

**CANADA** 

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Wednesday, October 19, 2005

Speaker: The Honourable Peter Milliken

## **CONTENTS**

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

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## HOUSE OF COMMONS

Wednesday, October 19, 2005

The House met at 2 p.m.

Prayers

**(1400)** 

[English]

**The Speaker:** As is our practice on Wednesday we will now sing O Canada, and we will be led by the hon. member for Sackville—Eastern Shore.

[Members sang the national anthem]

## STATEMENTS BY MEMBERS

**●** (1405)

[English]

## MILLENNIUM SCHOLARSHIP EXCELLENCE AWARD

Hon. Brenda Chamberlain (Guelph, Lib.): Mr. Speaker, I rise in the House today to recognize and congratulate four outstanding students from my community. This past July the Canada Millennium Scholarship Foundation awarded Rebecca Cain, Margherita Braga, Brynn Laxton and Aliya Nanjee millennium excellence awards for the 2004-2005 academic year.

The recipients were chosen in a nationwide competition on the basis of outstanding achievement in four key areas: academics, community service, leadership and innovation. Rebecca was one of 100 students to receive a national award of \$5,000 renewable up to three times. Margherita, Brynn and Aliya were three of only 623 students nationally to receive a one-time local award of \$4,000.

I congratulate these fine students and the Canada Millennium Scholarship Foundation for supporting them.

SOUTH ASIA EARTHQUAKE

**Mr. Gurmant Grewal (Newton—North Delta, CPC):** Mr. Speaker, last week residents of B.C.'s South Asian community emptied their wallets and piggy banks to assist earthquake victims in Pakistan and Kashmir.

Radio stations Sher-E-Punjab and Radio India generously dedicated their airwaves to the cause raising approximately \$500,000 and \$1 million respectively. Over the two days, I and

other volunteers at both stations appealed to listeners, and people from all walks of life responded in a wonderful example of community helping community.

The generosity of the community and the radio stations in their response to this disaster makes me proud. I particularly wish to single out Mr. Maninder Gill, the managing director of Radio India in the constituency of Newton—North Delta. Mr. Gill has raised over \$3 million for Asian tsunami victims, the Canadian Cancer Society, the Surrey, Delta and Vancouver hospitals.

Please join me in applauding everyone who helped out the victims.

#### FOREST INDUSTRY

**Mr. Roger Valley (Kenora, Lib.):** Mr. Speaker, forestry is one of the most critical industries in my riding of Kenora. This industry affects everyone in all communities. Hundreds of families depend on forestry to provide paycheques for quality of life in the north.

Abitibi Consolidated, in the city of Kenora, has decided to stop operations at the plant, permanently shutting down half of its machines and idling the other half. Many fear that if operations do not restart this winter, the entire shutdown will be permanent.

Forestry and logging represents one of the most important wage earning industries in Canada. My entire riding will be impacted if things are allowed to proceed without intervention from governments. Concerned parties have been working toward a solution for months but continue to be stonewalled in Ontario by high energy prices.

As Abitibi Consolidated contemplates the closure of one of the most significant places of work in my riding, I am asking the government to devise a strategy to work with citizens, industry and all levels of government to keep these Canadians working.

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[Translation]

## INTERNATIONAL DAY FOR THE ERADICATION OF POVERTY

**Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ):** Mr. Speaker, for the past 13 years, October 17 has been recognized by the UN as the International Day for the Eradication of Poverty.

#### S. O. 31

Each year, since 1987, Quebeckers are invited to reflect and to take tangible action to fight poverty.

The International Day for the Eradication of Poverty is celebrated all over the world through various events that emphasize pride and promote the efforts and courage of the poorest in our society.

In Saint-Hubert, the activities held on that day are organized by the Comité du refus de la misère, which was set up by Saint-Hubert's Table d'entraide, and are coordinated by Jean-Marie Girard, who also heads Action-Dignité. This year, the committee inaugurated a huge symbolic slab in the city's main park. That slab was laid right next to the tree planted by the committee last year.

While there may be only one day of the year set aside to express our outrage at poverty, there will be two major symbols in Saint-Hubert, namely the slab and the tree, that will serve as permanent reminders.

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**●** (1410)

[English]

#### **BULLYING**

**Mr. Lloyd St. Amand (Brant, Lib.):** Mr. Speaker, I rise to thank two persons in my riding of Brant for their tireless efforts in addressing the issue of bullying in schools. Sherrie and Gareth Marshall founded the "Stop Bullying Today" program which specializes in educating youth and parents about the root causes of bullying and preventive measures that young people can take to stop this hurtful practice.

Bullying has become an escalating problem in our school system. Whether it is physical, emotional, or psychological, bullying has a tremendously negative effect on young persons and can lead to low self-esteem, depression and even suicide.

However, thanks to the hard work of Sherrie and Gareth Marshall, this problem is being addressed and dealt with in an effective manner. Please join me in thanking these two far-sighted individuals for their dedication to this important issue.

## IRAQ

Mr. Stockwell Day (Okanagan—Coquihalla, CPC): Mr. Speaker, it is my honour today to rise on behalf of the leader of the official opposition and all Canadians to congratulate the people of Iraq for achieving another important milestone in their determined march toward democracy. This past weekend the good people of Iraq voted by the millions in a referendum on their proposed constitution.

In Canada we sometimes take democracy for granted. In Iraq people went out to the polls knowing that in many areas they actually faced death threats from the destructive haters of freedom who would try and destroy what is happening in that great country. But Iraqis voted. They voted bravely, determinedly and proudly. They are achieving what many naysayers said would never happen. They are building a democratic nation with hopes and dreams for a future of peace and prosperity. In fact, most areas of Iraq now enjoy peace and a growing economy.

We send our congratulations and our ongoing support to the people of Iraq. May they achieve the peace, the democracy, the freedom and the prosperity that they hope for and that we know they can find.

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[Translation]

#### NICHOLAS SALAMIS

**Hon. Eleni Bakopanos (Ahuntsic, Lib.):** Mr. Speaker, we were deeply saddened on Saturday to learn about the passing of the Right Reverend Nicholas Salamis.

This is a loss for his family, his friends, myself, the Greek Orthodox Church and the thousands of parishioners whom he served for over four decades as a priest.

[English]

Father Nicholas Salamis was among the first of the Greeks to have immigrated to Canada, settling in Montreal in 1919.

At the age of 35 Nicholas Salamis returned to Athens to study theology and was ordained a Greek Orthodox priest in 1938.

Father Salamis was my spiritual leader when I was a student at Socrates Elementary School. During his long career he touched many lives, bearing witness to over four generations of Greek immigrants to Canada, selflessly contributing to his beloved community in Montreal, having baptized, married and buried tens of thousands of Canadians of Hellenic origin while at the same time watching as each new generation matured and made their contribution to Canada, his own beloved second *patrida*.

He had turned 108 just last August, his life indeed also bearing witness to Canada's rise from little more than a colony into the independent nation we know today.

[Translation]

### **ELIE SAAB**

**Ms.** Caroline St-Hilaire (Longueuil—Pierre-Boucher, BQ): Mr. Speaker, I rise today to pay tribute to Elie Saab, a Boucherville alderman who passed away on October 11.

Born in Beirut, Lebanon, in 1951, Mr. Saab made his mark on his community from the day he arrived in Quebec. He was a cultured man who spoke five languages: French, English, Spanish, Arabic and Greek.

His active involvement in sports, education, community affairs and politics, as well as his commitment, dedication and sense of humanity constantly inspired and motivated his community. This exceptional man will not be forgotten. His contagious smile, which inspired candour and joy in us all, will long be remembered.

As the member for Longueuil—Pierre-Boucher, I extend my deepest condolences to his wife, Colette Tremblay, his two sons, Alain and Charles, and his friends and relatives.

[English]

#### VIOLENCE AGAINST WOMEN

**Ms. Nancy Karetak-Lindell (Nunavut, Lib.):** Mr. Speaker, the violent death in 2002 of Jennifer Naglingniq, a grade 8 student in Iqaluit, shocked and horrified us all in Nunavut.

A painting of a flower made by 13-year-old Jennifer shortly before her untimely passing is now on a poster published in both Inuktitut and English asking that Nunavummiut work together to reduce violence against women. Even better, let us end violence against all women, young and old alike.

Nunavummiut are now seeking to stop the cycle of violence. People are speaking out and taking action at the grassroots level such as with the Take Back the Night walk. People are working together to prevent family violence which destroys so many.

I am thankful to the many people, especially volunteers, who work tirelessly on this social dilemma that plagues too many of our communities everywhere. I am also thankful to the federal funding, like the national crime prevention strategy, that is helping local groups address the root problems.

Let us continue to speak out and work together.

• (1415)

#### TRANSPORT

Mr. Mark Warawa (Langley, CPC): Mr. Speaker, the transport minister is aware of the terrible traffic problems in my riding of Langley. I met with him and his senior staff in B.C. He knows a rail line runs right through the middle of Langley cutting the community in half. Many times every day, trains over 15,000 feet long close all five crossings at the same time, making it impossible for traffic, including emergency vehicles, to move.

The trains are bringing containers to and from the growing Deltaport container facility. This port needs to expand and is part of the rumoured \$560 million gateway project for B.C. It would mean a dramatic increase in the number of trains which would be devastating to Langley. Solutions discussed at a stakeholder meeting include rail overpasses to remove the conflict between the trains and the cars, permitting safe movement of goods and people.

I hope the transport minister will guarantee that part of the \$560 million will be used to support building rail overpasses in Langley.

#### **ELDER ABUSE**

Mr. John Maloney (Welland, Lib.): Mr. Speaker, today marks the first observance of Elder Abuse Awareness Day in the province of Ontario. I am proud to announce that in my riding the communities of Port Colborne and Welland are hosting events to raise public awareness of this serious problem.

Elder abuse is defined as the mistreatment of older people by those in a position of trust, power or responsibility for their care. Different forms of abuse are most commonly grouped into four categories: physical abuse, psychological abuse, financial abuse and neglect. S. O. 31

All too often it has existed in the realm of silence, denial and isolation. Although it is difficult to determine how many senior Canadians are affected, all Canadians need to be vigilant and educated on this issue.

As awareness grows and attitudes change, communities like Welland and Port Colborne are responding to this issue by developing sensitive ways of intervening and working with abusers and victims to end the violence and promote healing.

People who have been abused or are experiencing abuse are not alone. They should seek help now.

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## **PAY EQUITY**

**Ms. Jean Crowder (Nanaimo—Cowichan, NDP):** Mr. Speaker, the Standing Committee on the Status of Women has received a response from the government on pay equity legislation and women across the country are outraged.

The Liberals have yet again decided to study and consult. They want to explore the relationship between pay equity and collective bargaining, which all women know is Liberal code for putting pay equity on the bargaining table. Women are insulted.

The pay equity task force studied and consulted for years. It held public hearings around the country. There were five multistakeholder round tables, 29 external research reports and more than 50 written submissions. It heard from hundreds of witnesses and held a symposium with scholars and experts.

The end result was a 500 page report with a clear plan of action for proactive federal pay equity legislation. Over and over again the Liberals refer to pay equity as a fundamental human right, yet every day women continue to earn less, challenge their employers in court and wait for legislation.

What is human or right about that? Where is the legislation?

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## **SENIORS**

**Mr. Norman Doyle (St. John's East, CPC):** Mr. Speaker, under the able chairmanship of the hon. member for Niagara West—Glanbrook we have been holding a series of Canada-wide round tables on seniors issues in an effort to develop and fine tune our party policy as it relates to Canadian seniors.

On Saturday my colleague from Niagara West—Glanbrook, our leader and I participated in a round table on seniors issues in St. John's.

All told, six seniors organizations took part in a very lively and informative exchange of views on issues like health care and seniors, elder abuse and fraud, and income and retirement. Seniors are an important and growing sector of our society. It is our party's intention to offer them a relevant and comprehensive policy platform in the next federal election.

Seniors built our country. It is about time they were given the attention and support they deserve.

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**●** (1420)

[Translation]

#### CORINNE CÔTÉ-LÉVESQUE

Mr. Michel Gauthier (Roberval—Lac-Saint-Jean, BQ): Mr. Speaker, we were saddened and dismayed to learn that Corinne Côté-Lévesque, the widow of former Quebec Premier René Lévesque, passed away this morning at the age of 61.

Whether she was at her husband's side or working for the Parti Québécois, Corinne Côté-Lévesque faithfully walked alongside Quebec in its inevitable march toward sovereignty.

A sworn activist and a woman of passion who epitomized discretion, determination and commitment, she was the political assistant to the Executive Council under the Parti Québécois government from 1976 to 1985.

She then sat on the Immigration and Refugee Board of Canada and the board of directors of Place des Arts in Montreal.

The Bloc Québécois recognizes the remarkable contribution of Corinne Côté-Lévesque to the advancement of Quebec and extends its heartfelt condolences to her family.

[English]

#### CRYSTAL METH

Mr. Randy Kamp (Pitt Meadows—Maple Ridge—Mission, CPC): Mr. Speaker, this past spring the Liberal health and justice ministers came to B.C. for a phony photo op announcement on crystal meth.

This past Saturday the mayor of Vancouver and newly appointed senator, Larry Campbell, revealed the real Liberal philosophy on fighting drugs when he said, "This idea that there's a huge crystal meth disaster happening in this country is garbage". He went on to say that those fighting to stop the spread of crystal meth are suffering from paranoia and a knee-jerk reaction.

It is no wonder that Mr. Campbell has been given a Liberal patronage appointment to the Senate. After all, like all good Liberals, he would rather hand out free crack than crack down on drug crime.

Unlike Liberals who support sanctioned shooting galleries and conditional sentences for drug dealers, the Conservative Party would put drug dealers behind bars. We will continue to press for an effective national drug strategy, one that includes measures to combat crystal meth.

Finally, let me congratulate the Maple Ridge Crystal Meth Task Force for winning a community safety and crime prevention award. Mayor Campbell has got it wrong, but the people in my community have got it right.

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[Translation]

#### MEMBER FOR LAURIER—SAINTE-MARIE

Ms. Raymonde Folco (Laval—Les Îles, Lib.): Mr. Speaker, we learn today that the hon. member for Laurier—Sainte-Marie believes that if Quebec someday became sovereign, it would need an army right away, since a sovereign Quebec might have to go to war.

We might well ask the hon. member for Laurier—Sainte-Marie whom he thinks a future sovereign Quebec would declare war against.

While the hon. member is dreaming of unlikely military conquests, I would like to remind him that Quebeckers are far more concerned about how to deal with the impact of the aging population on the health care system.

Social programs and reducing greenhouse gas emissions to fight climate change are the primary concerns of Quebeckers, not joining an army to tilt at windmills.

This just proves once again that the hon. member is far more interested in destroying our country than in defending the interests of Quebec.

## **ORAL QUESTIONS**

[English]

#### JUSTICE

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, yesterday the Deputy Prime Minister was asked about convicted criminals getting passes to children's theme parks. She told the House she did not know whether this was happening. Yet a Correctional Service Canada official says it happens all the time. In fact, the York region police chief says that hard core criminals on no less than nine occasions got travel permits to Wonderland this summer.

How can the minister not have a clue that this sort of thing is going on in her own department?

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, as I indicated yesterday, the allegations made by the chief of police were not known to me. I asked Correctional Service Canada to follow up on this, and it is investigating the matter.

Temporary releases are provided from facilities such as halfway houses. They always are provided on conditions. I have asked Correctional Service Canada to follow up on the specific allegation that the chief has made. However, I also call upon the chief and would ask the chief to provide me with any specific information or facts he has.

**Hon. Stephen Harper (Leader of the Opposition, CPC):** Mr. Speaker, the minister's job is to know that this happens and to ensure that it never happens in the first place.

The president of the Ontario police chiefs said, "Conditional and intermittent sentences, house arrest, 2 for 1 and 3 for 1 earned sentence protocols, mandatory parole and weekend passes to local theme parks do little to dissuade murderers, marijuana grow operators, ecstasy manufacturers, carjackers, child molesters and others from committing these horrific crimes".

Everyone else in the country knows being soft of crime does not work. When is the minister and the government going to get it?

• (1425)

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, as I made plain yesterday, the purpose of our corrections system and our parole system, the transcendent and fundamental objective of that system, is public safety. I also have suggested that it is time for us to review both our Corrections and Conditional Release Act and our parole legislation. That is why I have referred both to the Standing Committee on Justice.

If the opposition does not have any views on that and want to leave it up to us to look at the reform of those legislations, then we will do that. However, in the name of democracy—

The Speaker: The hon. Leader of the Opposition.

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, the Deputy Prime Minister started both these answers with this cute little smirk. When I take my family to Wonderland and other families, there is nothing funny about it.

The Vancouver Board of Trade has said that crime is so bad in Vancouver that it is doing damage—

Some hon. members: Oh, oh!

**The Speaker:** Order, please. We need to have a little order. The Deputy Prime Minister I know is waiting to hear the next question. I cannot hear it. I do not know how she can and she is sitting right across from the Leader of the Opposition. We will have to have a little order, please. The Leader of the Opposition has the floor.

Hon. Stephen Harper: Mr. Speaker, talk about a bunch of people who just do not get it. Yesterday the Vancouver Board of Trade said that crime is so bad in Vancouver it is doing damage to the economy of the city. Vancouver Police Chief Graham says federal laws allow thieves to reoffend and they get bail again and again and again.

When is the government, after 12 years—

**The Speaker:** The hon. Minister of Justice and Attorney General of Canada

Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the opposition does not take note of the fact that we have some of the most stringent penalties in the

#### Oral Questions

world right now. We have given notice both with regard to the reform of the conditional sentencing regime and with respect to the inquiry now with regard to bail review reform under the federal-provincial-territorial conference.

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[Translation]

#### **CHILD CARE**

Hon. Stephen Harper (Calgary Southwest, CPC): Mr. Speaker, it is very difficult to take that seriously.

On a different topic, it is clear that the federal government intends to impose its conditions on Quebec with respect to the child care program.

Yesterday, Quebec's Minister of Intergovernmental Affairs stated that "The use of the federal spending power is a threat. The fiscal imbalance is a threat. And now, there is a third threat: the concept of national interest".

In support of the true national interest, will the Prime Minister respect Quebec's jurisdiction over child care, no strings attached?

Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, in the national interest, we will work together with all the provinces for the well-being of our children in this country.

**Hon. Stephen Harper (Leader of the Opposition, CPC):** Mr. Speaker, it was the Prime Minister himself who said that the child care program in Quebec was a success story. Now, it is time the federal government respected Quebec's areas of jurisdiction.

Corruption in this federal government has already sullied the reputation of federalism in Quebec. Still, this government is seeking confrontation with the Government of Quebec in areas of provincial jurisdiction.

Does the Prime Minister realize that this bad habit is a threat to national unity?

(1430)

Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, if the Leader of the Opposition, who is supposed to be a responsible leader in this country, is going to use the word "corruption" in connection with just about anything, even a national child care initiative, then he is not fulfilling his duties properly. That is what I believe.

It is totally irresponsible to make a connection between this initiative and what is being done in terms of child care in Quebec. The Prime Minister said that it was an innovative model, which is an inspiration for the other provinces, and we are going to respect exactly what Quebec does.

## INTERGOVERNMENTAL AFFAIRS

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, Quebec's intergovernmental affairs minister and the Prime Minister hold completely different views of Ottawa-Quebec relations. The Quebec minister feels that the Liberal government's attitude is a threat to Quebec's jurisdiction. He has, moreover, given four examples of this threat: fiscal imbalance, federal spending power, the new concept of national interest and Quebec's place on the international scene.

How can the Prime Minister explain that the opinion of the minister, Mr. Pelletier, Liberal though he may be, differs completely from his, as far as Ottawa-Quebec relations are concerned?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, let us look at the agreements signed with Quebec, 45 of them this year alone. They show how well federalism is working. Last year, there were 67 agreements signed between Quebec and the Government of Canada. That is further proof of how well we are able to work together.

All I ask of the leader and chief of staff of the Bloc Québécois is that he have a proper look at what we are doing. He ought to then realize that Canada and the Government of Quebec are in—

The Speaker: The hon. member for Laurier—Sainte-Marie.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, I will quote the words of Quebec's minister of intergovernmental affairs, Mr. Pelletier, a Liberal, on this new federal doctrine. He said, "the national interest must not be confused with the federal interest".

When the Prime Minister uses the national interest as his reason for interfering with child care, does he not realize he is doing exactly what the Quebec minister is faulting him for: confusing national interest with that of the Liberal government?

Those are not my words, but the words of a good Quebec federalist.

Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, the very existence of the Bloc Québécois is the worst threat to national unity. First and foremost—

Some hon. members: Oh, oh!

The Speaker: Order please. The hon. Minister of Intergovernmental Affairs.

**Hon. Lucienne Robillard:** What is more, Mr. Speaker, as far as I know, the Bloc certainly does not speak for the federalist government in Quebec.

That said, this is not the first time the federal government has been involved with issues relating to children. In 1998, when everyone was offered the child tax benefit—in the days of a PQ government in Quebec—we did not hear any protests from the Bloc. It is quite natural then—

The Speaker: The hon. member for Portneuf—Jacques-Cartier.

Mr. Guy Côté (Portneuf—Jacques-Cartier, BQ): Mr. Speaker, Minister Pelletier added that, "[indeed] we should be concerned about what we are hearing from Ottawa these days. It is as if the Government of Canada was going to define the major Canadian thrusts alone, while the provinces are going to implement them".

Will the Minister of Intergovernmental Affairs continue to maintain that these comments are a figment of the Bloc Québécois' imagination, when in fact they were made by a federalist Liberal minister in Ouebec?

Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, I will continue the dialogue with my Quebec counterpart, but never with the Bloc Québécois, which does not want things to work in Canada. That is very different.

The Prime Minister of Canada and the Minister of Social Development have always said that this would be done in the respect of provincial jurisdictions. That is what we will do.

• (1435)

Mr. Guy Côté (Portneuf—Jacques-Cartier, BQ): Mr. Speaker, they do not even know what respecting jurisdictions is about. The minister may give a list of all the agreements concluded in the past, but the opposite is happening on the child care issue, for example. Minister Pelletier said that "the statements made in recent days—by the Prime Minister of Canada, [the Minister of Foreign Affairs], [the Minister of Transport]—suggest to him that they are in the process of shutting the door".

How can the Minister of Intergovernmental Affairs claim that things are just fine as regards the child care issue, when the other party involved in the negotiations says the opposite? The minister should get serious here.

Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, the door is wide open to the federalist government in Quebec, but not to the Bloc Québécois. That is very clear. This is why, over the past year, we have signed a number of agreements on health, older workers, the homeless, the New Horizons Program for the elderly, agriculture and the environment. We will continue to do so in the child care sector.

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[English]

## LOBBYISTS

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, my question is for the Prime Minister. Today we learned that more well connected Liberals think that the rules just do not apply to them. Let me remind everyone that this is taking place on the Prime Minister's watch, or worse, in the case of Liberal candidate Richard Mahoney, it is taking place in the Prime Minister's official residence.

Mr. Mahoney broke the corporate lobbying laws. It is the latest in a long line of transgressions and questionable lobbying practices.

When is the cozy world of corporate lobbying going to be cleaned up by this Prime Minister?

**Hon. David Emerson (Minister of Industry, Lib.):** Mr. Speaker, I think the hon. member knows that the Registrar of Lobbyists does operate independently. If there is a violation of the Lobbyists Registration Act, that will be investigated by the Registrar who is aware of all these situations.

It is about time those members focused on public policy instead of hurling more dirt at people for which they do not have any evidence.

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#### GOVERNMENT CONTRACTS

**Hon. Jack Layton (Toronto—Danforth, NDP):** Mr. Speaker, Richard Mahoney is in trouble when the Prime Minister stands up for David Dingwall but on this issue remains silent.

Let me turn to another contract, this contract awarded on a sole source basis to a firm that used to be owned by a Liberal member of Parliament, the member for Pontiac, now owned by his wife and family. This is the latest in a long line of this kind of transgression.

When is the Prime Minister going to get to the bottom of these kinds of issues and clean up cronyism and corporate lobbying in the country?

Hon. Tony Valeri (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the hon. member for Pontiac denies any wrongdoing on his part, but has written to the Ethics Commissioner to ask him to look into this matter. I hope the member opposite waits for a response from the Ethics Commissioner before commenting on this issue in the House again.

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#### CORRECTIONAL SERVICE CANADA

Mr. Peter MacKay (Central Nova, CPC): Mr. Speaker, shockingly the Liberal government is allowing prisoners to use the Access to Information Act to obtain information about prison security systems and the personal details of the guards.

Recently, a partial list of Correctional Service employees in Quebec was released to a prisoner and one guard was distraught to learn that a prisoner was attempting to get her name, rank, qualifications and where she previously worked. Guards have a legitimate concern, in particular, that prisoners may gain access to their addresses.

Why is the government making it easier for prisoners to get sensitive information about the guards that could endanger these officers and the Canadian public?

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, to the best of my knowledge, none of that sensitive information is available to any prison inmate within the federal correction system.

**Mr. Peter MacKay (Central Nova, CPC):** Mr. Speaker, the minister is sadly uninformed about her own department. Is it any wonder why Canadians are starting to think that the inmates are running the penitentiaries?

Let us look at some of the access requests that were disclosed by her department: information on the inmate phone call monitoring system; information on drug scanners and the results of these scans; and all procedures and policies related to the use of drug scanners and drug dogs checking visitors. This information could cost correctional officers their lives, and it is certainly useful for escapes.

Could the minister just explain why this information about security systems is being given to inmates? What is next, picks and shovels?

• (1440)

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, I reiterate again that to the best of my—

Some hon. members: Oh, oh!

**The Speaker:** Order, please. Everyone is doing the best he or she can. The trouble is we have to be able to hear the best and with all this noise we cannot hear it, so we have to have some order while the Deputy Prime Minister gives her answer to the question asked by the member for Central Nova.

**Hon.** Anne McLellan: Mr. Speaker, to the best of my knowledge this information has not been released under access to information laws. In fact, any information that would relate directly to the security of either physical prison facilities or information in relation to the safety and security surrounding prison guards is specifically exempted from access to information laws.

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#### **ORGANIZED CRIME**

**Mr. Vic Toews (Provencher, CPC):** Mr. Speaker, yesterday the Ontario police chief told Canadians that lax Liberal laws were strangling and obstructing their efforts to fight crime. International organized crime is using Canada as a base of operations because drug dealers here are sentenced to house arrest instead of real prison sentences.

Why does the Minister of Justice continue to support house arrest when drug dealers are out on the streets killing our children?

Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, that is yet another misrepresentation by the hon. member of the opposition.

With respect to the question of house arrest, we have said that with regard to all serious offences we will be introducing legislation that will put an end to conditional sentencing in those matters.

**Mr. Vic Toews (Provencher, CPC):** Mr. Speaker, the minister does not know his facts about house arrest for drug dealers. They are getting it.

Liberal patronage appointee, Senator Larry Campbell, says that concern about the spread of crystal meth is garbage. Teachers and nurses are telling us the spread is real. The RCMP now tells us that Canada ranks second as a source of crystal meth seized in Japan.

Is the justice minister aware of the concerns of teachers, nurses and police about the spread of crystal meth or are their concerns just garbage? What does he say?

Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, my response, if the hon. member wishes to take it seriously, is that we have taken initiatives. We took them already this summer. We are not engaged in fearmongering. We are engaged in law enforcement.

[Translation]

#### FOREIGN AFFAIRS

Ms. Francine Lalonde (La Pointe-de-l'Île, BQ): Mr. Speaker, according to Quebec's intergovernmental affairs minister, it is entirely possible for Quebec to speak for itself in international circles without hurting Canada. As proof, he referred to Quebec's minister of culture, who spoke before UNESCO and said, "My colleague Line Beauchamp read a Quebec text, and Canada is still standing today".

So what is the harm in recognizing that Quebec has the right to speak for itself on the international stage?

Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.): Mr. Speaker, I thank my colleague very much for today's question since this gives me the opportunity to celebrate an extraordinary event. The governments of Quebec and Canada have, for many years, worked together and succeeded in having UNESCO adopt a Canadian version of a treaty on cultural diversity. Canada's voice was clear, coherent and enriched by, in particular, Quebec's minister of culture, who was not, therefore, denied a voice. On the contrary, our Canadian voice was enriched by Quebec's minister of culture.

Ms. Francine Lalonde (La Pointe-de-l'Île, BQ): Mr. Speaker, in an open letter published on September 12, Benoît Pelletier and Monique Gagnon-Tremblay wrote, "In the face of globalization... discussions often touch upon matters of provincial jurisdiction. Consequently, it is essential for the Quebec government to be able to take direct action. Refusing Quebec access to globalization is essentially condemning it to perpetual stagnation".

Why is the federal government refusing to comply with Quebec's very reasonable requests?

Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.): Mr. Speaker, it is my mandate at present, given the foreign policy statement, to improve our consultation of and cooperation with the provincial governments, which admittedly have a growing interest in international affairs.

We did a remarkable job of facilitating Premier Charest's work in China and Mexico. Quebec has been part of every Canadian delegation that it has asked to join. I ensured this when I had the opportunity, as Minister of International Trade, to take part in negotiations at the WTO.

Based on our current best practices, we are certainly prepared to do even more to ensure that our fellow citizens are well served throughout the world.

\* \* \*

**●** (1445)

## CHILD CARE

**Ms. Christiane Gagnon (Québec, BQ):** Mr. Speaker, minister Pelletier is not the only one to criticize the attitude of the federal government. Another federalist Liberal minister in Quebec, Mr. Bédard, says he would not agree to any conditions whatsoever from Ottawa tied to any transfer payments for child care.

How can the Prime Minister justify the fact that this is still an unsettled issue after 16 months, when he had made a firm promise

during the last election that Quebec would receive child care funding with no strings attached?

Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, the dialogue with the Government of Quebec is continuing, through its minister, Carole Théberge. This year alone, 2005-06, the Government of Quebec has received the share of funding to which it was entitled, as have all other provincial governments. Negotiations with the Government of Quebec are still underway and we have every hope of coming to an arrangement.

**Ms.** Christiane Gagnon (Québec, BQ): Mr. Speaker, according to minister Béchard, the \$165 million Ottawa is apparently prepared to transfer to Quebec for child care ought not to have any strings attached, and Quebec will use the federal money where it perceives the greatest need to be. He points out that Quebec is already putting \$1.5 billion into its child care system. Quebec must not be penalized for past efforts.

Will the federal government recognize the principle that Quebec can use the money as it likes, particularly since what it is already putting into child care is far more than all the other provinces put together.

Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, we have already acknowledged that Quebec's system is innovative. We have already acknowledged that Quebec could very well improve its policy on the family, since it is already ahead of other provinces. The child care system is one component of such a policy. There are others Quebec wants to develop, and we have no objections. That is absolutely not where the problem lies. Once again, the Bloc Québécois is making things up.

[English]

#### ORGANIZED CRIME

Mrs. Nina Grewal (Fleetwood—Port Kells, CPC): Mr. Speaker, Liberal patronage hack, Larry Campbell, recently said, "Crystal meth is no big deal".

Someone should tell Mr. Campbell about the reports that one in ten Surrey youth have tried crystal meth and about the major crystal meth lab busts in Richmond.

Why do the Liberals insist on a do nothing approach that has led to increased drug abuse, an explosion in grow ops and wrecked lives? When will the Liberal government take crystal meth seriously and impose mandatory prison sentences for peddling crystal meth?

Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, we take crystal meth seriously and that is the reason that we took the initiatives we did this summer in that regard with my colleague, the health minister.

As well, we have a specific pro-prosecutorial policy with regard to all drug prosecutions at this point with regard to community impact statements, with regard to submissions on the gravity of the offence and with regard to the entire approach to allow the courts to appreciate the gravity of the offence and the responsibility of the offender.

Mr. Russ Hiebert (South Surrey—White Rock—Cloverdale, CPC): Mr. Speaker, for weeks now I have been holding meetings across Canada as co-chair of our party's task force on safe streets and healthy communities. I have heard from police officers, youth workers and city councillors about the exploding problem of crystal meth abuse.

The spokesman for the Liberal MP for Richmond says that our concern about crystal meth is "irresponsible fearmongering" and yet three big meth labs were just shut down in his riding.

The first step to solving an addiction is to admit that one has a problem. Will the Prime Minister stand up and admit that the Liberal MP for Richmond is out of touch and that crystal meth is a scourge on our Canadian cities?

Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, as a government, we have said unequivocally that crystal meth is a serious problem. We have articulated it as a policy and we have acted in that regard.

#### NATIONAL PAROLE BOARD

Mrs. Betty Hinton (Kamloops—Thompson—Cariboo, CPC): Mr. Speaker, David James Caza has been convicted 42 times over the last 24 years for offences ranging from making child pornography, sexual assault, sexual interference and numerous breaches of court orders. He is a pedophile who has refused treatment and is at high risk to re-offend.

Mr. Caza is free to live wherever he wants and yesterday he moved from Merritt to Kamloops.

This afternoon I will offer Mr. Caza a one way ticket to the riding of LaSalle—Émard. Could the Prime Minister tell me whether he will welcome this new resident?

(1450)

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, obviously the hon. member raises a very serious matter. If she is talking about the parole system and the conditions that are imposed upon those who are on parole, I have made it plain that I do believe we need to look at the system, which is why I have asked the Standing Committee on Justice to take this matter up. I do not understand why it is not doing so. At that point the opposition could actually provide informed insight into how we can make this system better for everybody.

#### **JUSTICE**

Mr. Daryl Kramp (Prince Edward—Hastings, CPC): Mr. Speaker, at the justice committee yesterday we heard senior police officials from across Canada pleading with the government to wake up to the realities that they are facing; the reality that innocent people are being shot, gangs and thugs are ruling the streets, witnesses are afraid to testify, drugs are rampant, parole and bail is just a revolving door these days and repeat offenders are commonplace.

#### Oral Questions

When will the Minister of Justice listen to the police, listen to the victims and listen to Canadians and support the additional mandatory sentences that which the police are calling for?

Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I have met with representative police associations and with families of crime victims. I went across the country this past summer and said that we were open to any initiative with respect to combating crime in the matter of mandatory minimums.

I have no aversion to mandatory minimums, neither personally nor professionally. I only look at the evidence and the evidence has demonstrated that such mandatory minimums are neither effective nor are they a deterrent.

We are still prepared to look at any initiatives that may assist in that regard.

[Translation]

#### FOREIGN AFFAIRS

Hon. Denis Paradis (Brome—Missisquoi, Lib.): Mr. Speaker, my question is entitled "There's No Life Like It". This morning, we learned that the new priority of the Bloc Québécois leader, our new James Bond, is to develop a plan for the army and the secret service of a future sovereign Quebec. The leader of the Bloc Québécois is intent on interfering in the PQ leadership race.

With proposals like this one, it is clear where the Bloc's priorities are. What does the Minister of Foreign Affairs think of that?

Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.): Mr. Speaker, it is clear that the Bloc leader is totally out of touch with the real concerns of Quebeckers. What the Bloc wants is hard-core independence. The much promised association, the link they used to talk about, is a thing of the past. We are back to the 19th century.

I would suggest that the Bloc leader's spies be assigned to find out what the real priorities of Quebeckers are.

[English]

#### HEALTH

**Ms. Jean Crowder (Nanaimo—Cowichan, NDP):** Mr. Speaker, the health minister may not have a problem with the NDP but the NDP and Canadians have a problem with the government's moneyfor-nothing federalism.

The NDP is ready to sit down and come up with new rules to stop private health care's growth any time. We need new rules because the Liberals do not have any. There is not one word to stop private health care. So much for the Prime Minister's fight for his life.

Is the minister willing to sit down with me and write new rules to stop private health care, yes or no?

Hon. Ujjal Dosanjh (Minister of Health, Lib.): Mr. Speaker, I am prepared to sit with anybody.

The issue is that the Prime Minister has provided an additional \$41 billion over the next 10 years to the provinces.

Wait times are coming down. Benchmarks are being crafted. We will get there before December 31 with the benchmarks across the country.

\* \* \*

● (1455)

#### THE ENVIRONMENT

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, it is pretty clear why the B.C. New Democrats won 33 more seats without this minister than with him.

This week the Suzuki Foundation said that Canada is at number 28 on a list of 30 when it comes to the environment. When the world comes to Montreal, the government will be thoroughly embarrassed. The only two numbers going up for Canadians are for the amount of pollution and the number of empty promises the government continues to make.

What will the minister do to finally stop failing Canada and the world? When will pollution finally go down in this country?

**Hon. Stéphane Dion (Minister of the Environment, Lib.):** Mr. Speaker, it is true that we need to do much more for the environment. That is why we have the Prime Minister's project green, to do much more, and the greenest budget since Confederation.

The one who must be embarrassed is the hon. member, for quoting a study that lists Turkey as the country that has the best environmental record. As for presenting Mexico as thirteenth, that means that we would take water from a tap in Mexico City before doing it here in Ottawa. What a study.

. . .

[Translation]

#### **GOVERNMENT CONTRACTS**

Mr. Pierre Poilievre (Nepean—Carleton, CPC): Mr. Speaker, *The Globe and Mail* is reporting today that KPMG had found irregularities in the activities of the firm run by the family of the MP for Pontiac.

Does the Minister of Public Works-

**The Speaker:** An answer has already been provided by the Leader of the Government on the House of Commons, saying that the member for Pontiac had referred the matter to the ethics commissioner. I suggest that the hon. member refer to subsection 27 (5) of Appendix 1 to the Standing Orders.

Once a request for an inquiry has been made to the Ethics Commissioner, Members should respect the process established by this Code and permit it to take place without commenting further on the matter.

The hon. member may ask another question, but not on the same matter.

[English]

Mr. Pierre Poilievre (Nepean—Carleton, CPC): Mr. Speaker, my question is more generally pertaining to Liberal fat and Liberal corruption, then. KPMG did an additional audit on approximately

\$16 million worth of additional contracts that were handed out and it found serious irregularities in that amount of money.

We already know that some of this money went directly to Liberal friends and Liberal cronies, some of whom sit in the House of Commons now. How much went to Liberal friends and Liberal—

Some hon. members: Oh, oh!

The Speaker: I think we will move on to the next question.

The hon. member for Wellington—Halton Hills.

\* \* \*

#### **LOBBYISTS**

**Mr. Michael Chong (Wellington—Halton Hills, CPC):** Mr. Speaker, Liberal candidate Richard Mahoney, a close friend of the Prime Minister, lobbied for Canadian Satellite Radio even though he was not registered, in complete contravention of the rules.

The Prime Minister's mandate started with promises of greater ethics and accountability. He said that the sins of the past had nothing to do with them, but had to do with Mr. Chrétien. He promised that never again would this happen on his watch, yet last month, his friend, the candidate for Ottawa Centre, broke the rules by failing to register as a lobbyist.

Will the Prime Minister honour his commitment to greater ethics and accountability and remove Richard Mahoney as the candidate for Ottawa Centre?

**The Speaker:** I am afraid that the question has nothing to do with the administrative responsibilities of the government.

The hon. member for Wellington—Halton Hills may have a supplementary that is in order.

Mr. Michael Chong (Wellington—Halton Hills, CPC): Mr. Speaker, maybe I will rephrase the question. The Prime Minister's mandate began with promises that no longer would Ottawa be about "who do you know in the PMO". Last month, Mr. Mahoney, along with supporters of Canadian Satellite Radio and other large Liberal donors, went to a cocktail party at 24 Sussex just before cabinet was to decide on his client's broadcast licence. Two days later, the Prime Minister and the cabinet ruled in favour of Mr. Mahoney's client.

How does he reconcile his own promise that no longer will it be about "who do you know in the PMO" with this kind of behaviour?

Hon. Tony Valeri (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, it is very clear that the party across the way never lets facts get in the way of a good smear. Those members say facts do not matter, but I believe facts do matter.

Fact: the Prime Minister cancelled the sponsorship program and established the Gomery commission. Fact: the Prime Minister established the first ever independent Ethics Commissioner. Fact: the Prime Minister adopted a new code of conduct for ministers and public office holders. Fact: the Prime Minister created a new policy for proactive disclosure. Fact: the government has given committees a greater role in influencing legislation. I could go on and on, but my time is up.

**●** (1500)

[Translation]

#### EMPLOYMENT INSURANCE

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, in his latest report, the Employment Insurance Commission's chief actuary recommends reducing contributions by  $8\phi$ , which would mean a shortfall of more than \$720 million in the fund.

Since this option is not what workers want, would the minister not be better off considering the recommendations of the Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities and improving the system by enhancing coverage instead of reducing contributions?

[English]

Hon. Peter Adams (Parliamentary Secretary to the Minister of Human Resources and Skills Development and Minister responsible for Democratic Renewal, Lib.): Mr. Speaker, as members know, we have reduced premiums every year for many years, but in the last year we have established a new commission, which is a public commission and a transparent commission, and which will recommend the premiums for the coming year. We look forward to the first ruling of that commission as to what the EI premiums should be.

[Translation]

**Mr. Yves Lessard (Chambly—Borduas, BQ):** Mr. Speaker, take for example the Program for Older Worker Adjustment, or POWA, abolished by the government in 1997. Such an income support program, that workers and the Bloc have been calling for for a long time, would cost less than a penny of the 8¢ reduction the actuary is recommending.

What is stopping the government from restoring such a program? [English]

Hon. Peter Adams (Parliamentary Secretary to the Minister of Human Resources and Skills Development and Minister responsible for Democratic Renewal, Lib.): As I mentioned, and as the party opposite worked for, we have established a new public commission, an independent commission, which will recommend to the government what the EI premiums should be. By the way, it has certain criteria to meet when it makes those recommendations.

The Bloc supported that process. It wanted an independent commission. Now we have it. We should wait and see what that commission recommends.

#### HEALTH

Mr. Steven Fletcher (Charleswood—St. James—Assiniboia, CPC): Mr. Speaker, on Monday the health minister misled the House when he said that wait times have decreased across the country. A new report released yesterday indicates that in at least five provinces wait times have increased. The minister's own wait time bureaucrat admits that deadlines for evidence-based benchmarks will not be met.

#### Oral Questions

This weekend, the minister will meet with provincial counterparts to discuss this issue. With this government in such disarray over wait time benchmarks, how can the minister possibly have any credibility with the provinces?

Hon. Ujjal Dosanjh (Minister of Health, Lib.): Mr. Speaker, it is ironic to see crocodile tears from privatizers over the state of public health care, which we have been trying to strengthen in this country. The fact is that this Prime Minister has provided \$41 billion for the next 10 years to strengthen public health care.

We will defend public health care. We will strengthen it. We will have the benchmarks by December 31. We signed a deal. All the premiers across the country, including the Prime Minister, signed a deal. We shall have those benchmarks for the people of Canada.

Mr. Steven Fletcher (Charleswood—St. James—Assiniboia, CPC): Mr. Speaker, the minister should not be so tough on the private sector because that is where he is going to be applying for a job after the next election.

The Conservative Party supports the Canada Health Act and the Charter of Rights and Freedoms. This government undermines both. While the minister continues to use wishy-washy weasel words to wiggle out of promised wait time commitments, wait times have actually increased.

Will the minister admit to the provinces this upcoming weekend what Canadians already know: that this government caused the wait time crisis and that this health minister has no idea how to fix it?

**Hon. Ujjal Dosanjh (Minister of Health, Lib.):** Mr. Speaker, the fact is that wait times have come down. I do not rely on the Fraser Institutes of the world. There is evidence from all of the provinces across this country that the wait times are coming down.

Let me tell members what the privatizers say. The leader of that party today said, back in 2002:

The Canada Health Act, at least it has been interpreted, prevents co-payment, user fees, these kinds of things. Surely in some cases these would be preferable to taking services and options out of the public system entirely.

This means they want to gut the Canada—

**•** (1505)

The Speaker: The hon. member for Thunder Bay—Rainy River.

#### GASOLINE PRICES

Mr. Ken Boshcoff (Thunder Bay—Rainy River, Lib.): Mr. Speaker, my question is for the Minister of Industry. The 1998 report on gasoline pricing in Canada recommended that the federal government act to replace the burden of proof model currently used in sections of the Competition Act when dealing with predatory pricing and price discrimination.

How will the minister's proposed legislation overcome these facts?

#### Routine Proceedings

**Hon. David Emerson (Minister of Industry, Lib.):** Mr. Speaker, I would like to acknowledge the work done by the member for Thunder Bay—Rainy River. He has been a vigorous advocate for those who are affected by high energy prices.

With the changes we are making to the Competition Act, and when we look at the Petroleum Monitoring Agency, we are going to have better information and a sharper ability to move more quickly and fine companies where there is some aberration in pricing conduct through predatory or discriminatory prices. Also, we will have a much larger capacity to fine in cases of criminal conspiracy to fix prices.

#### ABORIGINAL AFFAIRS

Mr. Jim Prentice (Calgary Centre-North, CPC): Mr. Speaker, yesterday the Kashechewan people declared a state of emergency and asked the government to evacuate the entire community because their drinking water is contaminated with deadly e-coli.

This did not happen in a third world country. This happened in Ontario and it happened to aboriginal Canadians.

In just a moment the minister is going to tell us yet again that he is working on it. The truth is that after \$2 billion and 12 years, aboriginal Canadians are still drinking contaminated water.

If the minister will not accept personal responsibility, will he tell the House who is accountable for—

The Speaker: The hon. Minister of State.

Hon. Ethel Blondin-Andrew (Minister of State (Northern Development), Lib.): Mr. Speaker, as I speak, the minister is on his way to Kashechewan to engage with the people of that community on the priority of their health and the safety of their water. Last week we dispatched certified water treatment operators. They arrived on Sunday. They have been successful in stabilizing the disinfection system and eliminating the risk of bacteria in the treated water supply.

To date, at the request of the chief, we have shipped 26,000 litres of bottled water because we are very concerned about the health of those people. The minister is there to engage with them.

#### PRESENCE IN GALLERY

**The Speaker:** I would like to draw the attention of hon. members to the presence in the gallery of Canadian health researchers from universities and health research agencies from across Canada.

Some hon. members: Hear, hear!

## ROUTINE PROCEEDINGS

**●** (1510)

[English]

#### INTERPARLIAMENTARY DELEGATIONS

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC): Mr. Speaker, pursuant to Standing Order 34(1) I have the honour to

present to the House, in both official languages, the report of the Canadian delegation of the Canada-Europe Parliamentary Association respecting its participation at the meeting of the committee on economic affairs and development at the OECD held in Paris, France, on June 17, 2005, and its participation to the third part of the 2005 ordinary session of the Parliamentary Assembly of the Council of Europe held in Strasbourg, France, June 20-24, 2005.

\* \* \*

[Translation]

#### **COMMITTEES OF THE HOUSE**

PROCEDURE AND HOUSE AFFAIRS

Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I have the honour to present the 49th report of the Standing Committee on Procedure and House Affairs regarding the associate membership of the Standing Committee on Justice, Human Rights, Public Safety and Emergency Preparedness.

[English]

If the House gives its consent, I intend to move concurrence in the 49th report later this day.

\* \* \*

#### ELECTORAL BOUNDARIES READJUSTMENT ACT

Mr. Guy Lauzon (Stormont—Dundas—South Glengarry, CPC) moved for leave to introduce Bill C-429, An Act to change the name of the electoral district of Stormont—Dundas—South Glengarry.

He said: Mr. Speaker, it is my pleasure to introduce to the House an act to change the name of the electoral district of Stormont—Dundas—South Glengarry. The bill is seconded by my hon. colleague from the riding of Carleton—Mississippi Mills. The bill would make the name of my riding bilingual by adding one short word. The bill acknowledges and respects all of my constituents who speak both official languages.

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

. . .

[Translation]

#### **COMMITTEES OF THE HOUSE**

PROCEDURE AND HOUSE AFFAIRS

**Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.):** Mr. Speaker, if the House gives its consent, I move that the 49th report of the Standing Committee on Procedure and House Affairs, presented to the House earlier this day, be concurred in.

[English]

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

Some hon. members: Agreed.

(Motion agreed to)

## PETITIONS

#### ADOPTION

Mr. Jay Hill (Prince George—Peace River, CPC): Mr. Speaker, it is a pleasure for me to rise and present yet another petition in the long list of petitions that I have been presenting at every opportunity this fall on a subject very important to many Canadians. This one is signed by citizens from all across the country, so many communities from so many different provinces I cannot possibly list them all.

The petition notes that on average about 2,000 children a year are adopted from other countries and brought to Canada. Children adopted from foreign countries by Canadian citizens currently do not gain automatic citizenship despite the fact that other countries do grant automatic citizenship to foreign children who are taken to those countries, countries like the United States of America and Great Britain.

Therefore, the petitioners are seeking from Parliament that it immediately enacts legislation to grant automatic citizenship to those minors adopted from other countries by Canadian citizens with this citizenship being immediately granted upon the finalization of the adoption process. I note that the minister has promised to bring forward stand-alone legislation to accomplish this. I would hope that he does so in a timely manner.

**●** (1515)

#### MARTIAL ARTS

Mr. Barry Devolin (Haliburton—Kawartha Lakes—Brock, CPC): Mr. Speaker, I have six petitions to present today.

The first petition deals with the subject of martial arts. Several of my constituents have concerns with section 83 of the Criminal Code and would like to see it amended, so that there could continue to be martial arts competitions in things such as karate, judo and tae kwon do.

#### KIDNEY DISEASE

Mr. Barry Devolin (Haliburton—Kawartha Lakes—Brock, CPC): Mr. Speaker, I have two petitions today regarding the need for further research and development into bioartificial kidneys in Canada. A large number of my constituents, including one in particular, have spent a great deal of time researching what is being done with bioartificial kidneys in the United States. Apparently there are researchers there who would like to do work in Canada, but do not have adequate resources here.

#### GASOLINE PRICES

Mr. Barry Devolin (Haliburton—Kawartha Lakes—Brock, CPC): Mr. Speaker, the fourth petition that I have has to do with fuel taxes. The petitioners from my constituency are petitioning the federal government to do two things: first, to remove its practice of having a tax on the tax, where GST is applied on top of federal excise taxes; and second, that the government would cap the amount of GST revenue raised once the price of gas hits a certain level.

## Routine Proceedings

#### MARRIAGE

Mr. Barry Devolin (Haliburton—Kawartha Lakes—Brock, CPC): Mr. Speaker, last but not least, I have two rather large petitions from my constituents and those from surrounding ridings where people feel very strongly that this government ought to maintain the traditional definition of marriage as the lifelong union of one man and one woman to the exclusion of all others.

I thank my constituents for bringing these petitions forward. [*Translation*]

#### CLOTHING AND TEXTILE INDUSTRY

Mr. Marc Boulianne (Mégantic—L'Érable, BQ): Mr. Speaker, I have the honour to table a petition signed by thousands of workers in the clothing and textile industry, in my riding and in Quebec in general.

In the Chaudières-Appalaches region, more than 52% of jobs have been lost since 1997. The initiative of signing this petition came from workers of Keystone Industries. These people are asking the government to help the industry and older workers as quickly as possible.

[English]

#### LNG TERMINALS

**Mr. Greg Thompson (New Brunswick Southwest, CPC):** Mr. Speaker, this is one of many petitions that I have presented in the House on the same issue. The citizens of New Brunswick are saying no to the transport of LNG tankers through Head Harbour Passage.

The petitioners are asking the Government of Canada to protect our environment, our economy and our citizens, and say no to the passage of that very dangerous cargo through Head Harbour Passage.

## CANADA POST

**Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC):** Mr. Speaker, I am delighted to present a petition from 42 residents of Waldheim, Saskatchewan.

The petitioners are concerned about the possibility of their rural post office being closed by Canada Post. The petitioners are calling on the government to ensure that such a move does not take place.

## MARRIAGE

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC): Mr. Speaker, I have another petition in respect to marriage.

There are 90 petitioners from the province of Ontario who call upon the Government of Canada to support and protect the legal definition of marriage as the voluntary union of one man and one woman, and that the government should do all things within the power of Parliament, legislative and administrative, to preserve and protect the traditional heterosexual definition of marriage as between one man and one woman.

The petitioners state that it should not be the role of the unelected judiciary to decide such fundamental matters of policy.

#### S. O. 52

Mr. Speaker, I have another petition in respect of my last petition. The petition is from 43 petitioners calling upon Parliament to use all possible legislative and administrative measures invoking, if necessary, the notwithstanding clause to preserve the correct definition, as they say, of marriage as between one man and one woman

#### GASOLINE PRICES

**Mr. Mark Warawa (Langley, CPC):** Mr. Speaker, I rise to present a petition in the House regarding fuel taxes.

I have the honour to present a petition with dozens and dozens of names from Langley, British Columbia. The petitioners say that whereas fuel and gasoline prices have reached all time limits, charging the goods and services tax on the federal excise tax and other taxes is double taxation, and that every 1¢ generates an extra \$32 million of revenue for the federal government.

The petitioners are asking that the House of Commons enact legislation to eliminate the GST charged on top of the federal excise tax and other provincial and federal taxes charged on fuels. They further resolve that charging the GST be limited to only 85¢ per litre or less.

**●** (1520)

#### **QUESTIONS ON THE ORDER PAPER**

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

The Speaker: Is that agreed?
Some hon. members: Agreed.

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## MOTIONS FOR PAPERS

Hon. Dominic LeBlanc (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, Notice of Motion for the Production of Papers No. P-4, in the name of the hon. member for New Brunswick Southwest, is acceptable to the government, subject of course to the usual reservations concerning confidential information, and the documents are tabled immediately.

That a humble Address be presented to Her Excellency praying that she will cause to be laid before this House copies of all exchanges between the government of Canada and the government of the United States of America relating to the proposed construction of a liquid natural gas facility at Eastport, Maine, and of the possible passage of liquid natural gas cargo through the Canadian waters of Head Harbour Passage

**The Speaker:** Subject to the reservations or conditions expressed by the parliamentary secretary, is it the pleasure of the House that Motion No. P-4 be deemed to have been adopted?

Some hon. members: Agreed.

(Motion agreed to)

Hon. Dominic LeBlanc (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, would you be kind as to call Notice of Motion for the Production of Papers No. P-17 in the name of the hon. member for New Brunswick Southwest?

That a humble Address be presented to Her Excellency praying that she will cause to be laid before this House copies of correspondence between Commanding Officer Gordon Sellar, or his widow, and the Departments of National Defence, Veterans Affairs, Health, Environment and Justice concerning the use of, and compensation for the use of, chemical defoliants at CFB Gazetown.

Hon. Dominic LeBlanc: Mr. Speaker, I am informed that the Departments of Environment, Health, Justice and National Defence have indicated that they have no record of correspondence with Commanding Officer Gordon Sellar or his widow. Under the Privacy Act, Veterans Affairs Canada is obliged to protect the personal information of individuals from unauthorized disclosure.

I therefore ask the hon, member to withdraw this motion.

**Hon. Ralph Goodale (Minister of Finance, Lib.):** Mr. Speaker, under the rules of the House, I ask that this matter be transferred for debate.

**Hon. Dominic LeBlanc:** Mr. Speaker, now that this matter was so effectively dealt with, I would ask that all other Notices of Motion for the Production of Papers be allowed to stand.

The Speaker: Is that agreed?

Some hon. members: Agreed.

\* \* \*

#### REQUEST FOR EMERGENCY DEBATE

LABOUR UNREST

**The Speaker:** The Chair has notice of an application for an emergency debate from the hon. member for Vancouver East, and I will hear her now.

**Ms. Libby Davies (Vancouver East, NDP):** Mr. Speaker, I provided notice to you yesterday under Standing Order 52(2) to request an emergency debate on a situation of grave concern involving a labour strike in western Canada, and specifically the federal government's mandate to meet and report on its international obligations under the ILO treaties, specifically ILO Convention No. 87 signed by Canada in 1972. That convention ensures the freedom of association and the protection of workers of the right to organize.

In B.C. the provincial government unilaterally imposed a contract on teachers in the absence of fair collective bargaining and flies in the face of a recent ruling of an ILO tribunal that found the B.C. government to be in violation of the convention, which is very troubling.

In Brooks, Alberta there is a serious situation of intimidation and continuing violence undermining the basic rights of workers to organize and bargain for a fair agreement. This situation, I believe, requires national attention and action to meet our international obligations under the ILO.

Therefore, Mr. Speaker, I implore you to consider the urgent situation and the need for Parliament to act and to meet its international obligations. I hope that you will agree to my request for an emergency debate.

#### SPEAKER'S RULING

**The Speaker:** I thank the hon. member for Vancouver East for her able submissions on this point. I have read the letter she sent me. I have heard her comments today, but in my view at the moment the request does not meet the exigencies of the Standing Order, and therefore I decline to grant an emergency debate at this time.

#### **GOVERNMENT ORDERS**

#### TELECOMMUNICATIONS ACT

The House proceeded to the consideration of Bill C-37, An Act to amend the Telecommunications Act, as reported (with amendment) from the committee.

● (1525)

[English]

#### SPEAKER'S RULING

**The Speaker:** There are 10 motions in amendment standing on the notice paper for the report stage of Bill C-37.

[Translation]

Motion No. 7 will not be selected by the Chair as it could have been presented in committee.

[English]

All remaining motions have been examined and the Chair is satisfied that they meet the guidelines expressed in the note to Standing Order 76(5) regarding the selection of motions in amendment at report stage.

Motions No. 1 to 6 and 8 to 10 will be grouped for debate and voted upon according to the voting pattern available at the Table.

I shall now propose Motions Nos. 1 to 6 and 8 to 10 to the House. [English]

## MOTIONS IN AMENDMENT

## Hon. David Emerson (Minister of Industry, Lib.) moved:

Motion No. 1

That Bill C-37, in Clause 1, be amended by replacing line 6 on page 1 with the following:

"41.1 Sections 41.2 to 41.7 create a legislative"

Motion No. 2

That Bill C-37, in Clause 1, be amended by replacing, in the French version, lines 17 and 18 on page 2 with the following:

"rapport sur l'utilisation de la liste d'exclusion nationale pour cet exercice."

Motion No. 3

That Bill C-37, in Clause 1, be amended by replacing, in the French version, lines 36 and 37 on page 2 with the following:

"aux termes de l'article 41.2 pour les besoins d'une liste d'exclusion nationale ne" Motion No. 4

That Bill C-37, in Clause 1, be amended by replacing, in the French version, line 4 on page 3 with the following:

"ci est faite - a une relation d'affaires en cours,"

Motion No. 5

That Bill C-37, in Clause 1, be amended by replacing, in the French version, line 6 on page 3 with the following:

#### Government Orders

"sion quant à la"

Motion No. 6

That Bill C-37, in Clause 1, be amended by replacing, in the French version, line 13 on page 3 with the following:

"lois provinciales pour les besoins d'une élection"

Motion No. 8

That Bill C-37, in Clause 1, be amended by replacing, in the French version, lines 4 to 6 on page 4 with the following:

"« relation d'affaires en cours » Relation d'affaires qui a été créée par une communication bilatérale entre la personne"

Motion No. 9

That Bill C-37, in Clause 1, be amended by replacing, in the French version, lines 38 and 39 on page 4 with the following:

"doit maintenir sa propre liste d'exclusion et veiller à ce qu'aucune"

Motion No. 10

That Bill C-37, in Clause 1, be amended by adding after line 45 on page 4 the following:

"(5) Subsections (3) and (4) do not apply in respect of a person making a telecommunication referred to in paragraph (1)(f)."

Hon. Jerry Pickard (Parliamentary Secretary to the Minister of Industry, Lib.): Mr. Speaker, I am pleased today to begin the process of the report stage debate on Bill C-37, an act to amend the Telecommunications Act.

The bill would augment the powers of the CRTC to establish a more effective regime to protect the consumers against unsolicited telemarketing while protecting their privacy.

The bill provides the legislative framework for the creation of a national do not call list.

The bill enables the CRTC to do three things: first, impose fines for non-compliance; second, establish a third party administrator to operate a database; and third, give the ability to set fees to recover costs associated with maintaining the list.

Bill C-37 has been reviewed in detail by the Standing Committee of Industry, Natural Resources, Science and Technology. In its report to Parliament, the committee recommended amendments to the bill, including an exemption from the national do not call list for survey and polling firms for the sole purpose of collecting information from the general public

The committee's recommendations also required a caller to identify the purpose of the call and the person and organization on whose behalf the telecommunications are being made.

The committee recognized the importance of the survey and polling firms in collecting opinions of all Canadians to support research and to allow companies and organizations to make sound decisions.

However there are unintended consequences of these amendments for survey and polling firms that could possibly create unrepresentative samples of the Canadian public created by unreliable survey results. If survey and polling firms do not have the ability to contact all Canadians, this could create a misleading survey. The survey results would be, at best, a subset of Canadians, the opinions of individuals who are not on the do not call list, instead of capturing the views that represent all Canadians.

In addition, if a survey and polling firm has to identify on whose behalf the call is being made, the possibility of biasing the survey exists.

I am proposing the following amendment that further clarifies an amendment adopted by the committee by adding a new subsection 41.7(5) that would read:

notwithstanding any other provision of this Act, subsections 3 and 4 do not apply in respect of a person making a telecommunication referred to in paragraph 41.7 subsection 1(f).

As originally intended by the committee, survey and polling firms would be exempt from the do not call list and would continue to be allowed to collect information from all Canadians.

Also, there are a few housekeeping matters that need to be addressed. Section 41.1 of the bill, as introduced at first reading, stated "sections 41.2 to 41.5 create a legislative framework for a national do not call list".

In its report to Parliament, the committee recommended amendments to the bill by adding new sections, sections 41.6 and 41.7. During the reprinting of the bill, section 41.1 was not updated to reflect the new sections added at committee.

Lastly, we are proposing administrative amendments to improve the French terminology for the national do not call list. I am proposing to amend section 41.1 to accomplish that. This amendment simply acknowledges the new sections of the bill adopted by the committee.

I urge the hon. members to support the amendments to the bill so that we move forward to give individual Canadians an easy way to curtail intrusive telemarketing while protecting their privacy.

(1530)

Mr. James Rajotte (Edmonton—Leduc, CPC): Madam Speaker, it is a pleasure to speak today to Bill C-37, an act to amend the Telecommunications Act. The debate centres around the government's latest set of amendments in an effort to establish a national do not call registry and whether or not the registry will be workable and fair.

I want to discuss several of the amendments that are before us today but first I would like to reiterate the position of the Conservative Party on the bill and on the establishment of a do not call registry in general.

As I have said before, the Conservative Party does support the establishment of a national do not call registry within parameters that are clearly defined by Parliament and with reasonable exemptions provided for charities, political parties, polling firms and companies that wish to contact their current customers. That was our position at second reading on the bill and that has been our consistent position throughout the debate on the bill.

When we first debated the bill in December 2004 there were no exemptions at that time laid out by the government. In fact, many would say that the bill, as it was first introduced, would have created quite a mess. Even witnesses from the CRTC stated that they wanted some exemptions clearly defined by Parliament. It was also evident that the bill would be facing stiff opposition from a number of sectors for being too rigid.

The government did realize that it would face opposition to the bill from various sectors and various parties. Early on there was talk of a dual registration type system where the government considered allowing individuals to either receive calls from charities or register to receive absolutely no calls from anyone else. We, in our party, did not see that as an efficient way to handle the registry and the list. The creation of two lists, in our view, would have been an inefficient way to do that.

As the bill progressed through the House and into the Standing Committee on Industry, Natural Resources, Science and Technology, there were some problems with regard to the length and breadth of hearings. Many groups complained that hearings were cut short or that they were not heard at all. The only witness from the private sector who was called as a witness was a representative from the Canadian Marketing Association, which our party certainly regretted. We felt that any interested parties who wanted to come before the committee should certainly have been allowed to do so.

As members can tell, there is a lot to discuss in the debate when it comes to the creation of a do not call registry.

I would now like to address charities. For those witnesses who did appear at committee it became very clear that a number of exemptions would have to be in order to allow charities to continue to use telemarketing to ensure their survival. The first amendment that was passed in committee allows registered charities within the meaning of the Income Tax Act to be exempt from the national do not call list.

Dr. Gordon Hope, member and program coordinator for the Canadian Council of the Blind appeared at committee on May 4, 2005 and stated:

Because of the nature of the impairment of our members, communication with them and by them for public awareness, membership recruitment, and fundraising is best done through the auditory medium of the telephone, as verbal communication, better than any other form, meets the standard of accessible exchange of information, something that many would argue is a human right. It is conceivable that Bill C-37 could cause the Canadian Council of the Blind to cease to exist as we know it if alternatives to make up for the effects of this bill cannot be found.

We also heard from Ms. Dawn Regan, the director of finance and fundraising for Mothers Against Drunk Driving. She said:

Not only would Bill C-37 have a devastating financial impact on MADD Canada, it would cripple our ability to effectively serve Canadians. We have public awareness campaigns, educational programs, victims services, youth outreach, and legal education, as well as fundraising efforts. The vast majority of these activities occur by using the telephone as our primary communication tool.

As we can tell from the testimony, it is very important to continue to allow charities to use telemarketers.

Another issue that has received a lot of attention is that of existing business relationships. The do not call registry in the United States allows telemarketers to call a consumer with whom it has a voluntary established business relationship for up to 18 months after the consumer's last purchase.

Both small and large businesses argued in submissions to the committee that they needed to communicate with their existing customers. Thus, an exception was made to do so.

The committee also felt that calls made for the sole purpose of collecting information for a survey of members of the public should be allowed. This amendment, along with amendments to allow political parties or candidates for electoral district associations, allows for freedom of speech and for get out the vote campaigns.

The example here is to allow a candidate from any party, or even an independent for that matter, to actually phone people, offer what they offer in terms of service to the country and, after they have identified some supporters, be able to phone those persons to get them out to vote on election day. It is a very important part of our political process.

#### **(1535)**

Part of my speech addresses a motion which unfortunately, I think has a bit of a technical problem. I hope we can get unanimous consent after my speech to introduce the motion because I think it is an important one. Motion No. 7 allows for an exemption for calls made for the sole purpose of soliciting a subscription for a newspaper of general circulation. I support this amendment. It is about literacy and freedom of speech. Newspapers contribute to the democratic dialogue in Canada. In fact, section 2(b) of the Charter of Rights and Freedoms protects the freedom of thought, belief, opinion and expression, including the freedom of the press.

We would consider the bulk of the remaining amendments before us to be administrative. Because of the number of changes made in committee, changes had to be made to correct the bill. In addition, there are a number of corrections that must be made to the French version of Bill C-37.

Motion No. 10 is perhaps the most complicated amendment we are dealing with today. There are now a number of practical exemptions to the national do not call registry. However, Conservative members of the Standing Committee on Industry want to make sure that those organizations that have received an exemption do not prove to be a burden on Canadian consumers. The Conservative Party member of the standing committee made motions to require exempt organizations to do two things.

First, charities, political parties, businesses, et cetera, at the beginning of the phone call must identify the purpose of the call and the organization on whose behalf the call is being made. Canadians would know immediately who is calling and why.

Second, even though they are exempt from the national registry, charities, political parties and businesses must keep their own do not call registry. If people do not want their bank to call to remind them that their mortgage is up for renewal, even though they have an existing business relationship with that bank, they can be asked to be placed on the do not call list. This responds to some of the concerns of many consumers. Even though there would be an exemption, and they agree that some exemptions are reasonable, for certain exemptions they could still be asked to be put on a do not call registry for that specific company, charity or whatever.

However, one of the amendments we are considering today grants an exemption to the exemption, if I could put it that way. Motion No. 10 allows polling companies to make calls without identifying their clients or the purpose of their call and does not require them to keep their own do not call list. The question here is, why? Why would we

#### Government Orders

allow telemarketers who conduct surveys to do so anonymously? There are two reasons in this case.

First, it is believed that if people know the polling firm is calling on behalf of a particular political party, their answers may be influenced by that and therefore skew the results. Second, the government believes that polling firms should not be restricted as to whom they call, otherwise the sample or the results could be skewed.

I would like to address the whole administration of the system.

We have reviewed the amendments to Bill C-37, both the amendments passed in committee and the amendments on the order paper which are before us today. The package of amendments taken as a whole is a good start in the creation of a national do not call registry. I am pleased that the registry would be reviewed by Parliament after three years. This is one of the changes which was asked for at committee and was granted. It will be very important to evaluate how the exemptions are working, if anyone is violating the law and the effect it will have on the Canadian economy.

Like it or not, the telemarketing industry has been Canada's number one job creation industry for nearly 20 years. Statistics Canada reported in May 2005 that employment in this industry grew by 447% between 1987 and 2004. The average growth for all service industries during the same period was a comparative 37%, which is obviously a big difference.

For the Conservative Party the next big challenge is the administration of the do not call registry.

The Canadian Radio-television and Telecommunications Commission, the CRTC, is empowered to deal with telemarketing in Canada. However, it has complained for a long time that its powers were restricted and thus it could not regulate and monitor telemarketing effectively. In May 2004 the CRTC stated in a *National Post* article that it was not equipped to administer a national do not call list. However, the CRTC is now charged with making this registry work.

## **●** (1540)

A government press release on December 13, 2004 stated:

Once the legislation is in place, it is expected that the CRTC will undertake consultations to find an administrator, to determine how the list will operate and how much it will cost, and to consider whether any types of calls should be exempt from the Do Not Call List. The implementation of the list by the CRTC will follow these deliberations in due course

Mr. Richard French, vice-chairperson of the CRTC, appeared in front of the standing committee to discuss, among other issues, the future administration of the registry. He said:

—at the moment there is no clear indication of what the government's intentions might be with respect to recovering the costs of just under \$2 million, which we estimate would be one-time start-up costs. Furthermore, our best efforts to plan a rapid calendar for implementation indicate to us that it will take some 19 months, at the fastest, between the time Parliament passes the law and the time we could begin to operate a national do not call list.

It is my understanding that a third party will be contracted by the CRTC to maintain and operate the list. I hesitate to remind the House that anytime we set up a registry in this country, we have to keep in mind another registry implemented by the Liberal Party of Canada which turned into an absolute fiscal disaster. I am talking about the firearms registry which in 1994 the then justice minister said would cost \$2 million, but I think he meant to say \$2 billion because that is what it is approaching right now, sadly to the detriment of all taxpayers in this country.

When I spoke to this bill at second reading, I outlined some of our concerns with respect to the administration of this database. Parliament must continue to seek out details as to how the registry will be run. For instance, how will the list be maintained? How will the list be accessed? Who will maintain the list? What will be required of telemarketers? How often must they check the list? Will there be a maintenance fee for telemarketers? These are all questions that must be asked and must be answered in my view to Parliament itself

I have spoken with the CRTC and have outlined my concerns and I appreciate its attendance to them. Some of the amendments that were made in committee will allow Parliament and Canadians to keep abreast of the administrative workings of the registry.

In conclusion, the Conservative Party does support the establishment of a do not call registry within parameters clearly defined by Parliament and with reasonable exemptions provided for charities, political parties and companies that wish to contact their current customers.

I am looking forward to the public hearings and the public tender of the contract to administer the database from the CRTC. It is my hope we can create a workable list that will strike a balance between the interests of Canadian consumers first and the contribution telemarketing makes to our economy, as well as the interests of groups such as charities and political parties to continue to contact those people they need to in order to survive, especially with those who have an existing business relationship or voluntary business relationship.

I look forward to the creation and the operation of this list. I hope that all my colleagues in Parliament will support not only the amended bill that was done with a lot of work at committee, but the motions before us today.

• (1545)

[Translation]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Madam Speaker, I congratulate my colleague on his presentation, and all my colleagues who have worked on this bill in committee.

We had to start by getting a clear picture of the situation and identifying an appropriate approach. We have all received unsolicited telephone calls at one time or another in our lives. We must, however, make sure that any legislation to curb this problem will not have a significant negative impact, particularly on democracy.

That is why amendments were put forward. We have also had to look at the normal way of doing business. These amendments concern registered charities. It is understandable: without protection,

they would have been condemned to die. These amendments deal with business relationships, which means professionals, individuals who have not requested an exemption, political telecommunications and opinion polls. Their purpose is to ensure that democracy can continue to play its proper role. Otherwise, there would have been a glaring contradiction between our commitment to democratic debate in Canada and a bill restricting the ability to have such a debate.

There was an amendment that all parties were prepared to accept, but unfortunately the speaker ruled it out of order. It would have allowed the exclusion from the legislation of a telecommunication made for the sole purpose of soliciting subscriptions to a widely distributed newspaper. This amendment, presented by the government, received support from all parties, but the Speaker of the House ruled it out of order.

I have a question for my colleague. If he had wanted this amendment to be deemed in order, would it not have been pertinent for this type of amendment to be made to this bill? Furthermore, should we not be doing our jobs as parliamentarians and allow such a thing? I do not know how this could be done.

Nevertheless, I am addressing the hon. member during this period for questions and comments in order to get his opinion on this issue. I think we all agree that we did a professional, constructive and serious job on all the other amendments, but that the work deserved to be completed by this additional amendment. If this amendment is not made to the bill, then there may be a significant economic impact. We have to find a way to do this.

I want to know whether my colleague agrees with me that this amendment should be made to the bill. Would he like to have the same type of support from all the parties in this House, including the government, in order to obtain the desired result?

In my opinion, all the widely distributed newspapers in Canada want this type of intervention. This is a matter of democracy. Information is distributed by television, radio and the Internet, and also by newspaper. If this bill is not properly amended, it could have a major negative impact on those who buy these papers. Does my colleague agree with me on this? Would he like this amendment to be made to the bill?

[English]

**Mr. James Rajotte:** Madam Speaker, my colleague is a very hard-working member of the industry committee and I commend him on his work. All members of that committee worked quite diligently to amend this bill for the better.

He is very correct in that the bill was really inspired by concern about the calls that we and our constituents receive, which we perhaps find to be increasingly annoying or come at times of the day or evening when we would not like to receive them. It is a desire for Canadians to have a registry on which they could put their name to not receive those types of calls. As my colleague pointed out, there were reasons to provide exemptions to charities or other organizations and businesses with which there is an existing relationship.

In response to his specific concern about the newspapers, we did agree to a motion and the government put it forward, to its credit. My understanding is the Speaker felt that the amendment could have been moved at committee. I would take the liberty of saying to the Chair that this is in fact true, but one of the issues was that the people who wanted the amendment put forward for one reason or another were not able to put it forward at committee. Therefore, the government has moved Motion No. 7, which reads:

That Bill C-37, in Clause 1, be amended by replacing lines 23 to 26 on page 3 with the following:

"(c) for an electoral district;

(f) made for the sole purpose of collecting information for a survey of members of the public; or

(g) made for the sole purpose of soliciting a subscription for a newspaper of general circulation".

In response to my colleague's question, if we could seek unanimous consent to allow this motion to be debated, I think there would be unanimous consent to debate it and then to pass it. I would certainly support the motion. I think all members of the House would support it. If that is the proper course, I would seek unanimous consent to debate and pass this amendment and thus improve the bill even more.

(1550)

The Acting Speaker (Hon. Jean Augustine): Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

Mr. Brian Masse (Windsor West, NDP): Madam Speaker, I thank the hon. member for Edmonton—Leduc for his speech and contribution in committee. I know he worked hard, as we all did, in the spirit of a cooperative Parliament to get a bill improved with amendments that make it a lot more palatable. It is a first step.

In his speech, the member referenced a number of significant consequences on charitable organizations through this bill, either by accident or by changing their procedures over the next few years if they are denied an opportunity to reach their supports and the people who have contributed to their charities for years. Does the member believe the government has a responsibility, as I do, to intervene by improvements to charitable tax donations as well as supports for those organizations to ensure there is an offset?

I come from a community where there were changes in the bingo industry, which resulted in a significant loss of revenue for hospitals, schools, basketball teams, associations and groups because the laws had been changed. The definition of how to acquire those types of supports was then denied but there was nothing to fill the void. We now are witnessing a significant impact.

If there is a subsequent negative consequence on a charitable organization, I hope the government would take action through the Income Tax Act to make it more advantageous for individual Canadians to give to charitable organizations and to provide some supports to ensure organizations do not crumble because of the situation in which they might find themselves.

Mr. James Rajotte: Madam Speaker, I recognize the work that my colleague did. I also recognize the vice-chair of the industry

#### Government Orders

committee, the member for Kelowna, who carried an issue for us at committee. In fact, there was an issue on which we found a lot of common ground in committee, even if we did not always agree. I know members of the Bloc and the NDP wanted to expand the exemption for charities to all non-profit organizations. Even though there was some disagreement, I thought there was a very good spirit in the committee in general.

With respect to the member's specific question about registered charities and the effect the bill might have on them, that is one of the reasons why I think the committee decided to put in a three year review. It wanted to see the effect of the bill not only in terms of how it works but also its effect on charities. The quote I read from the two groups that appeared before committee illustrates the serious impact it may have on these charities and we obviously want to mitigate that.

I have a lot of sympathy for expanding or increasing the charitable tax credit. How much, I do not have that specific information. It is interesting that our political tax credit is more generous than a charitable tax credit. For many years I have thought that should be equalized. A charitable tax credit should be as much as a political tax credit.

**(1555)** 

[Translation]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Madam Speaker, I am pleased to rise at report stage of Bill C-37, which has been debated for at least an hour already. In short, this legislation seeks to prohibit unwanted telephone calls. Under the existing marketing system, many calls are made to contact people, to ask them to buy certain products, to support a cause, or to get their opinion. All kinds of calls are made regarding all sorts of issues.

We came to realize that there is a need to monitor this sector, to find a way to control it, so that those who do not want to receive such calls can be exempted from getting them. That is the bill's primary objective.

In an effort to find a proper solution to this issue, we took a look at what is done in the United States and in other countries. The concern of the government and of the members of Parliament was that the CRTC did not have all the appropriate and necessary means to act effectively. A bill was needed to deal with this issue.

The committee heard people from many sectors. The telemarketing industry and telemarketers were represented by the Canadian Marketing Association. We also heard from people engaged in all forms of solicitation, including registered and unregistered charities. These people must solicit the public to have sufficient revenues to carry on their good works. For example, there are people who collect money for muscular dystrophy, for a human rights cause, or for any other good cause.

After listening to these people, we decided to propose an amendment to the bill, because it did not allow people representing these organizations to make telephone calls. Without this amendment, these people would have been prohibited from making calls. We might then have been in a very good position to see the impact that these organizations have on our society. It is often said that without volunteers, things would not work very well. Indeed, if we had not allowed charities to do this type of soliciting, we would have created an unacceptable situation.

This in part reflects the spirit in which we examined the bill. The underlying principle is a good one. We must ensure that people who do not want to be called will not be. On the other hand, we need to see whether there are not some groups that need to be excluded from this situation in order to ensure that an activity that is necessary and appropriate in this society is not systematically hobbled.

As a result, we excluded registered charities, as well as existing business relationships. In the latter connection, we heard from a large number of professional associations. Their representatives came to point out to us that if they were prevented from making these types of calls, or if the way they could be made was not made properly clear, ridiculous situations would result.

Taking the example of someone with a professional relationship with another person, a psychologist, pharmacist or physician for instance, the professional might end up unable to continue contact with his client or patient if that specific activity is not allowed in the amendment. This amendment is therefore also intended as an improvement to the bill, making it more realistic and more in keeping with the intended purpose.

We did, of course, also ask for exclusion of those who had not requested to be put on a do-not-call list, in order to avoid misunderstandings. People might claim they thought they were automatically excluded, although they had not asked to be. We wanted to be sure everything was clear and that there was sufficient protection in that area to avoid any additional pointless legal wrangling.

In a concern for democracy, we also wanted to ensure that, as far as political phone calls and opinion surveys are concerned, our democracy in action would not be hindered. For instance, that we would be able to call people to convince them to vote for us, or to contribute to a political party.

These things are essential for a healthy democratic process. Imagine the opposite scenario: political parties no longer able to call people, pollsters unable to sample public opinion. We would end up in a situation where our citizens' democratic rights were being restricted.

#### **●** (1600)

Some people could certainly find ways to circumvent legislation. They would try to achieve the same objective with a very justifiable basis of democratic quality of life. However, this bill would prohibit this.

Once again, it seems essential that we be able to move forward with this amendment. We want all of this to be realistic and to lead to a bill with good values.

There is one very important provision that was added along the same lines. It says that the committee will review the provisions of the act three years after its coming into force.

The idea for this amendment came to us mainly after we found out that the practice in the United States and the previous practice in Canada were not clearly defined. We could not be certain that, three years later, we would not have to add groups to the exemption lists to allow them to make telephone calls. Moreover, it is possible that, among the exemptions accepted, some would have to be changed.

The Bloc Québécois had said, among other things, that we could extend this list and add the registered charities. However, the committee did not accept this. It was not part of the committee consensus. However, in three years, we may realize that we should have been bolder and taken advantage of that opportunity to make such a proposal.

Thus, this bill will please the people in Quebec and in Canada in general. It will make it possible for many people who do not want to receive this type of telephone call to be put on a do not call list. For example, we often receive ad bags at our doors on weekends. They contain all kinds of advertisements, weekly magazines and so on. However, if we do not want to receive them, we inform the distributors and they stop sending them. It is a democratic choice that we make and that is very relevant.

So we want this legislation to give this choice to people, too, with regard to telephone calls. That is why the Bloc Québécois supports Bill C-37.

In a recent Environics survey, 79% of Canadians surveyed said that they support a national do not call list and 66% of those surveyed said they would sign up for such a service. So this bill is justified and socially acceptable. However, we must not forget that a former member of the Canadian Alliance—unfortunately, I cannot recall the name of his riding—had introduced Bill C-301, which died on the Order Paper. So there was already a will to move in this direction.

Furthermore, under that bill, telemarketers who ignored the list were committing an offence and liable to significant fines in the amounts set out in section 73 of the legislation.

In 2003, the Bush administration, through the Federal Trade Commission, implemented what is known as the do not call list in the United States. This same term is used in Canada. During the first year after the new law came into force, 62 million Americans registered and 428,000 complaints were filed against non-compliant companies.

A recent survey by the Customer Care Alliance illustrates consumer reaction to the American do not call list. Some 60% of consumers said they had registered and 87% of those registered reported fewer calls, an estimated decrease of 24 calls per month. So the American model has achieved real results. The model we are implementing is not identical to the American model, but it seeks to achieve similar results.

Another American survey conducted in winter 2004 indicated that 92% of those registered reported fewer calls, including 25% who did not receive any calls at all. The very principle of the bill was wholly respected. These people did not want to get any more calls and they did not.

As a result, in keeping with the general shift in this direction, in May 2004, the CRTC introduced new, more restrictive rules for the telemarketing industry in order to protect consumers. These rules apply to all aspects of this industry. However, the CRTC recognized that one area came under the responsibility of legislators. This area did not fall under the CRTC's mandate, and it wanted such a list to be created.

#### • (1605)

Again, following this recommendation by the CRTC, the government introduced the bill, and members worked in committee to make it the best possible bill.

This legislation affects big players, such as the Canadian Marketing Association, which is the largest marketing industry association in Canada. Its member companies contribute to the Canadian economy by essentially providing 480,000 jobs and by making more than \$51 billion in annual sales. This association is also a powerful lobby for the marketing sector. It has said that it supports Bill C-37, while at the same time having certain concerns regarding the powers given to the CRTC within the parameters of the regulations. This will have to be monitored closely to ensure that the bill remains as realistic, in its content, as its purpose.

The Canadian Marketing Association currently maintains a registry. It would like to be mandated to manage the system that will be put in place to administer the current list. That would not necessarily be the Bloc's choice. We believe that the organization selected should be one with greater independence. We must not find ourselves in a situation similar to that of the oil industry. In this instance, a private organization is providing information in good faith. But for the public, it is not speaking on behalf of the government, but the private sector. It may not be as credible. We would not want to make the same mistake. So, we must ensure that the organization in charge of putting this registry in place operates at arm's length and that its mandate is clear.

We would have liked this bill to deal with the issue of fraudulent telemarketing, but that was not possible in this case. This is a very widespread problem in Canada. Perhaps this issue would be more appropriately dealt with under the Criminal Code. Perhaps the government or a member of this House should move forward on this issue. When we talk about fraudulent telemarketing, we are not referring to those who make telephone calls in accordance with the act and the rules: we are talking about those who try to fleece people by offering them products at a lesser price than the regular off-the-shelf price. They cash the cheque, the product is not delivered and they simply vanish. Some real efforts are required regarding this problem.

For example, illegal call centres, the so-called boiler rooms, generate illicit revenues in excess of \$60 million. It is said that a defrauder illegally earns between \$1,000 and \$5,000 US per week. So, it would be in order to present a government or a private member's bill to amend the Criminal Code and correct this situation.

#### Government Orders

I am now going to deal with the more controversial part of this amendment that all parties were prepared to support to allow a telecommunication "made for the sole purpose of soliciting a subscription for a newspaper of general circulation." A consensus was achieved among all parties. We received letters congratulating us for agreeing to make such an amendment. Unfortunately, the Chair deemed it out of order. I am not questioning the relevancy of the ruling made by the Chair as it relates to the rules of admissibility. However, it seems to me that if the House wanted to properly finish the job and pass a bill that truly reflects the committee's wish, we should be able to make that amendment.

I hope that the ruling issued earlier on the request for consent will be reconsidered. This would allow us to see if there is a way to have the amendment adopted. If that is not possible today, then this consent should be obtained at the beginning of third reading, while ensuring that the everything is in order. It would be somewhat of an aberration if a simple rule of procedure were to prevent us from making a bill more comprehensive. As regards the substance of this issue, it is important that we move forward with a bill that reflects as accurately as possible the wishes and the will of those whom we represent in this House.

The amendment is intended to exclude only calls "made for the sole purpose of soliciting a subscription for a newspaper of general circulation." Clear presentations were made on that.

#### • (1610)

As well, there were demonstrations of the economic impact of not accepting that amendment. I would like to see a way found to declare it in order with another call for unanimous consent. I will not do that now, but I would like hon. members to reflect on this question and find the right time to do so.

If we had that amendment along with all the other amendments to the bill proposed by all parties, after a serious debate and listening to a multitude of witnesses, we would have a top-notch bill. What is more, the mandatory three-year review clause will enable us to revisit the legislation at that time. Any adjustments needed can be made at that time.

I doubt, however, that the newspaper industry can wait that long. If we do wait three years before reworking the legislation because of this amendment, there is going to be a major problem, one we will be responsible for. At least the hon. members who refused to make that amendment part of the bill will be. That would, in my opinion, be an unacceptable position.

Often, in this House, we debate bills about which we do not have similar views or expectations. We have partisan views which, on the substance, may differ in many regards. For once that we have a bill on which we have all done non-partisan work and put in the energy necessary to achieve the desired result, it would be very sad that, in the end, an important element would be missing because of a rule of procedure. I think that we should work to ensure that the amendment can be incorporated into the bill.

Let us try to figure what will happen three or five years from now, when the legislation is reviewed. I would really like for us to be able to achieve results similar to that achieved in the U.S., where a very significant number of people have requested to be put on do not call lists. That was done, and they were pleased with being excluded. Tests should also be conducted with respect to all the proposed amendments, to determine whether the desired results have been achieved with the special permissions given to organizations such as charities.

It might be a good idea to conduct a parallel study with a small control group. If we took a fictitious agency, or a charity that cannot make this type of call, we could look at how much money it would have collected in three years, voluntarily, and compare that with the rest of the market that had this permission.

I am also thinking of all the current international natural disasters. It would be utterly ridiculous if the situation were not corrected. The Canadian government said it would match the contributions of Canadians for the crisis in Pakistan. If we do not get the amendment we want, charitable organizations of this kind could no longer do their telemarketing work, which is important and justified for such a highly commendable cause that deserves our support.

In three years, when the bill has completed its first phase and becomes common practice, when the contract has been awarded and management of the registry delegated, we could re-evaluate and correct the situation if necessary.

Nonetheless, in principle and given what we have seen in other countries—in the United States, in particular—I think we have a quasi ideal bill before us if we can incorporate the consultations held. There is only one amendment missing; the one that all the parties agreed to contribute. For now, we seem to lacking the consent. Someone from the Liberals refused to give their consent earlier. I hope we can complete the work on this bill in the next few hours.

**●** (1615)

[English]

Mr. Tom Lukiwski (Regina—Lumsden—Lake Centre, CPC): Madam Speaker, I would like to thank my hon. colleague for his presentation and also my colleague from Edmonton—Leduc for his. I first have an observation to make before I ask my colleague from the Bloc a direct question.

My observation is that the committee clearly did good work to bring forward these exemptions and amendments. I think the original piece of legislation that was proposed in December 2004 was, as my colleague from Edmonton—Leduc put it so eloquently, a mess. I think this is one of the benefits of having committee work. Committees can take a perhaps flawed piece of legislation and make a bad piece of legislation better. I would certainly applaud all

members of the committee, because I do agree with the spirit of the legislation.

I do have one concern. That is the area on which I would like to query my hon. colleague from the Bloc. My concern is the potential for cost overruns.

From what had been originally projected as a \$2 million registry, we have seen the national firearms registry balloon and spiral completely out of control, to where its costs are now probably close to a thousand times more than originally projected. I have somewhat of a concern, even though I think this registry will be a good thing for all Canadians. My concern is that the registry itself may get into a situation where its costs start spiralling out of control.

Does my colleague from the Bloc share those concerns or does he have some suggestions that might be able to prevent an independent registry from escalating costs, thus making this more an embarrassment than a benefit to Canadians?

[Translation]

**Mr. Paul Crête:** Madam Speaker, I fully understand my colleague's concerns. Every time we hear the word "registry" now, it reminds us automatically of the firearms registry, which proved to be a very trying experience. There were huge cost overruns. The government lost control of the system that it put in place.

However, if we look at the principle, the Firearms Control Act is a an excellent piece of legislation. Because of the way it was drafted from beginning to end, it became a bureaucratic monument, and the consequences of that in terms of information technology requirements and follow-up went way beyond what had been envisaged.

Our responsibility with regard to this new piece of legislation is to ensure that the cost of the registry that will be put in place is minimal, reasonable and acceptable. That requires a close and rigorous follow-up.

I think the sunset clause, under which this act as a whole will have to be reviewed in three years, serves as a watchdog with regard to the registry. Should there be unacceptable cost overruns, we could, after a year, raise this issue in the House in question period or in committee, or do it by using other parliamentary tools at our disposal or through the media that could have some concerns about that.

Basically, after three years we will be in a position to evaluate the situation since we will know how much the registry costs. In fact, there should also be a similar clause in the other bill so we can stay in control. With the inclusion of that provision, the committee agreed that such an amendment would be appropriate to allow us to keep an eye on the bill.

Clearly this is a case of "once bitten, twice shy". We had a terribly bad experience with the gun registry. I sincerely hope that the system we put in place is more foolproof and that we do not see the things we saw with the other registry. That kind of thing happens more often in the areas under government's general responsibility. The lobbyists legislation, the Technology Partnerships program and the sponsorship program are good illustrations of that.

We see a lack of administrative and political discipline behind all of this government's actions in all kind of areas. Like my colleague, I think that we must make sure that the bill is sufficiently foolproof. We see that people often find ways to bend legislation and rules. However, we are responsible for making sure that that bill is sufficiently watertight to avoid that.

I hope that the solution we came up with in the bill will be generally accepted and will give good results. In concluding, I will say that three years from now we will have the opportunity to replace it with more efficient legislation, if necessary, hoping that not too much money has been wasted in the meantime.

• (1620)

Mr. Marc Lemay (Abitibi—Témiscamingue, BQ): Madam Speaker, allow me to congratulate my colleague on the excellent work that he has done in committee, particularly on this telemarketing bill.

In my riding of Abitibi—Témiscamingue, mainly in Rouyn-Noranda, there is a telemarketing firm called Proximédia. It hires many casual employees. I was asked to pose a question concerning a business such as Proximédia, which is just a few years old. What rules will this bill impose on a regional business to allow it to grow? Is there a risk that the regulations provided for in this bill will be so strict that a small business, which still has 130 employees, will be forced to close because it will no longer be able to compete with businesses elsewhere?

I wonder if my colleague can answer this question. What rules will be imposed? Does this bill propose to implement specific regulations that will allow businesses such as Proximédia, in my riding, to continue to grow?

**Mr. Paul Crête:** Madam Speaker, I thank my colleague for his question and his concern for his region's economic vitality. I commend him for caring about these issues.

The purpose of the analysis we did in committee was to find the balance between this type of economic activity and the right of consumers not to receive unsolicited calls. We examined this issue long enough to realize that ultimately, telemarketers are very receptive to this legislation. In truth, they no longer call people who do not want to be called and say so. Representatives only call people who are willing to be called. So this increases the effectiveness of their calls. That way, they can provide better services to their clients because the company has achieved its objectives and its operating costs are lower, compared to when it made random calls. Often, by calling people who did not want to be called, they wasted countless minutes and grew frustrated. So the entire telemarketing industry was paying the price.

The rules are the same across Canada. So, companies in the regions, such as the one to which my colleague referred, must do

#### Government Orders

regional marketing and make their mandate well known. Soon, thanks to technological advancements, long-distance fees will no longer apply to calls almost anywhere within North America. So the potential market is huge.

Call centres are often located in the regions, outside the major centres. This is a good thing, so long as they have access to workers with the necessary skills, such as bilingualism, and they are able to properly train their employees.

Thanks to the provisions in the bill, we believe that these companies will be able to greatly improve their profitability by making fewer unwanted calls. Ultimately, judging by the experience of jurisdictions such as the United States and other countries, these companies will become more efficient. That is my hope. Once the legislation comes into force, I would like the company mentioned by my colleague to tell us about its impact over the next three years, so that we can take this into consideration when it is time to review this legislation.

(1625)

[English]

The Acting Speaker (Hon. Jean Augustine): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Renfrew—Nipissing—Pembroke, National Defence; the hon. member for Windsor West, Gasoline Prices; the hon. member for Laval, Health.

Mr. Brian Masse (Windsor West, NDP): Madam Speaker, it is a pleasure to speak to Bill C-37 on behalf of the New Democratic Party. I was part of a meaningful committee, led by our chair who did due diligence to ensure that all members had an adequate opportunity to contribute to the bill. He also ensured that the bill was shepherded through the process of a very difficult parliamentary session.

At the end of the day, this shows there can be all party cooperation to create a bill, in a balanced approach, to deal with a situation with which Canadians have expressed some frustration and concern. Canadians do not want unsolicited phone calls to their homes, which invade their privacy. However, genuine interests of businesses and not for profit organizations use telemarketing as a way of being productive, not only in terms of reaching their goal to be profitable but also providing employment in different regions across the country.

This is a good bill. It creates a solid first step. It is important to talk about the privacy aspect first and what ordinary Canadians feel with regard to telephones calls to their homes.

Canadians foot the bill to have telephones installed in their homes. They pay service charges to maintain the service. There also is the hardware that is necessary for the service to be completed. These calls come through something that they pay for on a regular basis. Service charges eat into their household incomes. At the same time, they are frustrated with unsolicited phone calls from people seeking their support for good causes or from entrepreneurs wanting to introduce them to a business opportunity. There does not seem to be much regulation to ensure that people have the opportunity to opt out. Alternatively, there does not seem be accountability in the system.

It is important to note the voluntary registry under the Canadian Marketing Association, which supports Bill C-37. From experience, it knew it had to update its list often, and there was an administrative capacity to that. There also was a bit of frustration in the sense that, because it is a voluntary registry, there were no penalties associated to those who violated the list. There were also oversight issues related to updating the list for those people who did not want telephone solicitation and marketing to their homes.

It is important to note that in 2003 an Environics survey showed that 81% of respondents reported receiving unsolicited calls and on average received 3.43 calls per week. It has probably increased since 2003. Often people will joke that they receive that amount of calls per dinner time from different organizations.

It also is important to note that those are the calls about which people knew. Canadians face the antagonizing experience of the computerization of this industry, where they are ghost calling into homes. This occurs when a person is at home, the telephone rings, the person picks up the phone and there is no one on the other end. What happens is a computer identifies that person as being home. A caller will then use that information to take advantage of the time the person is there and a call is made soon thereafter.

Quite frankly, this tactic should be eliminated in Canada. I find it difficult to accept the frustration because if individuals are picking the phone up and no one is there, then it is a further intrusion.

While 38% of people said that they tolerated telemarketing, 35% of people were annoyed by telemarketing and 24% hated it. There is a significant divide in the Canadian culture about how tolerant they want to be with regard to this industry, hence the reason for this bill.

An important amendment put forward by the New Democratic Party, which was supported by all parties, was to have a review in three years. The three-year review is important because this is very much a dynamic issue related to employment and privacy. At the same time it can have significant consequences on charitable organizations and businesses that depend upon this type of industry to be profitable and successful. Once again, that also relates to the employment they provide for citizens in our country.

#### **●** (1630)

It was noted that amendment 7 would not be discussed here today because it was brought forward after the committee had finished its due diligence on the bill. It is unfortunate that the Speaker has ruled against it. However, I would note that if we had unanimous consent, we could correct the situation, and I would encourage all parties to do so.

The member for Edmonton—Leduc noted that there were significant problems with the bill at first. There were questions about whether the CRTC had the required administrative capacity for which that the government asked. There was a division of lists, basically winners or losers, especially those which could affect charitable organizations by locking them out entirely. As well, other important amendments came forward through a spirit of cooperation that led us here today.

Any time we see a bill come back to this chamber with several amendments, I think is an indicator of a balanced approach, one that builds cooperation in the House of Commons.

In the summary of the bill, the CRTC would have three functions. A third independent party would be responsible for the registry. There has been some good debate about the effects of registry, its cost and overruns. This would be funded by the operators. Therefore, there is something of significance if lack of accountability in the registry occurs.

Hopefully, we have learned lessons that will provide some guidance to ensure that there would not be an additional burden placed upon the industry and the charitable organizations because of the registry and the funding required to ensure that lists are scrubbed and updated. There also would be accountability at the end of the day.

Those consequences could be significant if there were a problem. We now have a changing culture where there will be opportunities for people to remove themselves from lists to which people formerly had access.

It is important to note that some of the lists to be removed from the system are quite helpful to the industry. There is a significant growth in the industry right now, in terms of jobs and employment in Canada and even abroad. I think we have all received solicitation calls from destinations outside of North America. We also have call help centres out there. However, there will be a change in the culture. If there is a burden of responsibility for paying this and there is an impact on the revenue coming in related to the implementation and the culture experienced by people, then there could be significant problems for charitable organizations and businesses. It is a responsibility of the House to ensure that we correct those problems. We are intervening into a curtained system.

Another important thing to note is there will be fines once a full registry is set up, established and operating, which will take approximately 19 months according to the CRTC. In testimony in front of our committee, Mr. French identified that it would take several months to get this thing going. Once that happens, penalties will be imposed. I want to read the section on penalties so people understand there will be expectations on those who are intolerant of the government legislation and of the laws of the land. In particular, section 72.01, the administrative monetary penalties, states:

Every contravention of a prohibition or requirement of the Commission under section 41 constitutes a violation and the person who commits the violation is liable

(a) in the case of an individual, to an administrative monetary penalty of \$1,500;

(a) in the case of an individual, to an administrative monetary penalty of \$1,500 or

(b) in the case of a corporation, to an administrative monetary penalty of \$15,000.

That is a balanced approach to take to ensure there will be some accountability at the end of the day.

We know that voluntary standards do not often work and that they are problematic because there is no punitive action at the end of the day. Different organizations or individuals will take advantage of that opportunity. Some are law-abiding and will follow the rule, but if there is not a penalty at the end of the day, it becomes increasingly problematic.

#### **●** (1635)

I want to bring forward the important factor of charitable organizations and the impact that the bill could have not only on their membership but also on the services they provide to Canadians. We heard testimony from Imagine Canada in a submission to the House of Commons Standing Committee on Industry, Natural Resources, Science and Technology on May 4, 2005:

Cumulatively, nonprofit and voluntary sector groups contribute \$75.9 billion annually to the national economy—\$34.7 billion if such institutional charities as hospitals, universities and colleges are excluded. This constitutes 8.5% of GDP; 4.0% excluding institutional charities.

It is very important to note that this is a significant shift in our Canadian economy, with 8.5% of the entire GDP being influenced by a new government public policy that is supported by Canadians but which is going to have an impact.

Ms. Dawn Regan, director of finance and fundraising for MADD Canada, quoted a specific item that I think is important to note, because we can see the dependence of particular organizations on calling and the impact it could have on Canadian culture.

We know that MADD is one organization that is supported universally across the country. It does great work in Windsor West, I know, as well as in other constituencies across the country, affecting not only its members but also protecting other Canadian citizens by being proactive with regard to drunk driving and its consequences.

MADD's Dawn Regan said, "Over 90% of our funds are raised through personal donations". It has asked for an exemption, which it does not currently have. That will go before the CRTC when it starts to develop its list. It is significant that 90% of MADD's donations are susceptible to this change in the bill. This will take away its infrastructure.

I come from a background of working with not for profit organizations. When their systems are built up with that type of dynamic, it makes it very difficult for them to fill the vacuum with other types of revenues. It is important not only in terms of the way that organizations are structured but also for the volunteers and their ability to bring in the resources necessary for their programming.

For example, if that 90% funding drops, then they are going to have to backfill with some other type of funding mechanism, which is very difficult. Fundraising is competitive in this day and age because we have so many charitable organizations competing in difficult circumstances. Many of the corporate donors are tapped out in terms of the availability of capital for organizations and groups.

MADD will have to do their fundraising in a new culture. If that lost revenue is not backfilled, Canadians will lose out and there will be a safety issue on our streets. I think that eventually there will be a further cost if we do not continue to fight drunk driving in our communities.

#### Government Orders

It is important to note that some of these charities are not going to be classified under the Income Tax Act. As New Democrats we wanted to see a broader exemption to begin with. Then, after looking at the testimony and the input after three years, we wanted to be able to narrow the scope if Canadians chose to do so or continue the status quo.

Some of these organizations do very good work. Greenpeace, for example, is an organization that is not going to have the exemption. It is going to have to change and it will be important for Greenpeace to adant.

There are also: the Toronto Police Amateur Athletic Association; the Toronto Professional Fire Fighters' Association; Special Olympics Manitoba; the International Association of Fire Fighters and all its locals; the Canadian Professional Police Association and all locals; the National Action Committee on the Status of Women and all locals; the Lions Club; the World Wildlife Federation and so on. The list goes on and on. All not for profit groups whose primary role is advocacy cannot get charitable tax status, but they do depend upon this type of calling format to reach their base and also to reach out to new donors and expand their operations.

#### **●** (1640)

It was interesting to note that in the debate today we heard about the lack of accountability that we still sometimes see in the industry. I have personal experience working in call centres. Some of them have come a long way in terms of working standards and improvements; they are so far ahead of what they were. When I was in high school, I worked after school in a call centre that was set up in a hotel room. I can still picture it and smell it today. Twenty-five kids were packed into a dingy small room with one window. Wooden tables, underlaid with iron, were set up with a bunch of telephones on top. Everybody smoked.

We were calling on behalf of an organization that was using a charitable front. We had scripts to read when we contacted individuals in the community. We were led to believe that all of the money collected would be going to the charitable organization but later discovered that the funds were not going to it at all.

My friend and I eventually quit the job in absolute disgust and reported this incident, but there was nothing in the law that prevented this from happening. At the time, it was allowed. Not much could be done with regard to overseeing the message we were conveying versus what the charitable organization actually received.

That needs to change. That type of thing puts other charitable organizations and legitimate businesses that would like to use call centres in a lesser light. That is why accountability is very important.

The bill will provide a screening process which would make people who are contacted by this type of service feel better. It will also provide an opportunity to have some of the calls made to residences withdrawn. Parliament will have the mandate to review what the CRTC is doing and what the government is doing to make sure that the CRTC has the right support and is following the right process.

I raised a concern regarding Canadians' privacy through an amendment which unfortunately was defeated. It related to the PATRIOT Act in the United States. In any type of outsourcing done in the United States, even if it is information about a Canadian, the CIA and the FBI can get all that personal information. For example, if an individual is a credit card holder and the call centre has the data, neither the company nor the individual are told about that. The individual has no rights in terms of what happens with the information.

I had concerns that we would be outsourcing to a third party American firm which would then locate in the United States. We had that situation when the government outsourced the census project to Lockheed Martin. Subsequently, we had to take action that cost millions of dollars in taxpayers' money to correct the situation so the data would remain in Canada and not go abroad where it would be susceptible to other third party governments.

Unfortunately, the committee did not support this recommendation. The Privacy Commissioner thanked me for allowing him to be a part of the committee process and told me my fears could be allayed and put to rest. He told me his office would watch for this and be part of this.

It is a healthy part of our current parliamentary democracy when we have a committee like the industry committee that does a lot of good work in a non-partisan way. I would suggest that this bill is part of what we have done.

#### • (1645)

Mr. Werner Schmidt (Kelowna—Lake Country, CPC): Mr. Speaker, I want to commend my colleague for his contributions to the committee. It was a committee that was actually fun to be on. The industry committee has always been fun, but this particular bill made it more so.

I do have a question for the hon. member. If I recall correctly, and I think my colleague from Edmonton—Leduc also alluded to this, certain witnesses who wanted to appear before committee were not accepted or somehow did not get to appear before it. One case involved small business people, one of whom came from Vancouver Island. Another who wanted to appear came from a larger organization, which I think was the Canadian Federation of Independent Business. These people wanted to appear before the committee but somehow did not.

I wonder if the hon. member could perhaps speculate as to why these people did not come to the committee.

**Mr. Brian Masse:** Mr. Speaker, I thank my colleague for the work he did on committee.

Quite frankly, when the bill was first presented there were significant problems with it. There was a chaotic environment for a brief period of time, which led to what I think was a lost opportunity to be more inclusive in terms of the process. We would do well to note that it could be corrected by having a three year review instead of the five year review originally proposed by the government. It was one of the reasons it got unanimous support, because we did lose out on the opportunity to have full broad consultation.

It is appropriate that the member mentioned small businesses. Small businesses use telephone solicitation and contacts, and not only for existing business relationships, which are very crucial for maintaining their lists, but there are interesting peculiarities among different businesses. They might contact somebody who is on their list within a couple of months, for example, or a couple of years or even longer, depending on the products and services they provide to their customers. Having that information would have been more helpful.

Once again, it gives me some degree of comfort that we do have a backstop of reviewing this sooner as opposed to later. It is an important issue to keep in mind. Those groups and organizations that we could not get to this time due to the circumstances I mentioned should be kept in mind so that they will be included next time.

#### [Translation]

Mr. Marc Boulianne (Mégantic—L'Érable, BQ): Mr. Speaker, first I want to congratulate my colleague from Montmagny—L'Islet —Kamouraska—Rivière-du-Loup for the presentation he made earlier. He did an excellent job. I also want to acknowledge the excellent work of the hon. member for Windsor West on his speech.

Bill C-37 is an important bill since it makes changes to telecommunications. The key issue so far is that the commission could regulate and apply penalties for unsolicited telecommunications.

The hon. member mentioned earlier that, although it has some concerns, the Bloc Québécois is in favour of this bill. We would, however, like to see some clearly defined mechanisms for setting up the registry. There is also the issue of managing the registry.

I have the following question for the hon. member. We have talked about an amendment and the rejection of the amendment, since we did not get unanimous consent of the House. To the hon. member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, this amendment is vital. Does the hon. member feel that this amendment will improve the bill or, if we do not manage to pass the amendment, will the bill quite simply be incomplete?

#### [English]

**Mr. Brian Masse:** Mr. Speaker, I thank the member for his contribution to the committee and I welcome him as a regular member now that we are starting our new session.

The amendment with regard to industry is significant because it has cultural implications that are important and are recognized. I do recognize that this amendment came late. We all agree on that. I think the issue came about because of an oversight. However, if we do have unanimous consent of the House, it is an important opportunity for us to correct it, move forward and improve the bill. I think we still have to move the bill forward. As we do, I hope there will be a procedural opportunity to make the amendment if there is unanimous consent.

Seeing that the government brought forth this element, I am a little perplexed that it will not provide consent. It is a rather interesting situation. I hope we can fix this, because Canadians have suggested overwhelmingly that they want to have a do not call list. They want it to be progressive. I think we have made the first solid steps forward. We have an opportunity to make a minor adjustment to this right now. Let us get to that.

If any of the things we have done in the bill turn out to be a mistake, let us get at them with a review in three short years. It will take several months to get this going and then get that review going. Then we can talk about the effects of the list and what people want filtered out more or encompassed. We can see if it meets the needs of Canadians, of Canadian businesses as well as ordinary people in their homes.

#### **(1650)**

Mr. Bill Siksay (Burnaby—Douglas, NDP): Mr. Speaker, when I heard we would be discussing do not call lists today, I became a little excited because I thought we might get to the bottom of why President Bush seemed to be on the Prime Minister's do not call list for so many months when we had the crisis in softwood lumber. It took months and months to get that first phone call in. Or, why the provincial government seems to be on the health minister's do not call list when it comes to enforcing the provisions of the Canada Health Act around credit card medicine or for profit clinics. Or, why the finance minister in British Columbia is on the immigration minister's do not call list when it comes to ensuring that the money sent to B.C. for settlement services is actually spent on settlement services. Or, why in my own riding the Norman Bethune housing coop is on the housing minister's do not call list when it comes to getting help to fix the leaky building situation that it faces.

There are a lot of do not call lists around this place that merit some of our investigation. However I am really glad that we are dealing with Bill C-37 because it is important legislation to many people in my constituency. It was something I heard a lot about during the past election campaign and is certainly something I support strongly. I congratulate all the members of the committee and, in particular, the member for Windsor West, on the hard work they have done on this. It certainly sounds like there was a real spirit of cooperation among the committee members.

This afternoon the member for Windsor West said a couple of times that he thought the legislation was a first step and that there were still some serious problems that he tried to change with regard to charities that were included in the legislation. I wonder if he might comment a little further on what next steps need to be taken and about the charity situation.

**Mr. Brian Masse:** Mr. Speaker, I thank my colleague for his list of do not calls that should be calls. As well, I would note that the charitable organization fundraising aspect is a considerable concern.

The Association of Fundraising Professionals estimate that telemarketing accounts for nearly 70% of charitable organizations' fundraising. I think an important point needs to be made at this point in time. We are intervening in a current culture where charitable organizations have access to a revenue stream that enables them to provide services and employment. It is important to note that they are doing this in a not for profit fashion.

#### Government Orders

What they get from the generous donations of Canadians goes back to hiring individuals in selective communities to work on issues that communities have defined as important to them and then provide those services to the community so that we offset, for example, crime and issues related to public safety and the assistance we provide for persons with disabilities or seniors.

All of those things come from the derivatives of a system of marketing and an avenue from which they can get those sources. If this system changes that significantly or has a problem in terms of adjusting the revenue stream, the opportunities to backfill those types of contributions will not be there. It is also worth noting that we are not even talking about the fact that they could grow. If they cannot do that I think the federal government should start looking at some of the ways charitable donations and organizations are supported across the country.

Coming from my background, having worked for a not for profit organization that was able to successfully apply for and still runs a program for youth, we had many frustrations around the fact that we were constantly re-applying for funds every six months without core funding, despite having several successful programs, and not afraid of accountability, but at the same time not being rewarded in the sense of stable funding that could then provide a greater involvement.

I think the government has a responsibility to look at the effects upon the charitable organizations should the legislation have a negative impact on their revenues.

## • (1655)

**Mr. Brent St. Denis (Algoma—Manitoulin—Kapuskasing, Lib.):** Mr. Speaker, I am pleased to participate at this stage of the debate on Bill C-37, an act more commonly known to create a do not call list for the country.

I want to commend all members of the Standing Committee on Industry, Natural Resources, Science and Technology for an excellent piece of work. I am honoured to chair that committee and I can only say that our ability to work is only because we have cooperation on all sides. The government's willingness, as brought forward by the parliamentary secretary, to look at amendments and the good amendments that were brought forward by all members, especially the critics from the three parties, all provided the House with a better bill to deal with here today.

The bill is not perfect. I do not know if we ever find a government bill that is, but we have struck an excellent balance. I know certain groups or persons may not be entirely happy with it, referring to the comments by the member for Windsor West and others. However it was the amendment of the member for Windsor West which, if I recall correctly, changed the five year review to a three year review. At the three year review, hopefully any serious or minor problems we may have created can be dealt with.

I believe the bill would balance the needs of the marketplace to sell its goods and the needs of consumers who are entitled to privacy in their dwellings. The day is long past where we see door to door salesmen. I do not think anybody here can remember the last time a Fuller Brush salesman was at their door. The times have changed and now the equivalent of the door to door salesman is the telephone telemarketer.

When door to door salesmen go up to a door there could be a sign saying "No solicitors". I do not think it means lawyers. I think it means no peddlers, no door to door salesmen. That is a clear message to the salesman not to knock at that door. In the telephone marketing business, they need to have the equivalent of that sign on the door and that is what the do not call registry will do.

The registry would in no way impair the ability of telemarketers to conduct their business on behalf of their clients. As the member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup said quite effectively, it would reduce the set of calls that the telemarketing company has to make and therefore the percentage of successful calls on behalf of clients will go up because they have taken out a lot of people who do not want the calls and who are not likely to be potential customers of the caller. I think certain efficiencies would be brought to the industry that would be welcomed. We did hear great support from the telemarketing community. We have found that balance.

When I have been the recipient of a nuisance telemarketing call, I have gotten into the habit of politely asking the person to take me off the list. I do not recall ever having a call back from that particular company again. However I am away from home so much, as my colleagues are, that maybe the chances of a telemarketer finding us at home are low.

That said, the bill would simply extend the right of every citizen to be taken off a particular company's or telemarketer's list and creating a centralized list.

However it was important that we consider some exemptions and most particularly, which all parties supported, was an exemption for non-profit organizations. I know the member for Edmonton—Leduc was very effective in bringing forward what I thought was a very balanced approach. Suggestions were made to make the exemption for non-profits much broader, resulting in being more difficult to administer. It is now defined as a list based on the Income Tax Act, which should be, for the do not call administrator, a much easier system to administer.

**●** (1700)

We also made sure that businesses that had existing relationships with customers could contact those customers for a year and a half after the last significant commercial interaction and six months if it were a relatively minor interaction such as ordering a catalogue.

With those two exemptions for business, I think a balance has been struck. I know there was one particular businessman from British Columbia who contacted all of us. I know his member for Esquimalt—Juan de Fuca spoke to me about his concern. I respect his concern but I think, in balance, a year and a half was the right amount, at least for the first three years of the system.

Concerns were raised too about the cost. I understand from the CRTC's presentation that it is estimating about a \$2 million one time implementation cost. The ongoing costs will be taken care of by the telemarketing community, those who do the calls, because they will essentially pay the administration of keeping their lists up to date. There should not be a serious ongoing cost to taxpayers. Since this is a cost that these companies have now in maintaining their own lists, now they can simply allocate those resources as a contribution, I presume, to a national do not call list.

I hope the House will deal with the bill expeditiously. There seems to be a consensus to move forward, notwithstanding a desire for some tweaking here and there, but on balance it is a good bill. It should be dealt with here and I hope expeditiously in the other place so that consumers can have the protection of their privacy to which they are entitled so that each consumer can make his or her decision on whether they shall be subject to the calls from telemarketers, people who wish to sell them a good or service.

[Translation]

Mr. Marc Lemay (Abitibi—Témiscamingue, BQ): Mr. Speaker, I listened very closely to my colleague from the government side. He must know what I want to ask him.

We were told that the gun registry would cost only \$2 million, but then the cost went up to \$20 million, and now it is \$200 million shy of \$2 billion. It is at \$1.8 billion.

In my riding, there is a telemarking company called Proximédia. This company is not against the goals and objectives proposed in the bill. However, through me, it would like to know from the government what guarantees we have that the costs will not escalate, given the fact that the first year of application will be handled by the CRTC. Then it will be at the expense of the companies.

After the excesses in the gun registry and other excesses that are too many to mention, what guarantees can I give Proximédia, a company in my riding, that there will not be such an excess during the two, three, four, five or six years it might take to implement this program?

**●** (1705)

[English]

**Mr. Brent St. Denis:** Mr. Speaker, there is no comparing the gun registry experience with what I expect to be the case with the do not call registry. We are talking about a system where a consumer on behalf of a household simply registers the phone number online with no personal data required. Only a minimum of information would have to be provided to verify that indeed it was that household. My understanding is that anything beyond the phone number will thereafter be erased. It is very simple to register online or to call a 1-800 or toll-free line.

Right now, the telemarketing community, as a group, as an association or as individual members, maintains lists. I do not recall that any of them indicated that their costs now were exorbitant. If we make a reasonable assumption based on the experience of the telemarketers who maintain individual lists and imagine what the situation might be for national lists, if reasonable measures are made and good sense prevails, which I believe it will, we should not see an explosion of costs.

I respect the member for representing his community and Proximedia but I would ask him to reassure the telemarketing company that there should not be any surprises, that it will find its business that much more efficient because this will have eliminated people who do not want to receive calls or people who most likely would not wish to buy the products that are being offered.

It is a good question, but I would ask the member to reassure his constituents that there should be no problem.

Mr. Werner Schmidt (Kelowna—Lake Country, CPC): Mr. Speaker, I have to commend the hon. member opposite who is the chair of the industry committee. He demonstrated again a wonderful attitude that there should be no problem. I agree that there should be no problem, but we were assured of that when it came to the gun registry, that there should be no problem. If everything works the way the hon. member described it, there will be no problem. But he did not ever say that there will be no problem; he simply said that there should be no problem.

The hon. member opposite asked what guarantees we have and the hon. member said that there should be no problem. He went through the process as to what would be required. I quite agree that the way the hon. member described it there should be no problem because this is perfectly legitimate. I could not help but make that comment.

I also want to ask a question which has to do with what is an existing business relationship. We spent a great deal of time at committee trying to define what that is. There was a very serious shortcoming in the bill as it was presented in defining that. The committee finally said that an existing relationship is where someone made contact or entered into a contract 18 months previously.

I would like to ask the hon. member whether we could actually put into that kind of timeframe every sort of business relationship. Are there some perhaps that should go beyond 18 months and are there some that might be shorter?

Mr. Brent St. Denis: Mr. Speaker, I do not want to restate what I said to the member for Abitibi—Témiscamingue about the gun registry, but it is a good point. There is a three year review that we all agreed to and should my forecast on that be wrong, hopefully I will be here for members to hang me out to dry on that one, but we should be okay.

As far as an existing business relationship, the CRTC, as it goes through what is expected to be a 19 month process from the passage of the bill to the establishment of the first day of operation of a do not call administration, will include in that timeframe consultations with the industry. It is hard to give a precise definition of an existing business relationship. In fact we do not want to tie the hands of the CRTC or of Parliament because of something we had not thought of, and it often happens that we did not think of something. We want to provide good guidance. The notion that one and a half years for some kind of a purchase, a contract, a lease, some kind of significant relationship, and six months for ordering a catalogue or making an inquiry is fair for now.

**●** (1710)

[Translation]

**Mr. Paul Crête:** Mr. Speaker, I would like to seek the unanimous consent of the House regarding Motion No. 7, which reads as follows:

October 6, 2005—The Minister of Industry—That Bill C-37, in Clause 1, be amended by replacing lines 23 to 26 on page 3 with the following:

(g) made for the sole purpose of soliciting a subscription for a newspaper of general circulation.

That motion should be included in the current debate and be deemed in order, as the government itself had proposed. I am asking for the unanimous consent of the House to have the motion be deemed in order and debated in the present debate.

[English]

**The Deputy Speaker:** Does the hon. member have the unanimous consent of the House to move the motion?

Some hon. members: Agreed.

Some hon. members: No.

**Mr. James Rajotte:** Mr. Speaker, I rise on a point of order. I am seeking clarification from the Chair on this matter.

The government introduced the motion. It is a government motion. It was ruled out of order by the Speaker. His reasoning was it could have been introduced at committee. This issue was not raised at committee because the committee did not have time to hear it. I would just ask for a ruling from the Chair, Mr. Speaker, that we could have unanimous consent to adopt this motion, debate it here and vote on it . I would just like clarification from the Chair on that issue.

The Deputy Speaker: The member is right in that we could move anything here by unanimous consent, but we do not have unanimous consent in the House to move it. Without unanimous consent, we cannot move it at this time. We do not have leave of the House to do that. It would be out of order to do it at this time.

**Ms. Bev Oda (Durham, CPC):** Mr. Speaker, it is my pleasure to speak to Bill C-37. I commend the member for Edmonton—Leduc in his leadership and work on this bill. I also commend our other representatives on the committee.

How many of us have sat down to dinner or a relaxing evening and the phone rings and upon answering the phone we have heard a taped or live voice selling us carpet cleaning, driveway paving or a new roof? Other calls may have been for the purpose of fundraising on behalf of worthwhile charitable organizations. Still others may have been polls or surveys wanting our opinion on what food we eat, where we shop or a myriad of other subjects, even whom a person might vote for in the next election.

As we have all experienced, there are countless reasons, many legitimate purposes for these unexpected calls and for telemarketing. However, these calls are not necessarily a welcomed intrusion into the homes of many Canadians. According to a survey by Industry Canada, 97% of Canadians claimed to find these calls irritating and have a negative reaction to them, even after the CRTC has done a great deal to manage and improve the telemarketing practices in Canada.

When I was a commissioner of the CRTC I remember dealing with complaints, for example, automated diallers that would cause the phones by patients' beds in the hospital to ring one after another down a hallway. These irritants and other concerns have been dealt with by the commission, and yet still in the 2004 survey undertaken by Environics, Canadians indicated considerable support for another step, a national do not call registry. To date, we have companies and smaller organizations offering such a service on a company by company basis, but this bill introduces a national registry. The survey also showed that 66% of those surveyed said they would sign up for a do not call registry.

The Canadian Marketing Association itself supports a national registry. In its wisdom it recognizes that phoning people who do not want to be called is a waste of their time and resources. A responsible effective registry would benefit all marketers in their public relations and reputations.

The Conservative Party supports this bill insofar as it will respond to the demands of so many Canadians. We believe that a national do not call registry set up within the parameters outlined by Parliament would be in the public interest. We do, however, see the need for the amendments now associated with the bill. These are amendments that will balance the needs of telemarketers with the demands of the public in a simple and responsible way.

The amendments under consideration would in fact address a number of shortcomings not included in the initial bill introduced by the government. Even the CRTC, the agency to be given the responsibility, has asked for more information and details. The commission observed that there were serious flaws in the bill as introduced. It recognized that the job at hand was outside of its current abilities and responsibilities.

Many of the commission's concerns have been addressed in the amendments dealing with the power to impose fines, the delegation of various administrative duties and the introduction of categories allowed exemption to the registry. These amendments have been passed at committee and are part of the debate today.

A three year review once the registry comes into force has been set up. The CRTC is to undertake an investigation as to the best way of setting it up and the associated costs. I do have a concern that the business plan of the CRTC and of the registry should be reviewed prior to the three year review timetable. The public should know how this operation will be set up and what will be the projected cost to the public so that in three years we have something to measure against and we have accountability.

The review is essential because we have to also make sure that we have given the CRTC effective tools to enforce the registry requirements. We would expect careful monitoring of the rate of compliance and complaints received over the three year period.

We would see the effectiveness of the fines and the rates applied. These should be measured as to their ability to limit contravention of registry obligations.

## • (1715)

Most importantly, we would caution the government and the CRTC that the government's history with registries is not stellar. We have seen the gun registry and had discussions earlier on it. A

promise of a few million dollars now surpasses a billion dollars and at the same time there has been an increase in gun violence.

We must ensure that there will be public accountability in the cost of this registry. The cost presented to the committee for a Canadian do not call registry raises red flags when compared to the cost of the American registry to service a country 10 times the size of Canada. We should learn from the American experience. As the saying goes, "let's not re-invent the wheel".

Although I support the amendments regarding the anonymity of the identification of the caller and the purpose of the call when surveys are being undertaken, I would ask for clarification by the government on this point. The amendment allows polling companies to make calls without identifying their clients or the purpose of the call

I agree that the name of the client should be allowed to be withheld. I agree that the name of the client for whom the survey is being conducted may skew the response given, but total anonymity should not exclude the need to identify the surveying company or polling company. I do not see any problem with the caller saying, "We are calling from company X and are conducting a survey or poll". The public deserves this much. Total anonymity is not acceptable, as far as I am concerned.

As to the other exemptions from the do not call registry, I agree that charities, existing business relationships and political parties should be exempted. We have been told how the effectiveness and challenges for charities, and very worthwhile organizations, would be more difficult if they did not receive this exemption. Consequently, in supporting their causes and supporting their work, I believe the exemption is deserved.

I recommend that the amendment regarding anonymity might be reconsidered to ensure that the underlining principles and purposes of the exemptions proposed would be considered, and that we do have a fair balance between the needs of the telemarketers and the public interest.

In conclusion, I ask that we have a public report as to the initial business plan that the registry might set out with, so that the public is aware of the cost and the tools that are being proposed. We would then have something to measure at the end of the three year review. I also ask that some thought be given in refining the anonymity consideration. I support all the amendments in the bill and I commend the member for Edmonton—Leduc and his work. I am sure he will take my suggestions into consideration.

I know that a national do not call registry would answer the needs of many Canadians, would be a mechanism that would be welcomed by many Canadians and I hope it would also allow many Canadians to finish their dinners.

(1725)

Points of Order

**●** (1720)

[Translation]

Mr. Marc Lemay (Abitibi—Témiscamingue, BQ): Mr. Speaker, I listened carefully to the hon. member's comments. First, I want to thank her for her work. I sat with her on the Standing Committee on Canadian Heritage. We did not have much of an opportunity to meet and get to know each other, since I am now on the Standing Committee on Justice, Human Rights, Public Safety and Emergency Preparedness. However, I was able to see that she does a great job and she is very familiar with the CRTC and this whole environment.

My question is: How will the CRTC be able to ensure that the register is kept properly during the first year? Can we get such an assurance? And does the hon. member think that costs will skyrocket over the next few years, as they did with the infamous gun registry, going from \$2 million to \$20 million to \$200 million and now to \$1.8 billion? But, above all, how can the CRTC, with which the hon. member is very familiar, ensure that this registry will be kept properly during its development?

[English]

**Ms. Bev Oda:** Mr. Speaker, I thank the member for his questions and his kind words regarding our time together on the heritage committee

I hope I can give a little bit more information and my thoughts on the CRTC's role in managing and taking responsibility for the do not call registry. I noted one of the things that would be asked of the CRTC is to undertake a wide range of discussions. The CRTC could ask for input as to the best way to set up the do not call registry and have consultations with various interest groups. The CRTC is well-equipped and well-experienced in taking input from various interest groups and organizations.

It has also had years of experience in trying to set up a mechanism that has to be accountable down the road. If the CRTC were to be asked to develop an operational plan, in addition to a business plan, outlining key measures against which it would be willing for itself to be measured, that would enable Parliament or the committee to undertake its review.

The CRTC has certainly had experience in developing a mechanism to deal with, for example, complaints. It does receive a lot of complaints, not only about various telecommunications companies and cable companies but it does have a lot of experience in measuring the level of complaint and at what point it demonstrates inefficiency or a process that is not working. Consequently, I would say that the CRTC does have that experience.

The business plan is an important part if we just allow the CRTC to go ahead. We may be told by the government that it will cost \$2 million, like the gun registry, and three years later we find out it is \$2 billion. That is not acceptable. We must ensure that we put in a mechanism in case there is an overage or whatever. It is sensible, good business planning. It is good handling and good responsible use of public money. If there is an unexpected overage, the CRTC should come before the committee, as a representative of Parliament, to explain the overage before it goes on and on.

POINTS OF ORDER

BILL C-364—TRADE COMPENSATION ACT

Hon. Dominic LeBlanc (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have been advised by the Table that perhaps I could make a very brief point of order with respect to private member's Bill C-364, which is coming up shortly. That way we will not take time from the private members' business period.

I am rising on a point of order as to whether or not Bill C-364 requires a royal recommendation. I will be suggesting two reasons why Bill C-364 should require a royal recommendation.

First, it clearly contemplates a new and distinct charge. Clause 3 states that the Minister of Finance "shall pay" all legal expenses incurred by importers. Such payments would be made out of the consolidated revenue fund, which is the definition of appropriation under section 2 of the Financial Administration Act. Furthermore, this appropriation would be for an entirely new purpose, which is not already legislatively authorized. The Speaker ruled on May 9 that:

—a royal recommendation is required not only in the case where more money is being appropriated, but also in the case where the authorization to spend for a specific purpose is being significantly altered.

Second, clause 4 of the bill provides that "the Minister shall provide a loan guarantee" to exporters or associations in respect of a deposit, surety or bond that they must post to a foreign state. This guarantee creates another liability on the public revenue that is clearly a new and distinct charge for a new legislative purpose. It is the equivalent of a loan and if there is a default on the part of the exporter for whose benefit the guarantee was provided, it would definitely amount to the spending of public money.

Mr. Speaker, your predecessor, Deputy Speaker Francis, at page 9052 of the April 7, 1981 *Hansard* stated:

It is obvious that one of our most basic and fundamental procedures is that only a minister of the Crown may originate legislation which proposes a charge upon the revenue and this can be done only when accompanied by a recommendation from the governor general.

Mr. Speaker, it is for these reasons that I urge you and hope that you will rule that Bill C-364 does in fact require a royal recommendation.

Mr. John Duncan (Vancouver Island North, CPC): Mr. Speaker, it is unfortunate that the government does these kinds of interventions at the last moment when a member of Parliament has obviously invested a considerable amount of time and energy into this exercise.

However, I would first like to point out, on the merits of what has been stated, that what the parliamentary secretary has been calling a loan directly from the government coffers is not a loan. That is the terminology that is used, but it is actually the government backing a cash deposit receivable. This is not taking money from the general revenue account of government. This is simply stating that this receivable will indeed be a receivable. This is done all the time.

#### Private Members' Business

There is no reason why trade harassment cannot be one more category. This would not even require a statutory change beyond the impetus of this in order to effect that change. The minister could do it simply by deciding to do it. The same argument largely applies to the other point on the legal costs, which is that the government is already making these kinds of decisions. It has already allocated \$20 million in this area.

This creates a scenario where it would be triggered as opposed to leaving it up to the vagaries of the politics of the day for the government. It is very demonstrative of a disingenuous argument to suggest that this would require a royal recommendation.

**●** (1730)

The Deputy Speaker: I thank the hon. member for Vancouver Island North and the parliamentary secretary for their interventions and for the background on the private member's bill in question. I do believe we are going to enter into the first hour of debate, so there is time to make a decision on this, if a decision is necessary. I am sure the Speaker will review that.

I appreciate the interventions of hon. members. We will come back to the House with a decision, if necessary, in due course.

It being 5:32 p.m., the House will now proceed to the consideration of private members' business, as listed on today's order paper.

## PRIVATE MEMBERS' BUSINESS

[English]

#### TRADE COMPENSATION ACT

Mr. Brian Jean (Fort McMurray—Athabasca, CPC) moved that Bill C-364, An Act to provide compensation to Canadian industry associations and to Canadian exporters who incur financial losses as a result of unjustified restrictive trade actions by foreign governments which are signatories to trade agreements involving Canadian products, be read the second time and referred to a committee.

He said: Mr. Speaker, I am glad I got the government's attention on this particular matter. It is about time it spent some attention on softwood lumber and other issues of trade disputes.

I am from a small city in northern Alberta, a city I am privileged to represent which, believe it or not, has over 98% of Canada's oil. It is a major contributor to the tax base of Canada. Unfortunately, our roads are falling apart. People in my riding, my friends and my family, cannot even afford to rent or own houses in the riding. Our hospital is going to operate with a \$13 million deficit this year to provide quality health services to workers from every province in Canada. Indeed our national highway that leads into my community is referred to by those brave enough to travel on it as the national highway of death.

The citizens in my riding are actually responsible for more than \$3 billion of money that goes to the federal government and we receive a pittance back from the Liberal government for the safety, health and comfort of our citizens. I would suggest in travelling this country that our infrastructure in that area and our quality of life is as bad, if

not worse, than anywhere in the rest of Canada. This is not fair and the Liberal government should be ashamed of leaving our infrastructure in that shape.

What is even more unfair is the response the Liberal government has had to trade disputes with other nations. As we have seen again, it is trying to stop something that would actually help industry in this country and promote jobs. That is why today I am very proud to sponsor my private member's Bill C-364, the trade compensation act, which will hopefully not only support Canadian exporters, but will also put an end to Liberal incompetence and Canadian economic fears that take place in our marketplace.

I am simply a small-town Alberta Conservative and like my Conservative colleagues who are beside and around me today, I am anxious to stand and fight for softwood producers from Quebec, cattle exporters from Manitoba and all Canadian workers, industry and exporters, which have been so often ignored by the Liberal government.

Canada is a trading nation. We are a nation of traders and have been for centuries. Our success is dependent on trade and the success of our trade agreements with other nations. Days, months and even years are spent negotiating trade agreements with other nations and finalizing these agreements. Millions of Canadian tax dollars are spent on doing this, but what is the use of all this work by the people doing it and all this investment of tax dollars if nothing is done by the government to enforce the terms of those trade agreements? What happens when those agreements are not worth the paper they are written on? What kind of investment is that if the Liberal government does not enforce the terms of those agreements? How can we ask Canadians involved with international trade to have any confidence in the government if the government will not stand up for trade?

The gross lack of support is felt at every level of our economy throughout Canada from the producer to the manufacturer, to the mom and pop shops, to the retail stores, to every sector of our communities. No one is exempt from the negative effect of having our international trade agreements not adhered to.

We are a trading nation. The question is, does the Liberal government have any credibility domestically to protect Canadian industry? Obviously by looking at our trade record over the last 10 years and the government's performance, the answer to that is no. We do not have any credibility and no belief in the government's protecting our industry.

The dire need for the trade compensation act, this particular bill, was obviously necessary in April and the government could have brought up any objection it had at that time, but it did not. It waited until the 12th hour, as usual, to come up with any objection. Now we are in an emergency situation. Our industries are collapsing and something must be done.

On August 10 an extraordinary challenge committee, convened under NAFTA at the request of the United States, formally and unanimously rejected the U.S. challenge of an earlier NAFTA decision which ruled for Canada, giving Canada the final victory in the softwood lumber dispute. Almost immediately the United States government said that it did not intend to comply with this ruling. This was a final unappealable NAFTA decision.

#### **●** (1735)

What is the government's response when industry asks for even a little help to even out the playing field? I have a letter from the Minister of International Trade to Tembec Inc., a Montreal based company, and I quote from paragraph 2:

We have reviewed your request for recognition of the duty cash deposits as receivables. The government is of the view that, in order for such sums to be considered receivables, they must involve a contractual obligation by one party to pay another party.

Maybe the minister should read the North American Free Trade Agreement. It is an agreement. The panel was clear. The decision was clear. The money is owed and it is owed to Canadian industries.

Clearly, enforcement of the terms and conditions of NAFTA must be argued persuasively, vigorously and consistently at every level. This is where the purpose of this bill, the trade compensation act, comes into play. The government, obviously in this case especially, must be forced to take aggressive action to defend and protect our industries.

I would submit today that the Canadian government has a clear duty, I would even submit it has a fiduciary duty, to take every step available in law to protect our export industries and our trade. We should never again see the trade harassment that we have seen over the last years in our cattle industry, in our wheat industry, and of course in our softwood lumber industry.

NAFTA provides specifically for trade disputes to be resolved within a maximum of 315 days from start to finish, less than a year. Had the Canadian government pursued the softwood trade dispute vigorously, we would now have it settled and Canadians would have back in their pockets the \$5 billion that is currently being held by the U.S. The government has not been doing enough. In fact, I would suggest the Liberal government has been doing nothing.

Let me give an example of how this lack of caring and lack of action from the Liberal government affects an average softwood producer in Canada. The province of Quebec is the second largest exporter of softwood lumber. For every \$1 million of wood sold, the exporters have not received up to \$270,000. Twenty-seven per cent of their sales are held by the United States, collected in illegal tariffs. What has the government done? Nothing.

While this money sits in a bank account in the U.S., companies in all parts of Canada are going out of business. Workers, the very backbone of the Canadian economy, are out of work and whole towns are suffering unnecessarily. Shame. Workers in Quebec, British Columbia, the Maritimes and Alberta are losing jobs and money. Businesses are closing their doors because of high legal bills, and up to 27% of all their sales to the United States are being kept and are not coming back to Canada to create more jobs to support the families of those workers.

#### Private Members' Business

Legal bills to date, believe it or not, are \$350 million and are escalating by \$100 million a year. These are paid for by Canadian companies. The U.S. is currently holding \$5 billion paid for by Canadian companies. This is all because the Liberal government refuses to act to protect Canadians and their families. This is where the money ultimately goes, back to the families.

I believe that Bill C-364 would provide needed support for such industries as softwood lumber, agriculture, textiles, and yes, even oil and gas. Most important, Bill C-364 would also send a powerful signal to the United States and any other government that is going to impose unjust restrictions on our trade. It would send a clear message that Canada is finally getting serious about supporting our industry when it is subjected to unwarranted and repeated attacks on legitimate trade pursuant to international agreements such as the North American Free Trade Agreement.

This is not just a fight about softwood lumber. It is a fight to protect chapter 19 of NAFTA and the NAFTA itself. The burden of this fight up to now has not been borne by the government. It has been borne by the softwood producers across Canada. It is shameful. Make no mistake about it, if we do nothing and we continue to allow foreign countries to ignore their own laws such as in this case and to ignore NAFTA, then chapter 19 and the NAFTA will be lost forever.

The North American Free Trade Agreement is the single best trade agreement ever signed in the world. Every advantage is Canada's and Canada's workers, but that is only if this agreement is respected and obeyed in law and in spirit by the United States, Canada and Mexico. Why would it be obeyed if the government does nothing to enforce the terms of this agreement?

#### ● (1740)

The bill would do two things. First, if the federal government is not prepared to fight for Canadian industry and enforce the terms of an international agreement that it previously negotiated and, quite frankly, should support, then the federal government would have to reimburse industry for any reasonable legal expenses incurred by that industry or business in litigating an unjust trade restriction by a foreign power. Second, the government would provide loan guarantees to industries that were being unjustly taxed by foreign countries in the amount of the tariff held by that foreign power.

It is real money that is held somewhere else. This is simply a guarantee on those loans. Take for example the Quebec corporation that I used previously. Since the United States is holding \$270,000 of that \$1 million in sales, this company under this bill could borrow money against that accounts receivable. It could continue its operations, pay its employees and perhaps expand its operations in some places which have been so hurt over the last 10 years in softwood.

#### Private Members' Business

In the case of the softwood dispute with the United States, \$5 billion immediately would come back into the Canadian economy. That is where it should have been in the first place if the federal government were doing its job.

Currently, there are companies in Quebec, not 1,000 miles from where I stand today, that may or may not be in business in six months and may or may not be able to continue to employ Canadians and keep towns alive. If the government and the Prime Minister continue to dither and do nothing, this is exactly what will happen. Here is the government's chance to support the bill, to support the trade compensation act.

Who supports the bill? My fax has not stopped. I have a letter supporting the principles of Bill C-364 signed by the BC Lumber Trade Council, the Ontario Forest Industry Association, the Alberta Forest Products Association, the Ontario Lumber Manufacturers' Association, the Free Trade Lumber Council and the Quebec Forest Industry Council.

I have a letters from the office of the mayor from the township of Chapeau, Ontario, from Northern Wood of Thunder Bay, Ontario, from Tembec of Bolton, Ontario, from La Crete Sawmills Ltd. of Alberta, from Marathon Pulp Inc. of Ontario, from the city of Thunder Bay, from Downie Timber Ltd. of British Columbia, from I. S. Wight & Sons, a trucking company of British Columbia and even from employees of wood companies, all supporting my bill.

What does the government do? It tries to throw it out before it even has a chance to get on its feet. The Liberal pattern of doing nothing has been more than 10 years in the making and it has now come to a head.

We are no longer seeing a fight to regain free access for Canadian lumber to the U.S. market. Rather it is whether the Canadian government will allow the U.S. government to renege on commitments it made during the free trade negotiations more than 20 years ago.

I am told, and I have no doubt about it after reading the NAFTA agreement, that without the provisions of chapter 19 Canada would not have signed the NAFTA agreement, and the government does nothing to enforce those terms. It is shameful.

The Prime Minister, during his U.S. visit, was clear enough in his speech to the Economic Club two weeks ago, but he clearly failed to sway President Bush during their brief telephone conversation last Friday. That is no surprise. It is too little, too late.

This should be the campaign slogan for the Liberal Party during the next election: too little, too late. It is standard practice.

We all know actions speak louder than words. Bill C-364, which today the government tried to quash before it started, proves to Canadians, from Quebec to British Columbia, that the Conservative Party cares and that we are prepared to put taxpayer money where our mouth is. We are prepared to fight for Canadian exporters to keep Canadian jobs in Canada.

## **•** (1745)

The bill is not a subsidy. It likely will not cost the taxpayers any money at all, either in the short term or the long term. It is even

likely that the government would break even. This is Parliament's responsibility. We here in the House have a responsibility to see that no matter what government is in power it will represent Canadians and Canadian industries and will provide industry with real support, not a fast phone call, not cheap talk and not political grandstanding five years after it was necessary.

The Government of Canada has a clear duty, in fact, a fiduciary duty to step in and provide loan guarantees for these companies and repay the legal fees that they had a responsibility to incur in the first place.

It is time to show the world that Canadian parliamentarians, we in the House, will stand up for Canadian industry. We will fight to protect Canadian sovereignty, which in the end Canadian sovereignty is what is ultimately at stake if our government continues to dither and continues to live by the motto "Too little, too late".

Please support Bill C-364, the Canadian Trade Compensation Act, and help Canadian industry help Canadian workers

[Translation]

**Mr. Marc Lemay (Abitibi—Témiscamingue, BQ):** I will not be long, Mr. Speaker. I know that my colleague from Joliette will explain the Bloc's position on the subject. However, it is obvious that I will personally support the bill with all my energy.

The Tembec company was born in my riding. Right now, it has about \$340 million blocked at the border. Tembec could invest that money to become more profitable, to expand and to make sure that its operations in different parts of Canada can continue to thrive and to grow.

As recently as last week, I received calls concerning the private member's bill introduced by my colleague for Fort McMurray—Athabasca. I think that that bill is very important. No matter what the Speaker's ruling on the validity of that bill is, I will say that at least the bill has forced the government to introduce procedures.

What we ask for are loan guarantees to allow the companies to survive the crisis. If the government does not understand that, I do not know how we can convince it to do something. Do we need to bring all the lumber companies to the Hill with all their employees? I do not know.

Here is my question for the hon. member. I think that his bill is very interesting. How can we convince the government that, contrary to what it argues, the bill does not require the expenditure of public funds since the money is already blocked at the border?

**●** (1750)

[English]

**Mr. Brian Jean:** Mr. Speaker, in this case we will have an hour of debate. Then we will need to have some pressure from outside this humble House. We will need to have some people lobby the particular members who object to the bill.

It was the government's obligation to do this in the first place. The government should be proposing this bill. It should not come from the opposition. It should come from our friends over there. It should have come from it and it should have come five years ago. It is too little, too late, and that is why the Liberal government, the Government of Canada, has to change.

I am familiar with the gentleman's treatment company that has \$340 million held by the U.S. It is a clear supporter of the bill. As he said, that money coming back into the Canadian economy would only do well for Canada and Canadians in all parts of the country.

Mr. Bill Siksay (Burnaby—Douglas, NDP): Mr. Speaker, I am glad this debate is before the House tonight. I hope it will continue. I believe Bill C-364 is an important bill that should be sent to committee to be discussed further and in greater detail.

This is an industry and these are communities that have been hit particularly hard by the inaction of the Liberal government to deal with the problems of NAFTA and the problems that the Americans have set up for us in that arrangement.

It is important that we go forward with this and have a thorough debate. It probably needs some safeguards, but in principle it is an important discussion to have.

Would the member support a broader discussion about legal aid in Canada, since we are talking about legal aid to corporations? Would he support the idea that the federal government should be supporting individual Canadians who often have to forgo a legal remedy because they cannot afford to have their matters solved in court or cannot afford representation in court?

For instance, should a woman living on a low income not have legal aid support when she has to go to court to discuss a divorce or a custody arrangement? Should people living in poverty not have access to that same kind of support that is so important for this industry?

**Mr. Brian Jean:** Mr. Speaker, in this case, I did leave the avenue for trade disputes to be covered by individuals, organizations, associations or corporations. In this case, if the government would be prepared to let the bill go forward and not try to quash it, we would be able to provide help to those individuals who are involved in disputes. This involves any individual business, no matter what size. It is not for a multibillion corporation only. It is for every level of industry that trades internationally.

I can only speak to the Alberta scene itself. As a litigator for 11 years in northern Alberta, I can assure the member that legal aid is provided to all those people who have under a certain income and for whatever reason. I am not certain what the situation is where the gentleman comes from, but I can assure him that we have a very good legal aid system and that access to legal services are provided.

Hon. Mark Eyking (Parliamentary Secretary to the Minister of International Trade (Emerging Markets), Lib.): Mr. Speaker, the trade compensation act proposes that the federal government provides compensation to Canadian industry associations or Canadian exporters who incur financial losses as a result of unjustifiable trade restrictive measures taken by foreign states which are signatories to trade agreements with our country.

Bill C-364 has two specific components. First, it would require the federal government to pay legal expenses incurred by Canadian industry associations or exporters in instances where a foreign state restricts Canadian exports in a manner that is found to contravene any bilateral or multilateral trade agreement between Canada and a government or state. It appears that the determination of whether a trade action is justified or not would be made by a tribunal

established under the relevant bilateral or multilateral trade agreement.

The second component of the bill proposes that the government provides loan guarantees to cover deposits, sureties or bonds that may be required of Canadian exporters by the foreign state. Specifically, the bill stipulates that:

If the government of a foreign state requires that a Canadian exporter or a Canadian industry association deposit an amount of money with that government or post a surety or bond pending the final determination of a matter by the tribunal...the Minister [of Finance] shall provide a loan guarantee to the exporter or association in respect of that deposit, surety or bond.

When the hon. member for Fort McMurray—Athabasca tabled the bill he stated:

This bill is directed primarily toward those exporters who deal with foreign powers, specifically in this case toward farmers, on BSE, and toward softwood lumber.

Members of the House are quite aware that trade and all aspects of international commerce represent an important cornerstone of Canada's prosperity and economic success. With over \$491 billion in exports of goods and services and over \$437 billion in imports of goods and services in 2004, the role of international trade, and more precisely, unfettered trade, cannot be underestimated. This is precisely why the government is dedicated to further expansion of the defence of Canadian trade interests.

The government understands and appreciates the costs associated with the defence of trade disputes. Legal costs involved in trade disputes are often quite high. The length of disputes and the often numerous parties involved can explain why legal expenses can be significant.

That said, it has been the longstanding policy of the federal government not to accede to requests from Canadian industries for financial assistance to cover legal costs that they incur related to trade actions taken by trading partners. This policy reflects the extensive role of the federal government in matters of international trade. This role and expense incurred by the government must be understood. Like industry associations and Canadian exporters and like provincial governments with stakes in international trade disputes, the federal government also secures the service of legal counsel to assist in the defence of Canadian interests during trade disputes.

However the work of the government in this regard does not stop here, quite to the contrary.

The federal government devotes substantial financial and human resources to the defence and the representation of Canadian trade interests. This is particularly the case when a foreign state restricts or threatens to unjustifiably restrict trade.

There is no doubt that a unified Canadian position through collaborative work with all interested stakeholders represents the best tool in advancing Canadian interests at the international level. It is in recognition of this fact that the government has instituted over the years various consultative networks. These networks ensure that all stakeholders have the opportunity to work with the government in the defence of Canadian interests.

To begin, several federal departments are involved in international trade matters, including International Trade Canada, the Department of Finance, Agriculture and Agri-Food Canada and Industry Canada, just to name a few. They work in a concerted effort to ensure that the agreed international trade rules are respected.

● (1755)

In addition, the federal government coordinates closely with other Canadian parties, including provincial governments, industry associations and companies, for one common objective, to represent vigorously and champion Canadian trade interests in the face of unjustified measures. It is through these various established consultative channels that we can explore all feasible avenues and assess all available options in the representation of Canadian interests in trade disputes.

These joint efforts have allowed the carrying out of focused advocacy campaigns aimed at fostering support for Canada's position in other countries. They have also contributed to informing and persuading key decision makers in other countries to adopt and promote a position that is favourable to our country.

It is in this context that the role of Canadian embassies and offices abroad are so essential. Our foreign representatives monitor and send reports to Ottawa on a daily basis. Any intelligence that could strengthen the future advocacy group is provided. They meet with decision makers at every level of government and establish contact with industry leaders, particularly those allied to Canadian interests, to promote Canadian objectives and to collaborate and pursue extending awareness and perspectives favourable to Canadian interests.

Furthermore, the government is firmly of the view that fair and enforceable international trade rules provide Canada's business community with the environment in which commerce can flourish.

I believe the hon. members of the House can all agree that these rules foster healthy trading relationships which in turn help the initiation of new disputes between partners.

The evolution of the trade rules over the past 50 years has not only contributed to Canada's prosperity but, just as important, these rules have helped to address trade irritants before they developed into disputes.

Nonetheless, we recognize the current rules governing international trade are not perfect. That is why our government dedicates considerable resources to ensuring that the integrity of international trade rules are upheld.

It is in this context that Canada is an active player in the current WTO Doha negotiations. Our objective in these negotiations is to advance new proposals with the purpose of clarifying and imposing existing trade rules and dispute settlements and procedures. Clearer and more transparent rules will not eliminate trade disputes but they will certainly help to avoid and to reduce their occurrence.

As a party to numerous international disputes, the federal government fully understands and appreciates the costs involved in such disputes. We remain committed to defending Canada's international trade rights. The government will continue to work in concert with domestic stakeholders to pursue targeted advocacy

efforts in foreign markets when they are necessary for the defence and resolution of trade disputes.

Finally, Canada will continue to push in the context of the WTO negotiations for clearer and improved trade rules with a view to providing a more predictable environment for commerce to flourish so as to reduce, to the extent possible, trade disputes between countries.

However for the government to formalize the funding program to compensate legal costs incurred by private organizations would not be the most effective and efficient use of our resources.

**●** (1800)

[Translation]

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, first, I would like to congratulate the member for Fort McMurray—Athabasca on introducing Bill C-364. In fact, the Bloc Québécois was working on a similar bill. In that sense, from the outset, I can tell him that we will be supporting his bill over the next few months.

Clearly, the hon. member introduced Bill C-364 with the current lumber crisis in mind. Nevertheless, we are perceptive, and we can see that trade disputes are on the rise, particularly with our neighbours to the south. So, while set in a context coloured by the current impasse in the softwood lumber dispute, the scope of this bill should extend to other areas.

Take the pork industry, for example, which is regularly the victim of trade harassment. We might also think of the steel industry, where they have run into problems regularly. There is the dairy sector, which has been constantly attacked by the U.S., New Zealand and Australia.

All this to say that, while it deals with a situation that we cannot ignore, namely the softwood lumber dispute, one of the great strengths of this bill is that it is not sector specific. It applies to any sector affected by unjustified trade actions. In that sense, it is perfectly in keeping with Canada's international trade obligations.

I think it is important to point out that this is a bill which concerns all export sectors, and not just one in particular. It is very clear that, if passed, as we hope it will, this bill could benefit the softwood lumber industry.

It also seems to me that it should be emphasized that Bill C-364 is not related to export. It does not deal with export assistance, but rather with assistance made necessary by unjustified duties levied by a foreign country. With respect to softwood lumber, the foreign country is the United States. But it could very well happen that the European Union or other jurisdictions might implement protectionist trade policies resulting in situations where the provisions contained in this legislation would apply.

It must also be pointed out that this is nothing but common sense. The government has, moreover, announced on several occasions that it was thinking along those lines. I clearly remember, when the Minister of Foreign Affairs was Minister of International Trade, he announced, jointly with the Minister of Industry of the day—Mr. Manley if I am not mistaken—phase one of an aid package for the communities affected by the softwood lumber crisis, and a second for the companies and associations engaged in the dispute.

There was phase one, the \$356 million we are tired of hearing about constantly from the present Minister of International Trade. I would remind hon. members that the \$356 million was not specifically for the softwood lumber industry itself but for the affected communities. Hon. members will also realize that this money was spent in 2003, and now here we are with 2005 nearly over and the Liberals keep throwing back at us that figure for a program that dates back nearly three years now.

What is more, of that \$356 million, and this is admitted by the Minister of International Trade himself, in a document he has sent to me, an excerpt from an article he placed in June 25th's *Le Soleil*, he states that only \$15 million was allocated to the softwood lumber associations. Yet they are trying to convince us that help has been given to the industry and to the companies that are struggling.

Then there was phase one of the help with legal fees. If I remember correctly, that amount was \$14 million, and then another \$20 million was announced last April. This is just peanuts compared to the \$350 million to \$400 million the associations and companies have had to spend to defend themselves against the Americans' claims.

The government knows very well that something has to be done about the legal fees, and what it has done is insufficient. It has just done a bit of window-dressing. The bill will quite simply force the government to assume its responsibilities, responsibilities it claims to want to assume, but in actual fact is not doing. The same thing goes for the loan guarantees as well.

#### • (1805)

In the debate that we had, the former Minister of International Trade, who is now the Minister of Foreign Affairs, had suggested that the government would help businesses to get through this crisis. American authorities have illegally levied \$5 billion in countervailing duties. Businesses have to pay these duties. It means reduced cash flow, fewer investments and fewer jobs.

And it is not over. President Bush's stubbornness, his refusal to follow through on the August 10 ruling of the extraordinary challenge committee, has forced softwood lumber businesses to go before American courts. We know that this procedure can take about two years. As the member mentioned earlier, we know full well that our businesses will have to pay \$2 billion extra in countervailing duties to export their products to the United States, that is a total of \$7 billion. It is important to understand the scope of this amount. Currently, duties stand at \$5 billion.

Today, Carl Grenier, vice-president of the Free Trade Lumber Council, presented to the Toronto Economic Club the figures compiled by Price Waterhouse. These \$5 billion collected in countervailing duties at the U.S. border currently represent three

times the net revenues generated in the past three years by the 12 largest companies in the forestry sector.

In a few weeks, or a few months, some will be surprised that large companies will have gone bankrupt. I can already see the minister responsible for economic development or the industry minister telling us they will address the issue. Bill C-364 seeks to prevent these bankruptcies and avoid having a situation where the government would have to spend even more. This bill is not about spending. The hon. member was very clear on this. I want to repeat what was said. These are loan guarantees. There is absolutely no cost to the taxpayer. In this sense, the Liberal claim to the effect that the bill requires a royal recommendation appears totally ill-founded. We are not talking about contributions, but about loans that will be repaid when we manage to recover these \$5 billion. It will be the same thing regarding other disputes that may affect us in the coming years

I also want to go back to the first segment of the assistance provided to communities. We asked the government repeatedly when it would implement a loan guarantee program such as the one at Export Development Canada. We are not reinventing the wheel. We now know that the \$5 billion in countervailing duties is money owed to Canadian and Quebec companies by U.S. authorities. The courts have issued all their rulings. We are now at the end of the legal process. As soon as the Americans decide to fulfill their international obligations under NAFTA, that money will be used to repay the loan guarantees.

Every time I ask him the question, the Minister of International Trade says that the government helped the industry by allocating \$356 million. I will explain what this money was used for in Lanaudière—and I will drop a few of the investment projects because I am running out of time. This \$356 million helped start up an ecological aquaponic farm that produces trout and lettuce. This does not have much to do with softwood lumber. A positive pressure vertical wind tunnel was built for individuals wanting to experience free fall. This is a far cry from softwood lumber. A commercial laundromat was set up, the productivity of a numbered company was improved and the possibility of developing a golf course was explored. It is true that there are trees around this golf course, but we usually try not to cut too many of them down in order to maintain the idyllic look of the course.

In light of this government's lack of responsibility, the hon. member did well to introduce Bill C-364, but it should not have come down to this. The government should have assumed its responsibilities in accordance with international rules. However, it does not want to. The opposition parties—I hope the NDP will also support this bill—will force this Liberal government to assume its responsibilities and help our businesses and industries that are suffering from commercial harassment. We must provide concrete help to our businesses and our softwood lumber industry. They are at the end of their rope and need help that complies with our international obligations.

I absolutely do not understand why the Liberals are being so stubborn in refusing a proposal that makes such good sense. They should have already implemented such a measure a number of years ago or at least a number of months ago.

**●** (1810)

[English]

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, I rise as well, as trade critic for the New Democratic Party, to speak in favour of this important private member's bill, Bill C-364.

Like the previous speakers, the member for Joliette and the member for Fort McMurray—Athabasca, I regret that this measure is necessary, but it is necessary because Parliament has to act where the government has not acted. That is the reality.

We need to support our softwood lumber industry. We know that the softwood lumber industry is bleeding \$4 million a day in punitive tariffs. This affects my home province of British Columbia more than any other province in this country.

We are talking about lost jobs. We are talking about punitive tariffs of \$4 million a day. Five billion dollars now is gone in punitive tariffs to Washington. Much of that money has disappeared entirely through the Byrd amendment. It has already been paid out. Millions of dollars have been paid out to American competitors through this unjust amendment, yet the government has done absolutely nothing.

We are talking about \$5 billion in punitive tariffs. We also know that the legal costs are mounting rapidly. The softwood lumber industry has assumed over \$350 million in associated legal costs around this same issue.

The House has to take action because the government has done nothing. The House has to take action because people are hurting in communities across the country. The softwood lumber industry is hurting. We have lost billions of dollars in punitive tariffs and hundreds of millions of dollars in legal fees and yet the government has refused to act.

I would like to put my remarks in context by talking a bit about the history of both the free trade agreement and NAFTA. I think it is important to talk about the origins of this agreement, going back to 1989 with the FTA and 1993 with NAFTA.

At that time, we sat down with the Americans to negotiate a dispute settlement mechanism that would make sense. The objective of the Canadian government in those negotiations was to have a dispute settlement mechanism that would be binding on the United States. In return, we saw the Americans looking, in those same negotiations, to have privileged access to our energy resources.

As members know, we have the largest energy reserves in the world. For the Americans to put that negotiating point forward is understandable. What is not understandable is that we gave that privileged access to our energy resources in return for a dispute settlement mechanism which for all intents and purposes has been ripped up by the Bush administration. Yet our government has done nothing.

At this time, it means that most of our resources, our natural gas and oil, are actually being shipped to the United States. The proportionality aspects of NAFTA mean that we are obliged to continue to send those energy resources to the United States even in the event of a national emergency and a national shortage.

It also means, as I know members are well aware and as the *Globe and Mail* profiled yesterday, that if we choose to send our energy resources to another market, we actually have to reduce Canadian supply in order to do that. The proportionality aspects of NAFTA demand that we continue to send the same proportion of energy resources to the United States that we have over a preceding 36 month period.

We are in a situation now where we have what the Canadian government negotiated. In this corner of the House, the New Democratic Party had raised concerns about the agreement and our giveaways, even at that time. Suffice it to say, we are now in the context where the dispute settlement mechanism is dead. It has been ripped up. The binding obligations that should have taken effect in August of 2005 have not. The softwood lumber industry is now left essentially an orphan because of the federal Liberal government not acting in this context.

**(1815)** 

I would like to touch on what the impacts have been on Canadian families. We often talk about softwood lumber. Certainly most recently we have talked about the impact on the industry, but it is important to note what we have seen since 1989 in 80% of Canadian families, or in other words, in four of the five quintiles. Normally when Statistics Canada profiles Canadian families, it divides them into quintiles, into 20% of the population: the lowest income 20%, the next to lowest 20%, the middle income 20%, the upper income 20% and then the highest income 20%.

Statistics Canada has produced a study recently, but since 1989, over the first 15 years of the FTA and NAFTA, in four of the five quintiles we have actually seen a decline in real income of Canadian families. We are not talking about prosperity. We are talking about the fact that the incomes of the lowest income Canadians have eroded in real terms since 1989 by up to 15%.

Those of us who go out into our communities and knock on doors—and I certainly do that in my communities of Burnaby and New Westminster as often as I can—have heard anecdotally about how families are hurting, how it is becoming more and more difficult to make ends meet and how the extra costs we are seeing are making it very difficult for families to get by. The surprising reality is that Canadians with the lowest incomes have seen a dramatic fall in income since 1989.

That is not all. Let us look at the next lowest and the middle income Canadians. Those families have also seen a dramatic drop in their real income. They are trying to get by on fewer financial resources than existed 15 years ago.

For the upper middle class, the fourth quintile, there has been absolutely no improvement in real income over a 15 year period. From 1989 there has been no improvement. Their incomes have stagnated. Costs have risen, as we know, while their real incomes have had absolutely no improvement.

Who has profited from the trade policy of the Liberal government? Upper income Canadians. The wealthy in Canada have seen their incomes rise by 12% to 15%.

It is important to note this.

The failed trade policy that we see is the result of a number of factors. Yes, there has been inaction by the Liberal government on these important trade files. We could mention the textile industry, but tonight we are talking about softwood.

Most Canadian families are struggling to get by with fewer financial resources than they had 15 years ago, yet we have the largest energy reserves in the world and we have an export surplus which we know is due to the fact that we have resources the rest of the world would love to have and would dearly love to trade with us.

Coming back to recent days, what happened? Two months ago the dispute settlement mechanism was ripped up. It took two months for the Prime Minister to make a phone call, which has been the only action undertaken in the 60 days since the ripping up of the dispute settlement mechanism, that binding obligation under NAFTA. That is indisputable. There is no question that there is an obligation. It is binding. It is clear.

Yet in two months we have seen a phone call and a lot of spin and speeches. My goodness, the industry minister was beside himself, saying the Liberals would take the Americans into the boards. We have seen the result. Not only have they not taken the Americans into the boards, they are not even on the ice. They are hiding in the dressing room.

When Canadian jobs are at risk, where communities across the country are suffering and where real family income has dropped, the Liberals have done nothing except make a phone call.

Very clearly, given the Liberals' complete and utter failure to deal with the issue of softwood lumber in any meaningful way, the New Democratic Party has been putting forth suggestions. We called for a recall of Parliament. We were told it would be considered, but it was not. After a lot of dithering, Parliament was not recalled even though this issue is crucial to the Canadian economy.

We have called for export levies on energy resources, given that we have the largest reserves in the world. There has been no response from the government.

We have also called for a halt to the NAFTA-plus negotiations. What a mixed message: we are saying on the one hand that NAFTA is not working, that there is a real problem here and that dispute settlement has been ripped up, and on the other hand, the Liberal government is sitting down every day and negotiating lower standards in areas like food safety and air safety.

The Liberals call it "harmonization", but it is lower standards. It is saying to Canadians that our higher standards will now be lowered to what Washington tells us it wants to have through NAFTA-plus.

• (1820)

We need to take action and, fortunately, this private member's bill is a first step in the action this Parliament needs to take in the absence of any action from the government.

# Private Members' Business

**Mr. John Duncan (Vancouver Island North, CPC):** Mr. Speaker, the bill is an act to provide compensation to Canadian industry associations and the Canadian exporters who incur financial losses as a result of unjustified restrictive trade actions by foreign governments.

In the instance most of us are talking about, we prefer to talk about softwood lumber because that is a current example. However, my friend from the Bloc from Joliette is quite correct, this applies to a lot of potential disputes, not just within our NAFTA arrangement but within other arrangements.

I have a fairly long involvement with the portion of the bill that deals with what is being called loan guarantees. I prefer to call it government backing of a receivable because that is what it is.

The government chose, with a Friday afternoon announcement, to back, through EDC, very poor risk receivables with some of the airlines that were purchasing Bombardier products. We now have three companies, which are insured for \$3.7 billion by EDC, in chapter 11 bankruptcy in the U.S. The maximum we are asking for here, on a go forward basis, because we cannot make this bill apply going backwards on the softwood dispute, is about \$2.4 billion. That would be virtually a guaranteed receivable because we are not talking about money that is sitting with a poor risk. These are cash deposits sitting with the U.S. government. This is a whole different equation. We are looking at a two year window. It deals with the court enforcement of a final NAFTA decision.

The reason I have had quite a bit of background on this is that in 2002 the Free Trade Lumber Council made a proposal to the trade minister of the day and the trade minister of the day turned it down on the basis that there were too many things going on in NAFTA and it wanted to see how this would play out.

Last year the lumber council once again approached the current trade minister and was told that the government wanted to wait until it saw the final decision from the NAFTA panel on threat of injury before it did anything.

August 10 was the big day, the day of the long awaited decision on threat of injury, the long predicted big win for Canada and, guess what? In September the six trade associations from British Columbia to Alberta and Ontario to Quebec jointly made this request of the current trade minister and basically were told no. Have they been told no based on any rationale? No, they have not. Have they been given any indication of why the government is saying no? Only to the standpoint that this might be rather irksome to the U.S. Well, guess what? The reason the Canadian industry saw the need for this kind of program is that it knew the U.S. Department of Commerce would be unreasonable in the tariffs it arranged.

● (1825)

The U.S. has now passed an amendment called the Byrd amendment which distributes these moneys, ultimately to the U.S. complainants, the industry that launched these very complaints against the Canadian industry, in other words, its competitors in the U.S.

Canada's answer to the Byrd amendment, which is the only way it could fight the amendment, is contained in the bill. It is contained in the proposal accepted by my caucus in 2002, along with the Bloc and the NDP. We held a joint press conference announcing our support for such an endeavour. We are still there but the government has never been there and is still not there.

What is the government doing to send a message to the U.S. that we are serious about winning when we have actually won legally? We want our money back. I do not know a stronger way to deliver that message than to carry out this kind of measure. The result of this measure would be that the government would say to companies that they have a receivable and that they have suffered three and a half years worth of requirements to pay a total now of almost \$5 billion into these accounts but they cannot call those receivables.

The cumulative weight of all of that is now bringing companies to their knees, which is exactly what the U.S. lumber coalition wants. However we cannot go for another two years because it will not serve our national interests. It is time for the government to step forward and to back our forest industry in the same way it has been prepared to back our aerospace and other industries. This would actually be a lot cheaper. This is the way to go.

However for the government to now argue that this is somehow an ill-considered proposal is contrary to all of the thought that has gone into this over the last three and a half or three and three-quarter years. The government has never actually given a technical reason why this should not proceed and, for every technical reason and for the national interest, it should proceed.

• (1830)

[Translation]

**The Deputy Speaker:** The time provided for the consideration of private members' business has now expired and the order business has now expired and the order is dropped to the bottom of the order of precedence on the Order Paper.

### ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[English]

#### NATIONAL DEFENCE

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Speaker, as the member of Parliament for Renfrew—Nipissing—Pembroke, home to CFB Petawawa, I am pleased to take an active interest in the well-being of the women and men who serve their country as members of the Canadian armed forces.

It is with their concern in mind that I question the defence minister regarding the decision of the Prime Minister to compromise the independence of the office of the ombudsman for National Defence.

By appointing someone over the objection of the democratically constituted majority of the members of the Standing Committee on National Defence and Veterans Affairs, the Prime Minister has demonstrated contempt of the democratic process and for the members who were elected by their constituents to serve the interests of all Canadians.

The record shows that as a member of the defence committee I have advocated for the position of the ombudsman to be independent. The ombudsman should be an officer of this House and report to Parliament, not to the Minister of National Defence. The ombudsman should be free to do his work and not be required to submit his reports to the very people he is investigating, in this case the Minister of National Defence, prior to those reports being publicly released.

In defending this practice, the new ombudsman stated to members of the defence committee that ministerial directives require him to follow this practice. It was precisely that type of response that resulted in the MPs rejecting his candidacy, and is causing concern for those Canadians who believe that military members deserve our support and respect.

That response certainly confirms the judgment expressed in the editorial of a major newspaper when it stated:

—it's reasonable to expect the generals, the previous ombudsman used to torment, would seek a more friendly, conciliatory and pliable replacement....As it stands, [the Defence Minister's] continued championing of Mr. Côté in the face of parliamentary opposition smacks of an attempt to co-opt and neuter the ombudsman's office.

It should be noted that my concern for the independence of the office of the military ombudsman was repeated by the first ombudsman, Mr. André Marin. In his parting message Mr. Marin stated:

The biggest deficit in achieving the principles of success, however, is the continuing lack of institutional independence for the Office.

As I have noted time and time again, institutionally, the office is vulnerable.

As the Ombudsman exercises delegated authority from a government Minister, the Office remains beholden to the Minister and therefore subject to pressure, should it be exerted.

Moreover, the Office is created by Ministerial directives that can be deleted with the stroke of a pen.

The absence of a legislative foundation has... undermined the authority of the Office.

It should be pointed out that the creation of the office of the military ombudsman was the only good thing to come out of the Liberal Party whitewash of the Somalia inquiry.

By June 1998, morale in the Canadian armed forces was at an all time low after suffering from massive budget cuts, overt political interference and the Somalia cover-up, which led to the disbanding of one of the proudest traditions in the military, the Canadian Airborne Regiment.

It is by design that the Prime Minister would choose the individual who was a legal government coordinator when the political decision was made to shut down the Somalia inquiry.

If anything demonstrates that it is business as usual between the decisions made by the old Chrétien gang of sponsorship scandal fame, in which the current Prime Minister was a senior member and participated in every decision, and decisions of today, it has to be the fact that the present Prime Minister continues to make appointments in the absence of the moral authority to do so.

For Canadians, this is another example that nothing has changed.

The Prime Minister was quick to provide lip service to the democratic deficit when he was looking for votes.

Canadians who were prepared to give the Prime Minister the benefit of the doubt before the latest scandal involving the Prime Minister's good friend, David Dingwall, are now saying that they do not believe him any more.

What a sad disappointment the Prime Minister has been to all Canadians and to our international reputation.

• (1835)

Hon. Jerry Pickard (Parliamentary Secretary to the Minister of Industry, Lib.): Mr. Speaker, the ombudsman provides an important service to the Canadian Forces by investigating complaints and serving as a neutral third party on matters related to the department, the Canadian Forces and the welfare of all members and employees.

In May of this year the minister proposed the appointment of Mr. Yves Côté to replace the outgoing ombudsman for the Department of National Defence and the Canadian Forces. The proposal was referred to the Standing Committee on National Defence and Veterans Affairs which rejected the minister's candidate. This decision of the committee was regrettable.

The government respects the work of the committee and carefully considered the decision. However it still found that Mr. Côté was the most qualified candidate of a dozen or so candidates who applied for the position, and he was appointed ombudsman in July.

I can assure the House that the process to select a new ombudsman for the Canadian Forces was open, competitive and fair. This selection was not a military decision, but a decision of government. At no time did any Canadian Forces members take part in the screening of applicants or in any interviews. In fact, the Minister of National Defence personally interviewed all top candidates for this position.

The minister is absolutely committed to having a strong and credible ombudsman for the men and women of the Canadian Forces. The government stands behind its decision to support Mr. Côté as ombudsman. He is very well qualified and has demonstrated a great deal of integrity in his more than 25 years as a public servant.

Furthermore, we need only look at his record to date as the ombudsman of the Canadian Forces to see Mr. Côté is the right person for the job. In less than three months Mr. Côté has shown that he is dedicated to helping the men and women of the Canadian armed forces.

We understand that Mr. Côté has been active in continuing the work of his predecessor on important issues such as recruitment and post-traumatic stress disorder.

Mr. Côté also is making his own mark in the role of ombudsman. He is visiting Canadian Forces bases across the country meeting with members and listening to their concerns. We believe he also is looking into the possibility of making the services of the ombudsman more accessible to Canadian Forces members by opening more offices at more bases.

### Adjournment Proceedings

Let me now address another issue which the hon. member raised in her question in June. She mentioned that Mr. Côté acted as legal counsel for the Department of National Defence. It is true that Mr. Côté has worked with the department in the past. In fact, Mr. Côté was involved in the creation of the Office of the ombudsman. At the request of the minister of national defence of the time, Mr. Côté worked there to make this happen.

As a lawyer, he was operating under the instructions of the client at the time, and I am pleased to say that he helped to develop this very effective office and he certainly has been there for our soldiers. He has been there to ensure that they are represented well. Quite frankly, as the person who started it moving forward, he makes a great candidate and will do a fantastic job as the ombudsman.

**(1840)** 

**Mrs. Cheryl Gallant:** Mr.Speaker, the Prime Minister is known as Mr. Dithers with all his broken promises and his demonstrated lack of respect for democracy.

Since I asked my question for the Prime Minister about his fear of selecting an independent watchdog for the military, the Prime Minister went ahead and made the appointment anyway, once again running roughshod over a parliamentary committee.

One of the highlights of Mr. Marin's career as the first military ombudsman was the role he played in obtaining compensation for soldiers who were used as test subjects for chemical agent testing during World War II. It took 60 years for the government to accept responsibility. Unfortunately, many of those veterans were deceased before any recognition was made. This must not be allowed to happen again.

I have requested that the new ombudsman, Mr. Côté, conduct a similar independent inquiry on behalf of those individuals who were exposed to various chemicals, the so-called rainbow herbicides, including agent orange, either as a member of the military or as an individual who was exposed to these chemicals. I suggested that his response to the victims of chemical testing done by the military should serve as a standard by which to judge his term in office.

Canada owes it to its veterans and their families to end the uncertainty from being diagnosed with mystery ailments that exposure to these chemicals may cause. A proper diagnosis would result in timely treatment.

**Hon. Jerry Pickard:** Mr. Speaker, it is important for all of us to realize that Mr. Côté has through his whole career acted to support people and move things forward. He has the skills and ability to understand the needs and the demands that are required as an ombudsman and to work for our Canadian Forces and those in need of help.

I find it very short-sighted to suggest that it is not the minister's responsibility when all legislation gives the minister the responsibility of appointing the ombudsman for the military services. At the same time, I believe we need to have a person with the legal training, the background and the desire to work as well as the opportunity to have new development.

Mr. Côté, as I said just a moment ago, in the last three months has developed new lines, new help for our people and is reaching out to our forces ensure that they are well served.

### GASOLINE PRICES

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, I rose in the chamber to ask a question of the government related to a study by the Canadian Centre for Policy Alternatives on gas pricing, entitled "What's behind high gas prices?" The study proves that Canada's oil and gas industry has reported record profits of over \$16 billion in the last year alone, according to Nickel's Energy Group.

Michael Ervin, a leading industry insider and consultant himself, described the industry's recent profit margins as spectacular. This would not be so bad if it were not at the expense of Canadian consumers or if it were down to simple market forces as had been advocated by the industry. However it is not. There is clear evidence of price gouging by Canada's oil and gas industry, particularly during the period of the recent U.S. hurricanes.

The price of crude oil rose by \$10 U.S. per barrel between June and September. If the industry had kept its other expenses constant, that should have led to an increase at the pump of just  $7.9 \, \wp$  per litre. Instead the average increase was  $15 \, \wp$ , with some communities paying significantly more. Over Labour Day weekend the average increase was  $40 \, \wp$  on the June price alone. According to a report from the CCPA, the price of Canadian gas should never have gone above \$1

The gas industry was engaged in clear gouging, taking advantage of public fears over hurricanes Katrina and Rita. For every penny per litre the price of gas rises, the industry takes an additional \$1.1 million per day. This means at the point of peak gouging, when the difference between a justified crude oil increase and pump price was as much as 45¢, the industry was raking in \$50 million of excess profits every day.

This has happened at the same time as the government is providing \$1.4 billion in contributions, grants and subsidies to the oil and gas industry and is also providing the industry with a corporate tax cut.

That has to end. Canadians deserve accountability and they want the government to account for that. It was clearly price gouging at the pumps at a time when people lost their homes. There is destruction across North America and it is not acceptable to have excessive profits at the expense of other people and industries which has cost this country in terms of economic development, stability for families and, more important, accountability on which the government has to deliver.

#### (1845)

Hon. Jerry Pickard (Parliamentary Secretary to the Minister of Industry, Lib.): Mr. Speaker, the rapid increase in gasoline prices in Canada is of concern to the Canadian government without question, and is a concern to everyone in the country. The increase since hurricane Katrina has mainly been driven by crude oil prices which have climbed more than 50% so far in 2005.

There are a number of factors driving the crude oil prices. Foremost among them is demand. The economies of developing nations around the world are growing and that growth requires energy.

The government is taking action. The success of our efforts is predicated on there being an open and fair market to bring these products to Canadians. In that regard the Competition Bureau has served us well. It has spent considerable resources analyzing the practices and participants in the oil and gas industry. Bureau officials have done five major studies of gas prices since 1990. Each of those studies told us that gas price spikes were not the result of a national conspiracy to limit competition with gasoline supply, or from abusive behaviour by dominant firms in the market.

The Competition Bureau has closely followed the activities of the oil and gas firms during the recent period of volatile price shifts and it will continue to do so. I have every confidence that the commissioner will take the appropriate action where evidence of anti-competitive behaviour is found.

Trust in the market is created when the rules are applied and they must be applied fairly and openly. Again, the bureau has served Canadians well over the years. Bureau investigations have resulted in 13 trials and eight convictions in price maintenance cases in the oil and gas industry.

The bureau has also investigated the competition problems that could arise from proposed oil and gas company mergers and has not hesitated to challenge potential transactions that could substantially lessen or prevent competition. Honest competitors in every industry need to be protected. We have to make sure that there is no collusion nor price fixing. They need to be protected against firms that might use their dominant position to enhance their position in the market.

As a government we have put forward changes to the Competition Act and have tried to ensure the act is strengthened. We will also make sure that we have proper and appropriate tools to respond to the changing business climate. We also know that we need to do everything we can to protect the consumer as well as we can from those spikes that happen, but it is not the government's responsibility to set the price. Canada mainly is a price taker, not a price setter.

One of the major problems we have had over the last several months is the very volatile prices, but all Canadians must be aware that those prices have been volatile in every country around the world. In the United States the price has jumped. In Europe the price has jumped. Still, Canadians have suffered, but we have put a program in place to make sure that low income Canadians receive a fair amount of price support this coming winter.

One of the steps the government has taken is to make sure that we have programs in place that will deal with those extremely difficult situations Canadians will have.

The Government of Canada has allocated \$15 million over five years for the office. The office will rely on information such as federal and provincial data and will provide information to Canadians on how markets are operating. In other words, it will be made open and transparent, wo that on the Internet or through our bureau that we are setting up, Canadians will know what is causing the price volatility and how it is happening. There will be more transparency in the industry. Those are steps the Canadian government is taking.

### **(1850)**

Mr. Brian Masse: Mr. Speaker, I thank the hon. parliamentary secretary for apologizing for the oil and gas industry. Again, it is just not acceptable. If people do not want to believe me as a New Democrat, then let us consider some of things Liberals have said about this issue. I would point to the comments of the member for Pickering—Scarborough East who said on CBC news, "a category five hurricane in the U.S. has given rise to a category five fleecing of the consumer at the pump". He added that the refiners in Canada have seen fit to raise prices beyond what he called a catastrophic level.

That once again is consistent with the independent evidence that we heard at committee. Michael Ervin described the refining profits during Katrina as spectacular, spectacular off the backs of Canadians and consumers and other industries. It is not acceptable.

What the parliamentary secretary did not say is what the Liberals would do about situations like this in the future, or what they are willing to do right now to get some of that money back that has been fleeced from people.

I would conclude with another comment by the member for Pickering—Scarborough East. On CTV news in September he said, "The oil industry has to come clean....They're taking advantage of a desperate situation. I think that is terrible. It has to stop."

It can only stop if the government has the political will. Stop giving the large corporate grants that those guys are getting, the \$1.4 billion in grants from the government. There are also the corporate subsidies. At the same time, there is no accountability at the pumps for Canadians.

**Hon. Jerry Pickard:** Mr. Speaker, what one has to realize is that Canada is one of the countries that has the lowest charge on energy around the world. We certainly have far lower prices than Europe. Anyone who has travelled to Europe, Asia or other countries knows the price paid for gas is far higher than it is in Canada.

Certainly we are not a perfect organization, but we have done everything we can to make certain that low income Canadians get the financial assistance they require. The government has announced a direct financial assistance program for low income Canadians of up to \$5,000 per household to defray the costs of higher energy costs.

There is no question when we look at the EnerGuide formula that we will watch the prices to the consumer and try to make sure the consumer is well aware of why those prices are fluctuating. Canada is not a country where we put price controls on separate industries and that is not the general step to take. I believe it is to inform the consumer, keep the prices as low as possible and keep the supply working well in this country.

[Translation]

# HEALTH

**Ms. Nicole Demers (Laval, BQ):** Mr. Speaker, I rose in the House recently to ask a question concerning silicone gel breast implants. Unfortunately, the answer that I got did not satisfy me. I will thus try to get a better one today.

It has been brought to my attention that the medical devices special access program, intended for serious, dangerous or even

# Adjournment Proceedings

deadly diseases, has been used excessively to allow surgeons to procure silicone gel breast implants. Thus, they can carry out breast augmentations, replacements following implant rupture, or breast reconstructions.

These silicone gel implants have not been approved by Health Canada. These are the third generation of silicone gel implants. We have experienced major problems with the other two generations. It has not been proven in any way that implants from this new generation are safe or harmless for women.

I am worried because Health Canada has taken a rather lax attitude with respect to the distribution of such breast implants. It is actually moving toward a culture of acceptable risk. Surgeons are being allowed to procure and use breast implants that have not even been approved. In the 1990s, their use was denounced, and it was demanded that production be stopped. Today, surgeons are nevertheless allowed, for very unconvincing reasons, to be supplied with breast implants filled with silicone gel whose long term effects are unknown.

Unfortunately, in previous years we saw that the long term effects could be disastrous. We have seen that approximately 70% of women who undergo breast augmentation using silicone gel implants experience serious problems, including implant rupture as well as capsular contracture. Women experience all sorts of very serious problems because of these implants.

There is one thing I am having more and more of a problem with, and I am realizing it today. The initial surgery is elective surgery and, as such, is paid for by the client. However, subsequent surgeries to remove a breast implant or treat a patient are at public expense. As we know, the health system is seriously overloaded at present and it cannot absorb additional costs. In addition, these companies do not produce comprehensive reports or studies on the safety of these implants.

I would like the parliamentary secretary to tell me something. When the program was established in 1993, there were 17 requests granted every year at first. That was not very many, and it was mainly for the purpose of reconstruction. It continued until 1997. In 1997 and 1998, approval for the use of these implants was totally discontinued because, at the time, class action suits were likely to be won. Now, the number of requests sought and granted has grown to 6,211 a year. In 2004 alone, the use of 6,211 silicone gel breast implants was authorized. I find all that very unfortunate and worrisome. I would like to know why this is happening.

#### **●** (1855)

Hon. Robert Thibault (Parliamentary Secretary to the Minister of Health, Lib.): Mr. Speaker, before dealing with this issue, I want first to give all Canadians the assurance that the medical devices special access program has been applied according to the spirit of the regulations. Health Canada has taken and continues to take the necessary measures to ensure that breast implants do not pose any risk to Canadian women. As with many other medical devices that were sold before the Medical Devices Regulations came into effect in 1975, manufacturers were responsible for testing these products.

Given the increasing questioning, in the early 1990s, of the validity of these test data, Health Canada took a proactive approach and, in 1992, asked manufacturers for information on the safety of silicone gel filled breast implants. Manufacturers were invited to voluntarily withdraw their implants from the Canadian market so that Health Canada could assess and examine these data on safety.

Following this withdrawal from the market, we invited manufacturers to submit evidence of the safety and effectiveness of breast implants during the pre-market review. Under the current regulations, which were enacted in 1998, breast implants are class IV devices, which are subject to the most extensive testing of any certified medical devices.

# [English]

There are currently no licensed silicone gel-filled breast implants available in Canada. Health Canada is currently reviewing a number of licence applications for these devices and has received a large number of pre-clinical, clinical and other safety data for these implants from the manufacturer.

Health care professionals who require silicone gel-filled breast implants for their patients have to apply to the medical devices special access program. In order to be issued access, a physician must meet requirements under part 2 of the medical devices regulations which came into effect in 1998.

### [Translation]

In her question, the member for Laval stated first that the medical devices special access program is only for people suffering from a serious or life-threatening illness. This is not true.

Part 2 of the medical devices regulations very clearly defines special access. It states that health professionals can have access to a medical device for emergency use or if conventional therapies have failed, are unavailable or are unsuitable. Currently, Canadian physicians making a request under the special access program believe that silicone gel-filled breast implants are the best solution available for some patients having to undergo breast surgery.

These requests are coming from physicians and women who are well informed about the risks and benefits of silicone gel-filled breast implants and who have decided that the benefits of such devices outweigh the risks.

One of the requirements of the special access program is that physicians provide patients with a document outlining the risks and benefits of such a device. Health Canada is made aware of the risks and benefits along with the request by the woman's physician for special access.

#### • (1900)

# [English]

It is a complex subject and difficult to explain within these four minutes. The doctors and their professional organizations have to submit written requests for access according to the stipulations of their organizations.

### [Translation]

**Ms. Nicole Demers:** Mr. Speaker, I acknowledge the good faith of my colleague, but the companies asked for studies have not provided any long term ones.

Women are not properly informed; they do not have all the information they require. When they get these implants, it may not be a matter of serious or dangerous illness, but that will likely be the case in ten years. Then we will see what happens.

I find it unfortunate that this problem is being discussed and that we have no assurance that silicone-gel breast implants are definitely harmless to the women of Quebec and Canada who will have to make decisions relating to their appearance, or their health, if it is a matter of breast reconstruction. Unfortunately, some 18% of women who have implant surgery are having breast reconstruction. On the other hand, about 80% do so solely for cosmetic purposes. I find that most unfortunate.

I would like to ask my colleague whether he can assure me that the members of the expert committee consulted by Health Canada will be excluded from sitting on it again if they have a conflict of interest. Only last week, one of them wrote an article in praise of silicone-gel implants. I feel it is an appalling conflict of interest for someone to be continuing to work for these companies while a consultant to Health Canada—

**Hon. Robert Thibault:** Mr. Speaker, I thank the hon. member for her comments.

I want her to know that we share her concerns about the use of any device or product such as breast implants. We share her concerns about their possible effects on health in the short and long terms, if they are improperly used.

That is why the minister was absolutely proactive in ensuring that the review for certifying these products, which require permits in Canada, is completely transparent. In other countries, experts like our departmental ones who assess every drug and device, have approved these products, but without the necessary transparency to allow people to understand their full scope.

The minister went a little further. He asked a panel of experts to conduct a public study. He then gave the public the opportunity to give its opinion on these issues. This panel will give the minister the answers to specific questions.

However, the decision will not be made by the panel; it remains the responsibility of the minister and must be based on the safety and effectiveness of these products. Then a decision will be made based on the responses to these questions.

The Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands

adjourned until tomorrow at  $10\ a.m.$  pursuant to Standing Order 24(1).

(The House adjourned at 7:04 p.m.)

# **CONTENTS**

# Wednesday, October 19, 2005

STATEMENTS BY MEMBERS		Ms. Robillard	8721
Millennium Scholarship Excellence Award		Intergovernmental Affairs	
Mrs. Chamberlain	8717	Mr. Duceppe	8722
		Mr. Martin (LaSalle—Émard)	8722
South Asia Earthquake	0515	Mr. Duceppe	8722
Mr. Grewal (Newton—North Delta)	8717	Ms. Robillard	8722
Forest Industry		Mr. Côté	8722
Mr. Valley	8717	Ms. Robillard.	8722
International Day for the Eradication of Poverty		Mr. Côté	8722
Mrs. Lavallée	8717	Ms. Robillard.	8722
	0/1/	Labbriota	
Bullying		Lobbyists Mr. Layton	8722
Mr. St. Amand	8718	Mr. Layton Mr. Emerson	8722
Iraq		MI. Efficison	0/22
Mr. Day	8718	Government Contracts	
Nicholas Salamis		Mr. Layton	8723
Ms. Bakopanos	8718	Mr. Valeri	8723
•	0/10	Correctional Service Canada	
Elie Saab		Mr. MacKay	8723
Ms. St-Hilaire	8718	Ms. McLellan	8723
Violence against Women		Mr. MacKay	8723
Ms. Karetak-Lindell	8719	Ms. McLellan	8723
		Organized Crime	
Transport Mr. Warrens	0710	Organized Crime  Mr. Toews	8723
Mr. Warawa	8719	Mr. Cotler	8723
Elder Abuse		Mr. Toews	8723
Mr. Maloney	8719	Mr. Cotler	8723
Pay Equity			0123
Ms. Crowder	8719	Foreign Affairs	
		Ms. Lalonde	8724
Seniors	0710	Mr. Pettigrew	8724
Mr. Doyle	8719	Ms. Lalonde	8724
Corinne Côté-Lévesque		Mr. Pettigrew	8724
Mr. Gauthier	8720	Child Care	
Crystal Meth		Ms. Gagnon (Québec).	8724
Mr. Kamp	8720	Ms. Robillard	8724
•		Ms. Gagnon (Québec).	8724
Member for Laurier—Sainte-Marie	0720	Ms. Robillard	8724
Ms. Folco.	8720	Organized Crime	
ODAL OUESTIONS		Mrs. Grewal (Fleetwood—Port Kells)	8724
ORAL QUESTIONS		Mr. Cotler	8724
Justice		Mr. Hiebert	8725
Mr. Harper	8720	Mr. Cotler	8725
Ms. McLellan	8720		
Mr. Harper	8721	National Parole Board	0705
Ms. McLellan	8721	Mrs. Hinton	8725
Mr. Harper	8721	Ms. McLellan	8725
Mr. Cotler	8721	Justice	
Child Care		Mr. Kramp.	8725
Mr. Harper	8721	Mr. Cotler	8725
Ms. Robillard	8721	Foreign Affairs	
Mr. Harper	8721	Mr. Paradis (Brome—Missisquoi)	8725
<u>.</u>		1 /	

Mr. Pettigrew	8725	Kidney Disease	
Health		Mr. Devolin	8729
Ms. Crowder	8725	Gasoline Prices	
Mr. Dosanjh	8725	Mr. Devolin	8729
•	0723	Marriage	
The Environment		Mr. Devolin	8729
Mr. Cullen (Skeena—Bulkley Valley)	8726	Clothing and Textile Industry	
Mr. Dion.	8726	Mr. Boulianne	8729
<b>Government Contracts</b>		LNG Terminals	
Mr. Poilievre	8726	Mr. Thompson (New Brunswick Southwest)	8729
		Canada Post	0727
Lobbyists	0727	Mr. Vellacott	8729
Mr. Chong	8726		0/29
Mr. Valeri	8726	Marriage	9720
<b>Employment Insurance</b>		Mr. Vellacott.	8729
Mr. Lessard	8727	Gasoline Prices	0.720
Mr. Adams	8727	Mr. Warawa	8730
Mr. Lessard	8727	Questions on the Order Paper	
Mr. Adams	8727	Mr. LeBlanc	8730
Health		Motions for Panors	
Mr. Fletcher	8727	Motions for Papers	8730
Mr. Dosanjh	8727	Mr. LeBlanc	8730
Mr. Fletcher	8727	(Motion agreed to)	
Mr. Dosanjh	8727	Mr. LeBlanc	8730
Wii. Dosanjii	0/2/	Mr. Goodale	8730
Gasoline Prices		Transferred for debate	8730
Mr. Boshcoff	8727	Request for Emergency Debate	
Mr. Emerson	8728	Labour Unrest	
Aboriginal Affairs		Ms. Davies	8730
Mr. Prentice	8728	Speaker's Ruling	
Ms. Blondin-Andrew	8728	The Speaker	8731
Ducconce in Collows		•	
Presence in Gallery The Speaker	8728	GOVERNMENT ORDERS	
The Speaker	0/20	Telecommunications Act	
ROUTINE PROCEEDINGS		Bill C-37. Report stage	8731
			0731
Interparliamentary Delegations		Speaker's Ruling The Speaker	8731
Mr. Vellacott	8728		0/31
Committees of the House		Motions in amendment	0721
Procedure and House Affairs		Mr. Emerson	8731
Mr. Boudria	8728	Motions Nos. 1 to 6 inclusive and 8 to 10 inclusive	8731
Electrical Decorder in Decider and Ast		Mr. Pickard	8731
Electoral Boundaries Readjustment Act	0720	Mr. Rajotte	8732
Mr. Lauzon	8728	Mr. Crête	8734
Bill C-429. Introduction and first reading	8728	Mr. Masse	8735
(Motions deemed adopted, bill read the first time and printed)	8728	Mr. Crête	8735
1 /	0720	Mr. Lukiwski	8738
Committees of the House		Mr. Lemay	8739
Procedure and House Affairs		Mr. Masse	8739
Mr. Boudria	8728	Mr. Schmidt	8742
Motion for concurrence	8728	Mr. Boulianne	8742
(Motion agreed to)	8729	Mr. Siksay	8743
Petitions		Mr. St. Denis	8743
Adoption		Mr. Lemay	8744
Mr. Hill	8729	Mr. Schmidt	8745
Martial Arts		Ms. Oda	8745
Mr Devolin	8729	Mr. Lemay	8747

Points of Order		Mr. Julian	8754
Bill C-364—Trade Compensation Act		Mr. Duncan	8755
Mr. LeBlanc	8747		
Mr. Duncan	8747	ADJOURNMENT PROCEEDINGS	
		National Defence	
PRIVATE MEMBERS' BUSINESS		Mrs. Gallant	8756
Trade Compensation Act		Mr. Pickard	8757
Mr. Jean	8748	Gasoline Prices	
Bill C-364. Second reading	8748	Mr. Masse	8758
Mr. Lemay	8750	Mr. Pickard	8758
Mr. Siksay	8751	Health	
Mr. Eyking	8751	Ms. Demers	8759
Mr. Paquette	8752	Mr. Thibault (West Nova)	8760



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