebec? Nothing. Not a penny. If he moves west, he will see that the federal government has invested billions of dollars in the oil of the Western provinces. He could say that the aerospace industry is to Quebec what oil is to Alberta. He could say that the aerospace industry is to Quebec what

the nuclear industry is to Ontario. He could say that the aerospace industry is to Quebec what Hibernia is to Newfoundland.

• (1830)

On each count, we could tell him, “The funding is not there like it is, for example, for Hibernia in Newfoundland, for nuclear energy development in Ontario, or for oil discovery in western Canada”.

[*English*]

**Mr. Brian Masse:** Madam Speaker, I rise on a point of order. We have currently lost translation.

**The Acting Speaker (Hon. Jean Augustine):** Please continue.

[*Translation*]

**Mr. Benoît Sauvageau:** Madam Speaker, contrary to what one might think, it is always a pleasure to hear that there is no interpretation, because it means that there are members listening.

After this brief interruption, this “interpretation break”—

[*English*]

**The Acting Speaker (Hon. Jean Augustine):** Just give us a few seconds to ensure that we have translation in English.

I will ask the member for Repentigny to continue.

[*Translation*]

**Mr. Benoît Sauvageau:** Madam Speaker, normally, if the microphone is on, interpretation is on. I will carry on—

[*English*]

**The Acting Speaker (Hon. Jean Augustine):** We still have no translation.

[*Translation*]

Just one moment, please.

[*English*]

We are awaiting the signal for the service.

Thank you for your patience. I do appreciate the fact that they are working really very hard to have the translation services back to us.

We are doing everything that is possible.

[*Translation*]

Excuse me again. I would ask the hon. member for Repentigny to continue.

• (1835)

**Mr. Benoît Sauvageau:** Madam Speaker, I wanted to say that if the interpreters' microphones are not working, I should stop again.

Still, I wanted to give you a few quotes from the hon. member for Outremont, the former member for Shefford. Change your riding; change your party. No, he stayed in the same party; well, yes and no.

Are the interpreters' microphones working? I am told they are okay.

This hon. member for Outremont and Minister of Transport who gave us one good quotation has given us more. Before the election campaign began, he told us there was a smell of rotten fish in the Liberals' refrigerator, and that—

*Government Orders**[English]*

## SUSPENSION OF SITTING

**The Acting Speaker (Hon. Jean Augustine):** I thank the members for their patience. We will suspend for about a minute or so until the service is available to us.

(The sitting of the House was suspended at 6:36 p.m.)

## SITTING RESUMED

(The House resumed at 6:39 p.m.)

**Hon. Karen Redman:** Madam Speaker, there have been consultations and I believe that if you were to seek it, you would find unanimous consent to see the clock as 6:50 p.m.

**The Acting Speaker (Ms. Jean Augustine):** Does the hon. member have the unanimous consent of the House to move the motion that we adjourn until tomorrow?

**Some hon. members:** Agreed.

**The Acting Speaker (Ms. Jean Augustine):** It being 6:40 p.m. the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6:40 p.m.)

---





# CONTENTS

Monday, October 18, 2004

## SPEECH FROM THE THRONE

### RESUMPTION OF DEBATE ON ADDRESS IN REPLY

Mr. Harper .....	457
Amendment to amendment, as amended .....	457
Mr. Duceppe .....	457
Mr. Layton .....	457
Mr. Valeri .....	458
(Amendment to amendment, as amended, agreed to) .....	458

## GOVERNMENT ORDERS

### Canada Shipping Act

Bill C-3. Second reading .....	458
Mr. Roy .....	458
Mr. Karygiannis .....	460
Mr. Hearn .....	461
Mr. Marceau .....	461
Mr. Wappel .....	462
Mr. Simms .....	462
Mr. Masse .....	463
Ms. St-Hilaire .....	463
Mr. Bagnell .....	464
Mr. Gagnon (Saint-Maurice—Champlain) .....	465
Mr. Masse .....	465
Mrs. Desjarlais .....	465
Mr. Karygiannis .....	466
Ms. St-Hilaire .....	466
Mr. Gagnon (Saint-Maurice—Champlain) .....	467
Division on motion deferred .....	468

### International Interests in Mobile Equipment (aircraft equipment) Act

Mr. Lapierre (Outremont) .....	468
Bill C-4. Second reading .....	468
Mr. Karygiannis .....	468
Mr. Loubier .....	470
Mr. Nicholson .....	470
Mr. Masse .....	471
Mr. Nicholson .....	471
Ms. St-Hilaire .....	472
Mr. Boshcoff .....	474
Mr. Powers .....	475
Ms. St-Hilaire .....	475
Mr. Masse .....	475
Mr. Martin (Winnipeg Centre) .....	476
Mr. Christopherson .....	477
Mr. Laframboise .....	478
Mr. Gagnon (Saint-Maurice—Champlain) .....	479
Mr. Godbout .....	479

## STATEMENTS BY MEMBERS

### Citizenship

Mr. Wrzesnewskyj .....	479
------------------------	-----

### Gasoline Taxes

Mrs. Gallant .....	480
--------------------	-----

### Italian Society Principe di Piemonte

Mr. Boshcoff .....	480
--------------------	-----

### Haiti

Ms. Lalonde .....	480
-------------------	-----

### Cole Harbour Place

Mr. Savage .....	480
------------------	-----

### Tobacco Industry

Mrs. Finley .....	480
-------------------	-----

### Junction Arts Festival

Ms. Bulte .....	481
-----------------	-----

### La Terre de chez nous weekly

Mr. Guimond .....	481
-------------------	-----

### Lifetime Achievement Award

Mr. Tonks .....	481
-----------------	-----

### Foreign Aid

Mrs. Hinton .....	481
-------------------	-----

### Child Pornography

Mr. Wappel .....	482
------------------	-----

### Naval Appreciation Day

Mr. Stoffer .....	482
-------------------	-----

### Hibernia Project

Mr. Heam .....	482
----------------	-----

### Tibet

Mr. Marceau .....	482
-------------------	-----

### Fisheries and Oceans

Mr. Duncan .....	482
------------------	-----

### Historic Sites and Monuments

Mrs. Kadis .....	483
------------------	-----

## ORAL QUESTION PERIOD

### National Defence

Mr. Harper .....	483
Mr. Martin (LaSalle—Émard) .....	483
Mr. Harper .....	483
Mr. Graham (Toronto Centre) .....	483
Mr. Harper .....	483
Mr. Martin (LaSalle—Émard) .....	483
Mr. O'Connor .....	483
Mr. McCallum (Markham—Unionville) .....	483
Mr. O'Connor .....	484
Mr. Graham (Toronto Centre) .....	484

### Taxation

Mr. Duceppe .....	484
Mr. Martin (LaSalle—Émard) .....	484
Mr. Duceppe .....	484



## ROUTINE PROCEEDINGS

	(Motions deemed adopted, bill read the first time and printed) .....	498
<b>Criminal Code</b>		
Mr. Kramp .....	496	
Bill C-215. Introduction and first reading .....	496	
(Motions deemed adopted, bill read the first time and printed) .....	496	
<b>Louis Riel Act</b>		
Mr. Martin (Winnipeg Centre) .....	496	
Bill C-216. Introduction and first reading .....	496	
(Motions deemed adopted, bill read the first time and printed) .....	496	
<b>Canada Pension Plan</b>		
Mr. Martin (Winnipeg Centre) .....	496	
Bill C-217. Introduction and first reading .....	496	
(Motions deemed adopted, bill read the first time and printed) .....	497	
<b>Income Tax Act</b>		
Mr. Martin (Winnipeg Centre) .....	497	
Bill C-218. Introduction and first reading .....	497	
(Motions deemed adopted, bill read the first time and printed) .....	497	
<b>Canada Business Corporations Act</b>		
Mr. Martin (Winnipeg Centre) .....	497	
Bill C-219. Introduction and first reading .....	497	
(Motions deemed adopted, bill read the first time and printed) .....	497	
<b>Food and Drugs Act</b>		
Mr. Martin (Winnipeg Centre) .....	497	
Bill C-220. Introduction and first reading .....	497	
(Motions deemed adopted, bill read the first time and printed) .....	497	
<b>Canada Water Export Prohibition Act</b>		
Mr. Martin (Winnipeg Centre) .....	497	
Bill C-221. Introduction and first reading .....	497	
(Motions deemed adopted, bill read the first time and printed) .....	498	
<b>Canada Business Corporations Act</b>		
Mr. Martin (Winnipeg Centre) .....	498	
Bill C-222. Introduction and first reading .....	498	
(Motions deemed adopted, bill read the first time and printed) .....	498	
<b>Bankruptcy and Insolvency Act</b>		
Mr. Martin (Winnipeg Centre) .....	498	
Bill C-223. Introduction and first reading .....	498	
(Motions deemed adopted, bill read the first time and printed) .....	498	
<b>Referendum Act</b>		
Mr. Martin (Winnipeg Centre) .....	498	
Bill C-224. Introduction and first reading .....	498	
(Motions deemed adopted, bill read the first time and printed) .....	498	
<b>Business Development Bank of Canada Act</b>		
Mr. Martin (Winnipeg Centre) .....	498	
Bill C-225. Introduction and first reading .....	498	
	(Motions deemed adopted, bill read the first time and printed) .....	498
<b>Proportional Representation Review Act</b>		
Mr. Martin (Winnipeg Centre) .....	498	
Bill C-226. Introduction and first reading .....	498	
(Motions deemed adopted, bill read the first time and printed) .....	499	
<b>Labour Market Training Act</b>		
Mr. Martin (Winnipeg Centre) .....	499	
Bill C-227. Introduction and first reading .....	499	
(Motions deemed adopted, bill read the first time and printed) .....	499	
<b>Pension Ombudsman Act</b>		
Mr. Martin (Winnipeg Centre) .....	499	
Bill C-228. Introduction and first reading .....	499	
(Motions deemed adopted, bill read the first time and printed) .....	499	
<b>Energy Price Commission Act</b>		
Mr. Martin (Winnipeg Centre) .....	499	
Bill C-229. Introduction and first reading .....	499	
(Motions deemed adopted, bill read the first time and printed) .....	500	
<b>Questions on the Order Paper</b>		
Mr. LeBlanc .....	500	
<b>GOVERNMENT ORDERS</b>		
<b>International Interests in Mobile Equipment (aircraft equipment) Act</b>		
Bill C-4. Second reading .....	500	
Mr. Godbout .....	500	
Mr. Laframboise .....	501	
Mr. Vincent .....	501	
Mr. Ménard (Hochelaga) .....	501	
Mr. Bell .....	501	
Mr. Boulianne .....	502	
Mr. Lapierre (Lévis—Bellechasse) .....	503	
Mr. Plamondon .....	503	
Mr. Laframboise .....	503	
Mr. Ménard (Hochelaga) .....	506	
Mr. Boulianne .....	506	
Mr. Ménard (Hochelaga) .....	507	
Mr. Masse .....	509	
Mr. Martin (Sault Ste. Marie) .....	510	
Mr. Lessard .....	510	
Mr. Simard (Beauport—Limoilou) .....	511	
Mr. Lapierre (Lévis—Bellechasse) .....	513	
Mr. Karygiannis .....	514	
Mr. Boulianne .....	514	
Mr. Lapierre (Lévis—Bellechasse) .....	517	
Mr. Karygiannis .....	517	
Mr. Lessard .....	517	
Mr. Masse .....	517	
Mr. Sauvageau .....	518	
<b>Suspension of Sitting</b>		
(The sitting of the House was suspended at 6:36 p.m.) ..	520	

**Sitting Resumed**

(The House resumed at 6:39 p.m.)..... 520



**MAIL  POSTE**

Canada Post Corporation / Société canadienne des postes

Postage paid

Port payé

**Lettermail**

**Poste-lettre**

**1782711  
Ottawa**

*If undelivered, return COVER ONLY to:*  
Publishing and Depository Services  
PWGSC, Ottawa, ON K1A 0S5  
Internet: <http://publications.gc.ca>  
1-800-635-7943 or Local 613-941-5995

*En cas de non-livraison,  
retourner cette COUVERTURE SEULEMENT à :*  
Les Éditions et Services de dépôt  
TPSGC, Ottawa (Ontario) K1A 0S5  
Internet: <http://publications.gc.ca>  
1-800-635-7943 ou appel local (613) 941-5995

**Published under the authority of the Speaker of the House of Commons**

**Publié en conformité de l'autorité du Président de la Chambre des communes**

**Also available on the Parliamentary Internet Parlementaire at the following address:**

**Aussi disponible sur le réseau électronique « Parliamentary Internet Parlementaire » à l'adresse suivante :**  
**<http://www.parl.gc.ca>**

---

**The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.**

**Additional copies may be obtained from Publishing and Depository Services, PWGSC, Ottawa, ON K1A 0S5**

**Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.**

**On peut obtenir des copies supplémentaires en écrivant à : Les Éditions et Services de dépôt, TPSGC, Ottawa (Ontario) K1A 0S5**

**On peut obtenir la version française de cette publication en écrivant à : Les Éditions et Services de dépôt  
TPSGC, Ottawa (Ontario) K1A 0S5**