



CANADA

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OFFICIAL REPORT
(HANSARD)

Thursday, May 13, 2010

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Thursday, May 13, 2010

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

● (1000)

[*English*]

CONFLICT OF INTEREST CODE FOR MEMBERS OF THE HOUSE OF COMMONS

The Speaker: Pursuant to section 28 of the Conflict of Interest Code for Members of the House of Commons, it is my duty to present to the House the report of the Conflict of Interest and Ethics Commissioner on an inquiry in relation to the hon. member for Halton.

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GOVERNMENT RESPONSE TO PETITIONS

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC): Mr. Speaker, pursuant to Standing Order 36(8) I have the honour to table, in both official languages, the government's response to one petition.

* * *

[*Translation*]

TRANSBOUNDARY WATERS PROTECTION ACT

Hon. Lawrence Cannon (Minister of Foreign Affairs, CPC) moved for leave to introduce Bill C-26, An Act to amend the International Boundary Waters Treaty Act and the International River Improvements Act.

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

* * *

[*English*]

CANADA PENSION PLAN

**Mr. Scott Simms (Bonavista—Gander—Grand Falls—Wind-
sor, Lib.)** moved for leave to introduce Bill C-519, An Act to amend the Canada Pension Plan and the Old Age Security Act (biweekly payment of benefits).

He said: Mr. Speaker, I would first like to thank my hon. colleague from Avalon for seconding this bill. The bill would permit

persons receiving CPP and OAS benefits to choose between biweekly or monthly payment schedules.

Currently, people receiving these cheques can only get them on a monthly basis. I have had several representations from people who said it would be easier for them for budgeting and in many respects when it comes to their monthly bills, they would prefer to have the option to be paid biweekly.

I would like to thank the Newfoundland and Labrador Pensioners and Senior Citizens 50+ Federation, representing over 100 clubs, for inspiring me to do this. I would like to thank its president, Robert Rogers of Glovertown, for bringing this to me.

I hope that with the graciousness of the House, this bill will be passed for our seniors.

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

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CRIMINAL CODE

Mr. Fin Donnelly (New Westminster—Coquitlam, NDP) moved for leave to introduce Bill C-520, An Act to amend the Criminal Code (luring a child outside Canada).

He said: Mr. Speaker, I rise in the House today to introduce two bills that aim to protect our youth in a way that the government has yet to address.

The first involves legislation that brings forward something that my predecessor and good friend Dawn Black began. Today I move this bill to deal with the question of child luring, a danger to all communities across Canada. It expands the definition of child luring to include all forms of communication, be it electronic, by cellular phone, or otherwise.

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

* * *

● (1005)

CRIMINAL CODE

Mr. Fin Donnelly (New Westminster—Coquitlam, NDP) moved for leave to introduce Bill C-521, An Act to amend the Criminal Code (means of communication for child luring).

He said: Mr. Speaker, this bill makes it illegal for any Canadian citizen or permanent resident to lure a child outside the borders of Canada and makes prosecution possible here at home.

Routine Proceedings

I feel, as Dawn Black felt, that these changes to the law are long overdue and I hope that my hon. colleagues will agree and choose to support this bill.

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

* * *

PETITIONS

FIRST NATIONS UNIVERSITY OF CANADA

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, I wish to table a petition today with several pages of signatures in support of the First Nations University of Canada.

Their position, of course, is in addition to the support of the Government of Saskatchewan, the University of Regina, the Saskatchewan Chamber of Commerce, the Canadian Association of University Teachers and many others. The signatories are members of the faculty, staff and general public in Regina in particular, but generally across Saskatchewan.

They call upon the Government of Canada to work with the students, staff and faculty to build a sustainable and viable future for First Nations University of Canada by fully reinstating the federal funding of at least \$7.2 million per year.

I am very pleased to table this petition on their behalf today.

EMPLOYMENT INSURANCE

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, I have two petitions to present today.

The first petition is signed by dozens of Manitobans. The current EI program provides adoptive parents with 35 weeks of paid leave, followed by a further 15 weeks of unpaid leave. Biological mothers are given both the first 35 weeks and the latter 15 weeks as paid leave. We know that adoptions are expensive, lengthy and stressful to adoptive parents and their families. There have been recent studies out that an additional 15 weeks of paid leave would help parents to support the adoptive children and to help them through a difficult period.

The petitioners call on the Government of Canada to support Bill C-413 tabled by my colleague, the member for Burnaby—New Westminster, which would amend the Employment Insurance Act and the Canada Labour Code to ensure that an adoptive parent is entitled to the same amount of paid leave as the biological mother of a newborn child.

EARTHQUAKE IN CHILE

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, my second petition is also signed by dozens of Manitobans calling on the Canadian government to match funds personally donated by the citizens of Canada for the victims of the earthquake in Chile.

Members know that on February 27, 2010 an 8.8 magnitude earthquake occurred in southern Chile. The Chilean Canadian community has been putting on social events, raising money for earthquake relief.

The question everyone is asking is, “When will the Prime Minister give the same treatment to the earthquake victims in Chile as he did

for the earthquake victims in Haiti, and match funds personally donated by Canadians to help the earthquake victims in Chile?”

ASSISTED SUICIDE

Mr. James Bezan (Selkirk—Interlake, CPC): Mr. Speaker, I am proud to present a petition from almost 100 constituents of mine requesting that we defeat Bill C-384, which was done. I was glad to vote against that bill.

The petitioners are saying that euthanasia and assisted suicide should not be considered as part of our society. We need to look more into helping those people live in a respectful way, to ensure that they are not suffering needlessly, and that we help them deal with their suffering.

I am proud to present this petition on behalf of my constituents.

* * *

• (1010)

QUESTIONS ON THE ORDER PAPER

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC): Mr. Speaker, Question No. 179 will be answered today.

[Text]

Question No. 179—**Mrs. Carol Hughes:**

With regard to the Health Canada’s Indian Residential Schools (IRS) Resolution Health Support Program: (a) what measures is the government taking to ensure Indian day school survivors are eligible to receive access to this program; (b) is the program meeting the emotional health and wellness needs of day school survivors; (c) to date, how many Indian day school survivors have accessed the professional counselling services offered under the program; (d) how many day school survivors have accessed the emotional and cultural support services; (e) do day school survivors and their families have access to these same emotional and mental health services; (f) how many day school survivors have contacted Health Canada inquiring about their eligibility for this program; (g) how many day school survivors have been denied services and how many, if any, have appealed the decision; (h) how many IRS survivors have been denied services and how many, if any, have appealed the decision; (i) how many family members of IRS survivors have accessed these services and how many, if any, have been denied these services; (j) how is Health Canada ensuring that professional counsellors, recognized as Health Canada service providers, are the best service providers available; (k) how is Health Canada ensuring an efficient and streamlined service provider approval process; and (l) what recommendations from the Aboriginal Working Caucus has the government implemented as part of the IRS Health Support Program?

Routine Proceedings

Hon. Leona Aglukkaq (Minister of Health, CPC): Mr. Speaker, with regard to a) to e) Under the terms of the Indian Residential Schools Settlement Agreement, the Government of Canada is legally obliged to provide existing mental health and emotional support services to those eligible for compensation under the terms of the settlement agreement. Day schools do not meet the criteria set out in the settlement agreement which define Indian residential schools, thus former day school students are not eligible for compensation, nor are they eligible for the mental health and emotional support services provided through Health Canada's resolution health support program. Requests to include additional schools in the settlement agreement can be submitted to Indian and Northern Affairs Canada.

Health Canada officials work with former day school students who are seeking mental health and emotional supports to find other services in their community for which they are eligible, such as Health Canada's non-insured health benefits' crisis counselling benefit, or mental health services funded through Health Canada's brighter futures or building health communities programs. Provinces and territories may also be able to provide services.

With regard to f) The program does not collect data on the number of individuals who request service and are denied.

With regard to g) Day schools do not meet the criteria set out in the settlement agreement which define Indian residential schools, thus former day school students are not eligible for resolution health support program services. Health Canada works with these individuals to find other supports in their community that will meet their needs.

Health Canada maintains an appeal process for the professional counselling component of the program, which allows eligible former students to appeal specific decisions made regarding treatment plans, for example, the number of counselling sessions approved by Health Canada. There are three levels of appeal, and in each case supporting information is required and reviewed. Decisions are made based on the client's needs and the Indian residential schools resolution health support program policies. To date, three appeals have been received by Health Canada. Each has been resolved at the first level of appeal.

With regard to h) All former Indian residential schools students who are eligible under the settlement agreement for the resolution health support program are provided access to services.

With regard to i) The status of a client as a former student or family member is not captured in Health Canada's data; all eligible individuals are considered clients.

With regard to j) In order to ensure that clients have access to qualified providers, Health Canada has established the following criteria to which mental health providers must subscribe in order to register with the program: providers must be registered as a psychologist with clinical or counselling orientation, and in good standing in the province/territory in which the service is being provided; or registered as a psychological associate with clinical or counselling orientation, and in good standing in the province/territory in which the service is being provided; or registered as a social worker, and in good standing in the province/territory in which the service is being provided, MSW or PhD in social work

with clinical orientation; and Masters of Arts, psychology, or Masters of Education degree, and currently supervised by one of the above designations may be accepted if there are no other providers in the vicinity and access to services is limited.

With regard to k) The registration process is directly managed by Health Canada's regional offices. Providers must meet the minimum work experience as demonstrated on their resume, proof of education, annual proof of current registration with the appropriate regulatory body, clearance certificate with the local policy authority issued within the last 12 months, and in some instances, reference checks. The timeline for registration varies across the regions, but is usually processed within a month.

With regard to l) The aboriginal working caucus existed from 2001 to 2006 and made over 40 recommendations to Indian Residential Schools Resolution Canada, IRSRC, now INAC, during that time. Fourteen of the recommendations concerned health supports. Twelve of these recommendations have been implemented. These recommendations involved: increasing the availability and types of health supports available to claimants throughout all of the various resolution processes; creating information tools on services available and how to access them; improving access to professional counselling for claimants living in rural and remote communities; providing financial compensation to elders and traditional healers who provide health supports; and increasing the awareness of IRS issues among professional mental health providers. The two recommendations not implemented involved: joining IRSRC's form filler service with Health Canada's resolution health support worker, RHSW, service; and establishing community based healing programs to complement community-based alternative dispute resolution, ADR, mechanisms. Form fillers and RHSWs perform two separate, but complementary, functions. In order to protect the emotional support services provided to former students and maintain current service levels, there is a need to keep these two roles distinct. Under the settlement agreement reached in 2006, ADR has been replaced by the independent assessment process.

[English]

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

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

*Government Orders***GOVERNMENT ORDERS**

[English]

FAIRNESS AT THE PUMPS ACT

The House resumed from May 12 consideration of the motion that Bill C-14, An Act to amend the Electricity and Gas Inspection Act and the Weights and Measures Act, be read the second time and referred to a committee.

The Deputy Speaker: The hon. member for Nanaimo—Cowichan has four minutes left to conclude her remarks.

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, in the brief time I have left there are a couple of points that I want to bring to the attention of the House.

Bill C-14 is entitled fairness at the pumps act. I just want to briefly talk about what fairness means. It means conformity with rules or standards, ability to make judgments free from discrimination or dishonesty, and the attitude of being just to all. Fairness could be that everyone gets the same, but maybe that should be that everyone gets what they actually need and I think that is an important point.

Fairness at the pumps is part of the title of this bill.

New Democrats have been calling for a number of measures for consumer protection over a number of years. I alluded yesterday to the fact that the member for Windsor West since 2008 and earlier has been calling for some fairness for consumers when it comes to overall gas price regulations and fairness at the pumps.

New Democrats have a much broader agenda when we are talking about consumer fairness and consumer protection. We have been calling for a number of initiatives. This measure that is before the House is a step but it is not adequate. We have been calling for fairness for consumers with regard to ATM fees, interest rates, fees charged by fringe banks, and for air passengers.

Many members of the House have spent all kinds of time in various delays at airports. I know the member for Elmwood—Transcona has been working hard on fairness for airline passengers.

The member for Sudbury has worked on capping the interest rates on credit cards to a maximum of five percentage points over prime by amending the Bank Act.

We have called for an ombudsperson when it comes to gas prices. We have asked for funding for citizen oversight committees to monitor fees, rates and regulatory decisions as part of the formal regulatory and rate setting process for banks, telephone companies and cable corporations.

We have been asking for an investigation and recall of unsafe and toxic consumer products including toys, groceries and pet foods. We have asked for increased testing and inspection of imported products and a requirement that federally-regulated agencies provide better customer service as well as better complaint mechanisms and measurable high quality customer support.

There is also the leaky condo crisis in my own province of British Columbia. In my riding of Nanaimo—Cowichan the leaky condo crisis is an ongoing crisis for many families. We would like to see the responsibilities of federal agencies, as promised by the Conserva-

tives, to hold an inquiry into the roles and responsibilities and tax exemptions for repair and restoration. We would also like to see mandatory labelling of farm fish.

Finally, we would like to see all consumer related federal agencies under one roof, by naming a minister specifically responsible for consumer affairs. Canadians deserve a minister devoted to protecting their interests. In terms of gas pricing at the pumps, that would make a lot of sense.

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, it is a great pleasure to listen to my colleague from Nanaimo—Cowichan both yesterday in the early evening and today again about something that is a hugely important consumer protection issue.

I have been hearing about it from my constituents not just this year but frankly since I was first elected. It seems to me that every long weekend, every time the weather turns nice, we see the price at the pumps going up.

I recognize that the bill that is before us today only deals with a small part of that. It deals specifically with the actual pumps and the recalibration of the pumps, but I think there is a much larger issue.

As far as I am concerned, the bill leaves the profiteering oil companies largely untouched. It goes after the small business retailers with enforced inspections, with this new mammoth bureaucracy, when really what people want is to stop the gouging at the pumps.

I wonder whether my hon. colleague has any thoughts at all about what the bill might do to some of the smaller businesses that actually operate family-run gas stations.

•(1015)

Ms. Jean Crowder: Mr. Speaker, the hon. member for Hamilton Mountain is right. We are coming up to a long weekend and I expect that each and every one of us will go back to our home communities and surprisingly find that gas prices have gone up 5¢ to 10¢ a litre. It is a tradition on long weekends in Canada. Sadly, it is a tradition that affects consumers. Yesterday in my speech I mentioned that low income Canadians are even harder hit by this kind of pricing. The member for Windsor West has long called for oversight on how prices at the gas pumps are arrived at.

I want to come back for a moment to why this piece of legislation was introduced. The member for Hamilton Mountain pointed out that it does not go nearly far enough and adversely impacts on small retailers. I want to refer to the *Ottawa Citizen* article in 2008 which talked about the report that eventually led to this piece of legislation. It said:

But using the most conservative figures, pumps that fell outside the tolerance zone would have shortchanged consumers by at least \$17 million annually if projected across the entire industry. At the same time, however, fast pumps would give out \$8 million in free gas. On the small percentage of pumps outside the tolerance zone, consumers come out about \$9 million behind.

Government Orders

It went on to say:

But if pumps that passed inspection also skewed against the consumer by about the same rate within the tolerance zone, Canadian drivers would be out of pocket even more.

With about 40 billion litres of gas sold in Canada, the 0.5% variation within the legal tolerance represents a potential swing of \$240 million in either direction. If the variations in gas flowing from these pumps evened out, it would have no effect on consumers. But even a small shift could represent millions of dollars.

That article points out that not only are consumers impacted by the variations in the pumps, but the small retailers are as well. Their margins are pretty tight. If they are giving out free gas, they cannot afford that. The much broader issues around regulation of gas prices and effective oversight into pump regulation require attention.

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Mr. Speaker, this bill gives the great appearance of what it intends to do which is to create fairness for consumers at the pumps and at the same time make it easier for retailers, but therein lies the problem with the bill.

For retailers the Conservatives have thrown much of the enforcement into the realm of the private market. It is similar to when people wanted to receive rebates for doing work on their homes so that heat would not escape. The problem was the consumers had to pay for the inspection. It was that upfront cost. In this case what bothers me is throwing it to the private market to allow inspectors to come in and do the inspections. Unfortunately, that could cause problems for smaller retailers especially in my riding and perhaps in the member's riding as well. I would like her to comment on that.

Ms. Jean Crowder: Mr. Speaker, my riding includes a number of small towns and small retailers. We also have a very proud co-operative movement. There are a number of co-operative gas bars that service Nanaimo—Cowichan and other parts of Vancouver Island. These small retailers cannot afford to have downloading on the prices. The solution is to increase the number of government inspectors that are available—

Mr. Jim Maloway: Random inspections.

Ms. Jean Crowder: The member for Elmwood—Transcona is pointing out that random inspections are the way to deal with it. The government inspectors do a very good job, but they need the resources to do that job effectively. More inspectors are needed. Random inspections would certainly help to identify where there are problems.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, I have never seen Conservative consumer legislation, ever, that does not have an offset for private business.

In this case, the government wants to turn a random inspection system done by government inspectors which the industry will trust over to the government's private sector friends who can charge an arm and a leg for the inspections. They will be making appointments, I presume, so the retailer will know when the inspector is showing up. I cannot think of a worst case scenario than what the government is proposing.

We had a very similar situation in Manitoba a number of years ago with automobile inspections. The inspections were done on a random basis over the course of several governments over many years. The public was satisfied with that system. Cars were called in

on a random basis once or twice over a 10-year period and the required repairs were done. The Filmon Conservative government turned the system over to the private garages, which have a conflict of interest. Not only are they certifying the vehicles as safe, but they are also doing repairs. There is an incentive for them to drive up the repairs. When this system was brought in under the Filmon Conservative government, the cost of low-end cars doubled overnight.

The other thing is that an inspection is not done unless the car is being sold. If someone drove a car for 15 years, it would never be inspected no matter how many things need to be done to it. An inspection is only done when there is a change in ownership and the garage hits the owner up for maybe hundreds of dollars' worth of repairs.

This is the type of Conservative approach to consumer affairs. There is never an approach like defending air passengers by passing air passenger protection because there is no offset in that for private business. That is what the Conservative government is all about.

We would like to support legislation like this, but we would like to see it being fair to the public. We do not want it to be legislation that turns some of the public sector over to the private sector so that it can benefit. I do not think we are going to see a lot of happy private businesses.

I would like to know when we are going to hear from a Conservative speaker on this bill. I have been waiting three days now for one of the government members to speak because I have some interesting questions to ask about an unknown part of this bill, and that is the rollback of odometers. While it is covered under the Weights and Measures Act, this bill would actually increase the penalties which would cover the rollback of odometers. That is great news. Why is there no mention of this in the government press release? As a matter of fact, rollback of odometers probably costs the Canadian public much more than what shortages at gasoline pumps cost them.

I would like somebody to answer that question.

• (1020)

Ms. Jean Crowder: Mr. Speaker, the member for Elmwood—Transcona touched on a number of subjects in his question, but I am going to come back to the use of private sector service providers for the inspections.

There is a larger issue here. Canadians look to their government to provide some certainty around the products that they consume or fairness at the pumps. Over a number of years they have seen an erosion of that confidence in their government. We have seen toy recalls. We have seen problems with pet food. We have seen problems with cosmetics. We have seen this problem at the gas pumps. What that says to Canadians is the government is not putting the interests of Canadians first and foremost.

Private inspection agencies is simply the wrong way to go. That is a job that rightfully belongs to the government, with government inspectors and regulators.

The Deputy Speaker: I wish to inform the House that we are now at the point in the debate where the speeches will be 10 minutes and the question and comment period will be 5 minutes.

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Resuming debate. The hon. member for Hamilton Mountain.

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, I am pleased to rise in the House today to speak to Bill C-14, An Act to amend the Electricity and Gas Inspection Act and the Weights and Measures Act.

When it comes to transportation, we have made monumental advances in technologies. Inventions such as the train, bus and airplane have allowed us to explore the world we live in at relatively modest prices. Industrialization gave us the ability to mass produce public transit vehicles so that everyone could be free to move, but sadly, we are still using primitive and environmentally harmful petroleum fuels to propel most of our modes of transportation.

Both gasoline prices and carbon dioxide emissions are creating a growing transportation problem. As a result, governments are being forced to consider implementing better public transportation initiatives in an effort to reduce the impact of the declining oil economy on both our environment and on financial markets. What we need now from the senior levels of governments is a meaningful funding commitment to research and develop renewable energy sources that will allow municipalities, which are already struggling, to overcome their congestion and pollution problems.

In an ideal world, cycling and walking would be the preferred options for most Canadians, but unfortunately, with urban sprawl and a growing number of people who need to commute for work, they cannot avail themselves of those options. That leaves public transit as the only other sustainable solution because it is inclusive and economical, mitigates climate change and improves air quality. But progress in this area is moving at a snail's pace and in the meantime, people have few options but to stay in their cars.

That means the price of gas is an enormous factor in the day to day lives of Canadians. Whether they commute to work, travel to visit friends and family across the country, take meals to housebound seniors, drive their kids to weekend tournaments, or need gas to transport goods for small businesses, filling the tank is a constant struggle for millions of Canadians.

I have been hearing from people from right across my riding of Hamilton Mountain about the hardship that is caused by the rising price of gas, but what is worse is that they have no confidence that the price they are paying at the pump actually reflects what is happening in the market. They believe they are being hosed at the pumps. Here are just a few of the stories that they shared with me.

Jeff said, "It isn't fair that I can barely pay my bills, and paying for fuel keeps me from paying off debt, while gas companies increase their profits by billions". Vivian said, "I'm retired and finally have some time to visit friends and family. But the car sits in the driveway because I can't afford to travel. The gouging oil companies have taken away our way of life". Dennis wrote, "If we cannot count on the huge oil conglomerates to treat us fairly and not gouge us...the government should step in and do it for them...we are all being gouged big time". Mark said, "The oil companies are making billions, while driving has become a luxury we can't afford. Who has the power here, the government or the oil companies?"

The price of gas drives up the cost of all commodities. From food to building supplies, manufactured goods to public services, the

price of gas is a key cost driver. It affects all of us, whether we drive or not. Government has a responsibility to ensure Canadian consumers are treated fairly. It is the job of government to protect Canadians from the dubious business practices of big oil companies who steal from consumers with faulty gas pumps and gouge Canadians with price hikes inexplicably tied to weekends and warm weather.

Unfortunately, if predictably, Bill C-14 addresses only one element of that complex problem. It promises to increase fines and penalties for retailers who operate gas pumps that significantly shortchange consumers. To say that this is a day late and a dollar short is a profound understatement.

It is worth reviewing how we got here, how we got to a place where years after clear fraud has been exposed, this allegedly tough on crime government is only now getting around to proposing completely inadequate, half-baked remedies. It has been two long and expensive years since the *Ottawa Citizen* first reported that the government knew that its friends in the oil and gas industry had been ripping off consumers for decades. When the government was finally forced to release the Industry Canada report showing that fully 14,000 gas stations in Canada have at least one inaccurate pump, the New Democrats demanded action. The government said, "Good idea. We will get right on that", and did precisely nothing.

During the last election campaign, the government again said to Canadians that it was going to do something about fuel pumps that deliver less fuel than the consumer paid for. The Conservatives indicated that this time they really, really meant it, yet they still did nothing. Finally, with this bill, the government has proposed an increase in fines and penalties for retailers who steal from their customers, but that addresses only part of the problem.

●(1025)

In advancing Bill C-14, the government has completely ignored the other critical issues that need urgent attention. In fact, the list of issues that this legislation does not address is more impressive than the legislation itself. We see no mention of the price gouging policies of big oil that mean consumers pay more for gas on long weekends and over the summer. There is no means of refunding consumers for decades of overpayment resulting from faulty pumps, estimated to amount to millions of dollars a year. There is not a word about restitution for the taxes that the government has collected on those overpayments, and this legislation is silent on the repercussions of privatizing inspection services, a move that essentially leaves the gas industry to police itself. We have seen how well that works.

The government must demonstrate that it gets it, and the bill does not do that. It is so bereft of meaningful solutions to the challenges Canadians face that one cannot help but suspect it is little more than a token to consumers, while big oil is left free to operate much as it has always done.

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Then again, this is a government that has chosen to spend \$6 billion this year alone on corporate tax cuts to big corporations like the oil and gas industry, so I suppose I am not surprised that this is where its priorities lie. But it is adding insult to injury by punishing hard-working Canadians even further with the much hated HST, which will increase the price of gas by another 8%.

Time and again the government shovels tax dollars by the truckload into the hands of profitable corporations while it fails to stand up for consumers. Canadians want a mechanism to protect them from the excesses of the big oil companies. They want an independent arbiter who can hear their concerns and complaints and make decisions in the public interest.

That is why I introduced Bill C-286, legislation to create an oil and gas ombudsman who would be charged with providing strong, effective consumer protection to ensure no big business could swindle, cheat or rip off hardworking families.

An oil and gas ombudsman would be an independent monitoring agency where Canadians could hold oil and gas companies accountable for their business practices. The ombudsman's office would investigate consumer and business complaints relating to price fixing, gouging and cheating, and provide for remediation. Upon receipt of a complaint, the ombudsman would then challenge gas companies to respond, and could report to the Minister of Industry for action if he or she remained unsatisfied with the response. Finally, the ombudsman's office would report annually to the House of Commons on the activities and findings of the office, so that Canadians would get accountability through their elected representatives.

It is time to shine a light on how the petroleum industry operates in this country and to hold it to account on behalf of Canadians. In a country as vast as ours and as poorly served by public transit, the ability to fill up the tank should not be a luxury. Exorbitant profits financed by price gouging and tax subsidies must be remedied.

I urge the government to do its job, to stand up for Canadian consumers and put big oil on notice that we mean business and we will hold them to account.

• (1030)

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, members are aware that over the last 20 years, perhaps, successive studies have been done. As a matter of fact the pile is thick. I believe about 125 studies have been done on price fixing at the gas pumps. In all cases, at the end of the day the conclusion has always been that the oil companies are doing nothing wrong, when the public knows better. The fact of the matter is that the Competition Act has to be changed. That is key to this whole business.

The Bloc has introduced a bill in private members' hour, Bill C-452, to do exactly that. Under the Competition Act, it would authorize the Commissioner of Competition to inquire into an entire industry sector.

It has been pointed out many times that gas prices are much higher here than in the United States. We know there is price gouging and price fixing going on. It has been reported many, many times by people, who actually work in the gas stations, that they get a phone

call from their head office and are told to raise the price. They do this with all of their stations. They do not dare question that.

That is what is really key here, but does the government make any moves in this direction? Absolutely not. Did the Liberal government do anything about this issue during its 13 years in power? Absolutely not. At the end of the day, we can only conclude that what we need is an NDP government in this country to bring in real consumer protection, because it will not happen under Conservatives or Liberals.

Ms. Chris Charlton: Mr. Speaker, I could not agree more with the conclusion of my colleague from Elmwood—Transcona. I know that is surprising.

I want to speak about his larger point because he is absolutely right. When complaints have been brought forward to the government, when there have been investigations into collusion by the oil company, the conclusion has always been that there is nothing wrong here. That simply does not pass the nod test. Canadians do not believe it and Canadians deserve confidence that their interests as consumers are being protected by the government. That is not going to happen until we have an independent review.

I would remind members of the House what happened when the government committed to Canadians that it would protect their interests during foreign takeovers. Remember that we all have to make sure foreign takeovers are to the net benefit of Canada. How many of those foreign takeovers have been turned down by the government? Only one and only at the urging of the NDP.

In the meantime, we have lost thousands and thousands of jobs from companies that have taken over what used to be solid Canadian companies with decent paying jobs. They were bought out by foreigners and we have lost the jobs. We need independent reviews.

• (1035)

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Speaker, I have a brief comment before I ask a question. The other NDP member asked a question with respect to the Liberals. When the Liberals were in government, the price was about \$75 to \$78 per barrel. The prices at the pump were about 55¢ to 60¢. We did conduct a review and we did find some form of collusion that we addressed.

How can the hon. member explain this scenario, where the price today per barrel is about \$79 or \$80 while at the pump it is an average of \$1.02 to \$1.05 per litre? Some time ago in the supposed crisis, the price per barrel was at \$150 and they were charging us \$1.04 or \$1.05. How does this discrepancy match? My constituents are upset. They say they do not mind being fair.

The Conservative government promised during the election that it would eliminate the excise tax on anything above 85¢ per litre. It has not done so. Does she think that would also help the consumer?

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Ms. Chris Charlton: Mr. Speaker, I absolutely agree with my Liberal colleague. We have heard the exact same consumer complaints from our constituents over and over again. The gas pricing policy simply does not make sense.

He talks about the fact that one pays the same at the pumps no matter what the cost of the barrel has been when it is compared year over year. I would make the same argument that the cost of a barrel of oil somehow does not get reflected when Canadian gas prices are compared to American gas prices. On the spot market, we are still paying the same for the same barrel of oil.

He is absolutely right. There is no consumer protection here. More importantly, Canadians are right when they say this matter deserves serious investigation. We are being hosed at the pumps. We are being gouged, and we have a government that is not doing its job.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, I am pleased to rise and follow my very talented colleague from Hamilton Mountain to speak on Bill C-14, which should be called the more rip-offs at the pumps act.

As with virtually everything else the Conservative government has done, it simply does not seem to want to address Canadians' concerns. We have seen this in a number of other industries, which I will get back to in a moment. Very clearly, as the NDP critic for industry and member for Windsor West has said, the Conservative government is acting two years after the NDP first exposed the ongoing rip-offs taking place at gas pumps across the country.

Two years ago the NDP brought this forward. Two years ago the NDP started its campaign and, finally, laboriously, reluctantly, the Conservatives have brought a series of half measures to address this issue. It is simply not acceptable.

The Conservatives' underlying philosophy is that they simply do not believe in protecting Canadians. They do not believe in protecting Canadian jobs or in protecting Canadian consumers. We see this time after time.

Even with the one thing they are supposedly good at, which is their so-called anti-crime agenda, we see them cozying up to the incredibly brutal paramilitary thugs who kill people in Colombia and offering a preferential trading relationship to that regime and its secret police, paramilitaries and drug lords.

We see the difference between how Conservatives speak prior to election campaigns and what they actually do. That is why the government is in so much difficulty, not just with the repeated scandals we have seen over the past few months but also very clearly in the erosion of its support.

In British Columbia where the Conservatives brought in the HST, we are seeing a complete erosion in support. A lot of Conservative MPs from British Columbia simply will not be back in the House after the next election. British Columbians would say to bring on an election because they want to punish Conservatives for imposing the HST on them.

Getting back to Bill C-14, it is being brought forward very reluctantly by the Conservatives to address what has been a chronic mismeasurement around gas pumps. I will come back to that a little later. These faulty pumps always seem to operate against consumers.

It is not as if there are cases where people are getting free gas, no siree. Consistently, hard-working Canadian consumers are being ripped off.

Two years went by before the Conservatives decided to take very reluctant action. What have they done? In this bill they have decided to, largely, privatize the inspection service. They have played around a bit with the fine component, but the problems have been inspections and the actual willingness of the government to push the industry to comply. Given that we see in this very weak bill some adjustments on fines and a privatizing of inspections, we can see that this is not an effective way of dealing with this at all.

What is not in the bill? There is no ombudsman office to evaluate problems and investigate complaints so that consumers actually have somebody to go to. The government does not want Canadian consumers to be protected in any way, whether we are talking about excessive bank fees or the rip-offs at the pumps generally and the price fixing that goes on. The government has not wanted to take action on any of those fronts. It believes in what it calls voluntary compliance, which is basically saying that we should hand over to business lobbyists the ability to determine their own rip-off regime.

In this bill there is nothing to provide consumers with an advocate to act on their behalf. It is certainly not the government. Why not an ombudsman office?

• (1040)

There is no refund or compensation for any consumer who has been ripped-off consistently, not only for the last two years while the NDP has been pushing this issue, but in all the investigations that have taken place over the last decade that have repeatedly found faulty pumps operating against consumers' interests. They get ripped-off because the government is not willing to act and it says that is quite all right.

The Conservatives are willing to shovel tens of billions of dollars off the back of a truck to bank lobbyists and powerful CEOs in the energy companies. They just throw money all over the place in the most irresponsible way. They never set any job targets and there is never any quid pro quo. Industry never has to respond with anything at all. However, the moment consumers are being ripped-off, all of a sudden the Conservatives say that there is no money, no refund, no compensation for them.

What about the taxes that were collected on what has been called phantom gasoline? There is no refund there either.

What we basically have through this process is a legitimization of the rip-offs that took place. This bill would just rubber stamp that. Canadian consumers have been ripped-off for years and to the government that is quite all right. It simply brings in a bill that pays some lip service to it but the Mr. and Mrs. Smiths in northern Ontario, Alberta and British Columbia are all out of luck. However, for banking CEOs, the government just shovels tens of billions of dollars toward them but because consumers come from main street they are out of luck. It is for those reasons that this bill is so lamentably inadequate.

We can look at the price-fixing that has gone on that has ripped-off Canadian consumers to a stunning degree. The Canadian Centre for Policy Alternatives estimates that one weekend of price-fixing by Canadian oil companies takes millions of dollars out of the pockets of Canadian consumers but there has been no action from the government at all.

How does that work? It is very simple. When the price spikes on a barrel of crude oil, the oil companies immediately raise the price on old stock. They purchase it at the lower price but immediately impose a new price. The Canadian Centre for Policy Alternatives and others have investigated and explained how this takes place on a systematic basis, particularly when the weather gets nice. Any change in the international price of crude oil means an immediate spike up in the price at the pump.

What happens afterward if the reverse is true? The prices do not come down. If the price of crude oil falls, the price stays up for an extended period of time. This is all windfall profits. What we have is a spike up immediately, an immediate rip-off that is then prolonged over an extended period of time.

Hard-working Canadian consumers going to work, taking their families to events and to school and supporting their communities are getting ripped-off both at the beginning and at the end. They get ripped-off with the price spike right at the beginning as a result of whatever change has taken place and they get ripped-off at the end. The Conservatives say that the consumers are out of luck. The Conservatives do not care about main street Canadians but if they are from Bay Street the government gives them tens of billions of dollars.

It is very clear that Bill C-14 would allow for the continued rip-off of Canadian consumers at the pumps. It would privatize something that should be receiving a bolstered and robust public inspection system. What do we have? We have gas companies forming their own private arm to inspect themselves. Is that the kind of voluntary compliance that Conservatives want to bring in? Is that even acceptable to Canadians? Of course not.

• (1045)

Canadians want to see a robust regulatory system. They want to see the public interest protected by government. This is something that the Conservatives are simply unable to even conceive. They promise it during election campaigns, as we saw in 2006 and in 2008, but they simply have not delivered.

This bill is simply ineffective. It should be called the more rip-offs at the pumps act. That is why are opposing this bill.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, consumer advocates have known for years that, after 125 studies gathering dust and no action being taken, the Competition Act needs to be changed to allow the commissioner to inquire into the oil industry.

It is rather interesting that in other parts of the economy and in other industries, for a quite a number of years now, the fight against price-fixing is actually being won. The travel industry, the real estate industry and the insurance industry are all industries where, for a number of years now, the Competition Bureau has sent out CDs and have held seminars explaining to them how they are breaking the law

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if they get together in collusion, say in a travel agency business, with the neighbour to price fix in a given area.

Somehow we are having an effect on the little businesses, which is fine, and we should, but the oil industry does not seem to be part of that whole equation. The government talks about too big to fail. Is this the case of the oil industry just being too big to regulate?

Nobody in the government seems to want to take on the oil industry. The government feels totally secure chasing around little real estate agents or travel agents to ensure they do not price fix but what about the oil companies? What is the government afraid of?

Mr. Peter Julian: Mr. Speaker, the member for Elmwood—Transcona has been a strong advocate for consumers, whether we are talking about the rip-offs taking place at the gas pumps or the rip-offs that take place around airline delays. He has been a consistently strong advocate for consumers right across this country.

We had the Conservatives campaigning on the oxymoronic slogan of Conservatives standing up for Canada. We certainly have not seen that in any area when we talk about trade. We have seen the softwood sellout, the shipbuilding sellout and now they are moving to sell off more of our resources and key industries in other trade agreements. They have the worst record we have ever had, even worse than the former Liberal government, which was difficult to beat. They really had to work hard to be that incompetent.

When it comes to the issue of standing up for consumers, the Conservatives are simply unable to do so. I do not think it is because of fear. I think it is because they are in the pockets of the very wealthy corporate CEOs on—

• (1050)

The Deputy Speaker: Questions and comments. The hon. Parliamentary Secretary to the Minister of Fisheries and Oceans.

Mr. Randy Kamp (Parliamentary Secretary to the Minister of Fisheries and Oceans, CPC): Mr. Speaker, the member knows that nobody is in anybody's pocket as there are rules that we put in place about allowing contributions from any corporations, or unions for that matter, which probably affected his party.

I do have a question for the member. I did listen with interest and both he and his colleague from Elmwood—Transcona mentioned the 125 studies completed by the Competition Bureau, all of which I think they said came to the conclusion that there was no collusion going on.

What does the member think the reason is for those conclusions? Are the people at the Competition Bureau just a bunch of morons? Does he see something more sinister going on at the Competition Bureau? If that is what they think, they should be clear about that.

There are some provinces in Canada that do more regulation of gas prices, in the Maritimes for example, and their gas prices are very similar to all the rest. They do not change very quickly. I would ask the member if he thinks that is the solution he is looking for.

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Mr. Peter Julian: Mr. Speaker, the investigation showed that between 1999 and 2007, 5% of gas pumps, about 1 in 20, failed the inspections by dispensing less fuel than they should. Very clearly, that is something the government should have taken action on. These studies are available to the government. It does need to take action.

I do want to comment on one thing. I know the member is from British Columbia. We have the Conservatives who brought in the absolutely hated HST. We now have over 60 of the 85 ridings in British Columbia that have signed the petition campaign to force a referendum.

Will the government respect—

The Deputy Speaker: Resuming debate. The hon. member for Bonavista—Gander—Grand Falls—Windsor.

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Mr. Speaker, I thank the House for its indulgence in allowing me to speak since I just gave notice a short time ago. I thank the parliamentary secretary in particular because he is such a fan, albeit a moderate fan.

I have some great concerns about this particular bill. Looking at the surface of it, one can see that the bill has some great merits. It would cut down on potential gouging. It is not a tremendous part of the market, but nonetheless, in some instances it is a way to be more fair. It would also impose fines that are more dramatic and therefore may act as a larger deterrent.

In certain instances, we need to be concerned about the enforcement measures by which we want to put this out there. In order for it to be effective, it obviously needs to have some teeth. This bill does deserve more study. I support that measure, in and of itself, because this is an issue. As consumers go, it has become a larger demand as energy prices rise and as we have become far more dependent upon fuels for the sake of transportation.

I say that because I am from a rural riding that does not have the benefit of mass transit and therefore people rely more on singular vehicles and drive longer distances because of the distance between communities. I have 171 communities in my riding and close to half of the people in my riding do not work in their own community and sometimes drive to other communities. Therefore, the price they pay at the pumps is something that concerns them greatly.

When this bill was first introduced, the intention was one that merited a lot of attention because there are measures in it to protect consumers. I received an email from a person I know in my hometown of Bishop's Falls. He is not only a concerned consumer but he is the former petroleum commissioner of Newfoundland and Labrador. As a matter of fact, he was the one who originated the office in Newfoundland and Labrador to help regulate gas prices.

I want to pass along to the House some of his thoughts in his email because I think they are relevant. These are the types of questions we should be asking within the context of the committee. He uses a consumer in rural Newfoundland as an example. He says:

For example, a consumer in rural Newfoundland who buys fuel at a local general merchant with a single gas pump in his community, and feels he has received too little product for the price paid, decides to report his complaint. Who does he call? What official? If he does reach someone, what would they do? Who would investigate? Who would contact the consumer and what procedure would be followed? What investigative tools would be used to prove that his pump is

inaccurate? What means would be employed to enforce the act? What court is used to challenge the charge? How will it be administered? The list of questions go on and on.

I wanted to read that to the House because his questions are quite pertinent in this particular situation. On the surface, the spirit is great, but the problem is that in practice it will be a little harder to enforce. I will get to that in a moment.

Mr. Saunders goes on to say that he is a little worried about the absence of a supportive bureaucracy and a regulatory system. He also wishes us all the best in putting this through. Not only was he the commissioner, but he started the office and knows quite a bit about the particular industry.

On the other side of this thing, I am concerned about the enforcement of this and how it would be put toward the private sector. In this particular situation, it all sounds great when we have fines that are levied and fines that are severe and doubled in many cases, but one of the issues becomes that they have put it to the private sector for the sake of enforcement.

• (1055)

What is troubling is the cost of enforcing this may come back to the consumer. This issue has been brought up in the debate already and I share that view. I gave an example of one retailer, the one gas pump in a smaller town in a rural community. Where would the retailer go to find an inspector if no inspectors were available? Who pays? The inspectors come at a cost. They perhaps have to travel a great distance. It is harder to find qualified inspectors in a much larger rural area.

What bothers me is this situation is similar to the rebates for heating homes. Rebates are available for people who insulate their homes for more efficient heating. How do people become eligible for these rebates? They have to hire an inspector to tell them what rebates they qualify for. They pay some to get some. I do not think that was the spirit of government legislation from the very beginning.

These questions should be posed at committee. On the surface, a lot of this is put upon the private sector, which in many cases would be the one to follow through with the enforcement and enactment of this measure. It may be something that is great for the consumer. It sounds nice, but in practice it could be complicated for areas of greater distance, areas with smaller communities, especially in the case where there is only one pump or where there are independent retailers.

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I would like to bring up some other situations. Some communities' pumps are not used as much. Therefore, little things end up making this complicated. For example, because the pumps are not used as much, the introduction of ethanol could have an impact. Where we have higher use, there is a probability of breakdown and it is not really someone's fault. It is the result of wear and tear on the machines like any other machine that depreciates. It is a guarantee that goes on forever. With the introduction of elements such as ethanol, some of these older pumps may be affected as a result. Again, someone will have to pay for this. The inspector is brought in, the inspector finds something the government finds fault in and the fine is levied. What happens to that one independent retailer in that situation? Things get complicated. It is not only about the consumer, it is about the smaller retailer as well. I hope this will be addressed at committee.

I am also concerned that the legislation could also be a distraction in a small way, and this goes to the political realm. It could be dealt with by regulation, if there is the presence of a problem. The minister admitted that only 6% of the pumps were found to be faulty. Of that 6%, 4% of the 100% that were tested did not favour the consumer. Therefore, that makes it even more minuscule at that point. Just because the number is small does not mean it should be ignored and we should throw this out. What I am saying is it is going to be an onerous way of enforcing certain rules. Therefore, I am highly concerned about how we are throwing this on the private sector, as my hon. colleague in the NDP has pointed out on several occasions, and I agree with him.

Finally, I will quote from the member for Pickering—Scarborough East who said:

Let us deal with some real issues in this House for once and not go around contenting ourselves with some idea that we have a better widget than the people who preceded us or than the ones who preceded them. The reality is far more serious.

I know that members on the industry committee should have the benefit of all the questions, not just Measurement Canada, but to look beyond this first step. I am hoping it is a first step, because members will recall that, in the 2008 campaign, the Conservative Party pledged to deal with the issue of potential problems at the gas pumps...

We hope they will follow through on that.

Again, the hon. member has said this is a first step. At the second step in committee, I would implore all members of the House, and certainly the members of the industry committee, to look at this and fully analyze what is about to come down the pipe as it were.

• (1100)

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, I know the member is absolutely right about the proposed inspection system.

If the Conservatives had done proper consultations on the bill with the industry and with the independents, I am sure the independents would be more than willing to see the government inspection team beefed up and perhaps over a period of a couple of years we could double or triple the number of inspections. However, I think those independents would trust a government inspector over a privatized inspector.

Let me tell the House what can happen with a privatized inspection system. It is contemplated that the privatized inspectors will be able to set their own prices. The member talked about a small

town with a single gas pump. The operator will have to pay for that inspector, who might have to drive a couple of hundred miles. Since the inspector can set his own prices, he can charge an arm and a leg for that inspection.

The other issue is there now will be random inspections. Therefore, the operator will never know when the inspector will show up. We will have a system where the inspector will phone first, tip the operator off and then charge the operator triple the price that would be paid under a government program.

This is all messed up. This is typical Conservative consumer legislation, always an offset to private business.

• (1105)

Mr. Scott Simms: Mr. Speaker, earlier I listened to the member's speech. He brought forward his experience in the Manitoba legislature, and I thank for that.

I have witnessed this in the past six years since being elected as a member of Parliament. Some programs, as I have said before, have been thrust upon the private market. I do not want to mislead anyone by thinking this is the wrong way to go in all general circumstances. In certain cases, we talk about public-private partnerships. Some of them have effective measures and some work substantially in many areas. However, the problem is the oversight and enforcement involved, or lack thereof. Even if that element is put upon the private sector, we could run into some problems as the member pointed out.

Private inspectors in rural areas have to travel and that costs money. They have to stay overnight in hotels, which costs money. All these costs, one after another, are thrown at the consumer.

I go back to the example about applying for rebates to make homes more energy efficient. The problem was with the inspectors. The government said that the inspectors would only cost a couple of hundred dollars. It was more than that in rural areas. People had to pay for the inspector's gas mileage and they had to pay for the hotel if the inspector had to stay overnight. They were lucky enough to share these costs with other people, but it became that much more complicated. The private sector decided the price. Let us face it, when it comes to setting the prices, inspectors will charge whatever the market will bear. Therefore, that makes its way up the scale. It was harder for people with low incomes to avail themselves of the program because they could not afford the inspection process.

I bring that up as an example only because we may have the same situation. I know the Conservatives scoff at the idea, but I hope they bear this in mind. It could become a problem for the consumers in the near future. I hope they will come up with suggestions to change the legislation so we protect the consumers from being gouged in more ways than just one.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

An hon. member: On division.

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The Deputy Speaker: Accordingly the bill stands referred to the Standing Committee on Industry, Science and Technology.

(Motion agreed to, bill read the second time and referred to a committee)

* * *

TAX CONVENTIONS IMPLEMENTATION ACT, 2010

Hon. Peter Kent (for the Minister of Finance) moved that Bill S-3, An Act to implement conventions and protocols concluded between Canada and Colombia, Greece and Turkey for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, be read the second time and referred to a committee.

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, I appreciate the opportunity to start debate on Bill S-3.

However, before I get into my prepared remarks, as this legislation involves Greece, perhaps it is a very relevant time to bring the members of the House up to speed on the latest issues in Greece. It has been very much in the media and I think it is appropriate to comment on the current situation.

First and foremost, Canada is concerned about the situation in that country and other threats to the global economy. That is why we have been taking a leadership role within the G7 and the G20 on global financial reform, including Greece.

Over the weekend, the finance minister chaired conference calls, and I emphasize “calls”, with G7 finance ministers on that matter. Canada, through the IMF and through our IMF partners, is providing key support to help ensure the situation is contained.

The Bank of Canada, working with the central banks around the world, is also helping provide key liquidity to markets.

While we are satisfied that the IMF and the EU actions to date will help address recent market volatility, we remain concerned about the fiscal situation in some countries. Hopefully, in a small way, the passage of Bill S-3 and the Greece-Canada tax treaty within it will help the turnaround in Greece by reducing tax barriers to trade and investment between our two countries. The strong ties between our two countries, bolstered by the large and active Greek Canadian community, will further be strengthened by this legislation as we create better conditions for Greek companies to do business in Canada and for Canadian companies to operate in Greece.

As Hellenic Canadian Association president, Theodoros Aslanidis, and I thank my hon. colleague from Scarborough Centre for helping me with the pronunciation of that name and I still may have it wrong, noted, “the agreement is very positive”.

The legislation would implement Canada's recently concluded tax treaties with Greece and Turkey as well as Colombia, tax treaties that would help both prevent unfair double taxation and tax evasion.

Bill S-3 is part of Canada's ongoing effort to update and modernize its network of income tax treaties, which represents one of the most extensive in the world. In fact, Canada has tax treaties in place with nearly 90 countries. Moreover, Canada is continually working on agreements with other jurisdictions.

Before I continue, let me be clear. While Bill S-3 is important legislation, it is largely routine. Indeed, in the 39th Parliament, the House adopted similar legislation related to tax treaties with Finland, Mexico and Korea. In the 38th Parliament, under the former Liberal government, legislation concerning tax treaties with Gabon, Ireland, Armenia, Oman and Azerbaijan were also adopted.

Bill S-3 and all the aforementioned similar legislation related to tax treaties are in fact patterned after the OECD model tax convention. This OECD framework is widely accepted in the international community.

As Peter Barnes, the noted former deputy international tax counsel at the U.S. Treasury Department, noted in the OECD *Observer* magazine:

—the OECD model has achieved a consensus position as the benchmark against which essentially all tax treaty negotiations take place...the OECD Model Tax Convention is a tremendously important tool for smoothing the way of international business and global trade.

Rest assured, the provisions in the three treaties in Bill S-3 comply with the international norms that apply to such treaties. They are exactly like the legislation from the 38th and the 39th Parliaments. Accordingly the tax treaties with Greece, Turkey and Colombia have all been designed with two goals in mind: avoiding double taxation and preventing international tax avoidance or evasion.

● (1110)

Before elaborating further on the importance of these two objectives, there are a couple of general points to discuss regarding tax treaties and their role in contributing to a competitive tax system in Canada.

Our Conservative government is always working to expand its network of tax agreements with other countries. In order to combat offshore tax evasion, we unveiled a policy in budget 2007 that introduced incentives that have non-treaty countries enter into OECD-modelled tax information exchange agreements with Canada. It also required that all new tax treaties and revisions to existing tax treaties include that standard for tax information exchange.

I am happy to report that negotiations on tax information exchange agreements have commenced with more than a dozen jurisdictions. What is more, in August 2009, Canada signed its first tax information exchange agreement with the Netherlands Antilles. That agreement, along with those between Canada and Colombia, Greece and Turkey, all include the OECD standard on international tax information exchange.

We have built on that record in recent years as well. For instance, we have given the Canada Revenue Agency additional resources for international tax audit and enforcement. I believe all members realize and understand that tax treaties are an important tool for improving our system of international taxation.

As I mentioned, the tax treaties with Greece, Turkey and Colombia are designed with two key objectives in mind. The first objective is to remove barriers to cross-border trade and investment, most notably the double taxation of income. The second objective is to prevent tax evasion by encouraging cooperation between Canada's tax authorities and those in other countries.

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First, we all recognize that removing barriers to trade and investment are paramount in today's global economy. Investors, traders and others with international dealings need to know that the tax implications associated with their activities, both in Canada and abroad, are protected.

Canadians also want to be treated fairly, with consistent tax treatment that is set out from the start. In other words, they want to know the rules of the game and they want to know the rules will not change in the middle of the game.

Bill S-3 will remove uncertainty about the tax implications associated with doing business, working or visiting abroad in Greece, Turkey and Colombia.

These tax treaties will establish a mutual understanding of how those tax regimes will interface with those in Canada. This can only promote certainty and stability, and help produce a better business climate, especially with respect to eliminating double taxation. Nobody wants to have their income taxed twice, nor should it be, but without a tax treaty, that is exactly what could happen. Both countries could claim tax on income without providing the taxpayer with any measure of relief for the tax paid in the other country.

To alleviate the potential for double taxation, tax treaties use two general methods, depending on their particular circumstances. In some cases the exclusive right to tax particular income is granted to the country where the taxpayer resides. In other cases, the taxing right is shared. For example, if a Canadian resident employed by a Canadian company is sent on a short-term assignment, perhaps for three months, to any one of the three treaty countries noted in Bill S-3, Canada has the exclusive right to tax that person's employment income. If, on the other hand, that same person is employed abroad for a longer period of time, say for one year, then the host country can also tax the employment income.

Under the terms of the tax treaty, this individual will be treated fairly. When the individual files his or her taxes, a credit will be provided on the tax that has been paid in that other country, thus avoiding double taxation and keeping the tax system fair.

It has been noted that one way to reduce the potential for double taxation is to reduce withholding taxes. These taxes are a common feature in international taxation. They are levied by a country on certain items of income arising in that country and paid to residents of another country.

• (1115)

The types of income normally subjected to withholding tax would include, for example, interest, dividends and royalties. Withholding taxes are levied on the gross amounts paid to non-residents and represent their final obligations with respect to Canadian income tax.

Without tax treaties, Canada usually taxes this income at a rate of 25%, which is the rate set out under own legislation, the Income Tax Act. Accordingly, Bill S-3, as with all tax treaties, addresses this issue with numerous withholding rate reductions. Specifically, Bill S-3 will provide for a maximum withholding tax on portfolio dividends paid to non-residents of 15% in the case of Colombia and Greece, and 20% in the case of Turkey.

For dividends paid by subsidiaries to their parent companies, the maximum withholding rate is reduced to 5% in the case of Colombia and Greece, and 15% in the case of Turkey. Withholding rate reductions also apply to royalty, interest and pension payments.

The treaties in Bill S-3 cap the maximum withholding tax rate on interest at 10% in the case of Colombia and Greece, and 15% in the case of Turkey. Each treaty in this bill caps the maximum withholding tax rate of a royalty payment at 10% and on periodic pension payments at 15%.

I mentioned the tax treaties have two objectives. I have spoken at length about the first objective of removing barriers to cross-border trade and investment by eliminating double taxation. While double taxation is clearly problematic, tax evasion and avoidance are also unfair and economically damaging. The loss of revenue resulting from tax avoidance and evasion obviously negatively affect the efforts of governments to function.

Not only that, tax evasion is blatantly unfair as it places an uneven share of the tax burden on honest taxpayers. That is why the second objective of tax treaties is to encourage co-operation between Canadian tax authorities and those in other countries.

We all appreciate that the best defence against international tax avoidance and evasion is through improved and expanded mechanisms for international co-operation and information sharing. By increasing co-operation between Canada and other countries, in this instance Colombia, Greece and Turkey, we are able to better prevent tax evasion.

Tax treaties are an important tool in protecting Canada's tax base by allowing consultations and information to be exchanged between our two governments. This means that we can better catch those trying to avoid taxes, ensure the integrity of our tax system, and that everyone is taxed equally.

Indeed, our Conservative government firmly believes that Canadians should be confident that all taxpayers contribute their fair share. We demonstrated that commitment in budget 2010 through a number of initiatives intended to protect the integrity of Canada's taxation system, initiatives that will help ensure that all taxpayers pay their fair share of tax on income earned in Canada and abroad.

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For instance, in budget 2010 we proposed to address tax planning practices that have developed, which have allowed under particular circumstances a portion of stock-based employment benefits to escape taxation at both personal and corporate levels, by: preventing tax arbitrage opportunities involving leases with government entities, other tax exempt entities or non-residents who are not subject to Canadian taxation; consulting regarding a proposal to require taxpayers to identify aggressive tax planning, which will provide the Canada Revenue Agency with early notice of new and emerging aggressive tax-avoidance schemes; consulting on revised proposals to prevent tax avoidance through the use of offshore trusts or other foreign investment entities; and ensuring that businesses cannot inappropriately capitalize on the differences between the tax systems of Canada and other countries to artificially increase foreign tax credits related to cross-border transactions and, thus, pay less tax.

• (1120)

We also propose to prevent aggressive tax planning by ensuring that income trust conversions into corporations are subject to the same loss utilization rules that currently apply to similar transactions involving only corporations, and finally, to ensure the provisions of the Criminal Code that apply to serious crimes related to money laundering and terrorist financing can be invoked in cases of tax evasion and prosecuted under Canada's tax statutes.

Taken together, such initiatives are consistent with our Conservative government's ongoing commitment to tax fairness.

In conclusion, as I mentioned at the outset, Bill S-3, while standard legislation at heart, is nevertheless very important. There is little doubt that its benefits are clear. The tax treaties covered in this proposed legislation will promote certainty, stability and better business climate for taxpayers and businesses in Canada and in these three treaty countries.

Moreover, these treaties will help to secure Canada's position in the increasingly competitive world of international trade and investment. They comply with international OECD standards and will help ensure a stronger tax system for Canadians. It will help ensure our goal of tax fairness for Canadians.

• (1125)

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Speaker, I enjoyed listening to the parliamentary secretary and I must say I am pleased. He touched on income trusts and we know that the government made a commitment. It reneged on it. With income trusts, I think there is a provision in there where it seems that Canadian companies are at a disadvantage. Foreign companies can borrow money to expand and acquire companies, invest, et cetera, and write off those borrowing costs. Canadian companies have lost that advantage.

Could he please talk about that? Are there any provisions in here that address that? We are trying to bring tax fairness and I see that. Can we bring some fairness to our corporate world as well?

Mr. Ted Menzies: Mr. Speaker, I thank my hon. colleague not only for his question, but for his assistance in pronouncing the Greek gentleman's name. I did have trouble with that.

Certainly, as I mentioned in my speech, this is about tax fairness. He likes to keep bringing up in this House the fact that we actually

implemented tax fairness with the income trust issue that the Liberals were either scared to address or just buried their heads in the sand and did not deal with.

This Conservative government has dealt with some very difficult issues, but we have dealt with them head-on, such as the environment. Canada is a leader with our environmental record because we met it head-on. We listened to the fact that other countries were not meeting their commitments and frankly, we were a little ashamed that we were not meeting the commitments that the Liberals had challenged us with. They had never followed up, so we went to Copenhagen and we were sponsors of a commitment to an accord that many countries have now signed on to. We take the tough decisions.

Getting back to Bill S-3, this is very important for his home country, for Colombians, for Canadians operating in Greece, Turkey and Colombia. They need to be assured that when they send employees of a Canadian company to those countries, they are not going to be overtaxed or double taxed.

It is a part of our pattern of expanding trade. We continue with our very strong and very bold trade agenda in putting forward new trade initiatives and agreements. This is just part of a treaty that will protect our Canadian companies to help protect their employees as well as those countries.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, I want to thank the member for his speech on Bill S-3. I have several questions for him, but the main one that I am interested in is the fact that even though we have 90 or so of these treaties in existence right now, and they do deal with the whole issue of tax evasion and tax avoidance, I would like to ask him whether he could tell us how much money has actually been recovered under the existing treaties that have been signed?

He talks about how we can co-operate between our tax department and the tax departments in other countries. I presume that there are some provisions to get our hands on bank records. I am just not sure how that works.

Under the existing 80 to 90 agreements that are in force and have been in force for a number of years, how much money has actually been recovered by the Canadian government in terms of tax avoidance or evasion?

Mr. Ted Menzies: Mr. Speaker, I will certainly see if I can get that information, but we are dealing with the Canada Revenue Agency and I am not sure that those numbers would even be available to me. If that is possible, I would certainly like to fulfill that commitment.

That is a major part of these treaties. We are always concerned with those who are less than honest. No one likes paying taxes, and I am sure that the Speaker would be at the head of the campaign to reduce Canadians' taxes. No one likes paying taxes, but everyone likes to have the advantages that this country provides through some of the social programs. The only way that those social programs are paid for is through taxation.

Government Orders

I am sure my colleague in the NDP will be supporting this bill wholeheartedly to make sure it is fair for all Canadians and for all members of the three countries that we are trying to help.

• (1130)

Mr. Mike Allen (Tobique—Mactaquac, CPC): Mr. Speaker, I want to thank my colleague for his hard work on the finance file and for his speech today.

On these tax treaties, could the member talk specifically about some of the efficiencies to businesses and individuals that are received from these tax treaties? Could the member also comment on some of the challenges around some of the privacy issues that are associated with the exchange of information?

Mr. Ted Menzies: Mr. Speaker, I think the member, in having a strong business background, understands the complexities of tax compliance.

If we do not have such treaties in place, these tax compliance issues are duplicated. Then we are back and forth, and an employee of a company is taxed twice. The employee will come back to his or her member of Parliament and ask the member to try to get the taxes back from one country or the other.

The reporting mechanisms that Canadian companies have to deal with would be extremely simplified in this process. It is an assurance when we have a treaty in place. Things will go wrong. Mistakes will be made, and I am not suggesting just by accountants, but mistakes will be made, and if we have a treaty in place with secure legislation that requires compliance, it makes it much safer for employers and employees.

Hon. Joseph Volpe (Eglinton—Lawrence, Lib.): Mr. Speaker, I have a couple of questions that arose out of comments a few moments ago.

Of course, one is that with such a valuable piece of legislation, especially with all of its tax implications, one might have thought it would have been addressed by the government here in this House first. I would like to ask the member why the government chose the route of the Senate in order to get this kind of legislation here.

The second question is around his statement that his government has made courageous decisions. I am just wondering about the definition of courage that sees the government making a promise during an election regarding income trusts, then reversing itself because there was about a \$300 million tax leakage. That correction caused an overnight collapse of \$35 billion in the assets of all of those people who had put money into those income trusts. By the way, 85% of those companies that had turned themselves into income trusts are now owned by Americans, so they pay no taxes here.

I am just wondering whether the member thought that the tax treaties we had arranged in respect of the income trusts worked to Canadians' advantage. Canadians lost \$35 billion as opposed to giving up \$300 million in taxation. Did he think that was a good exchange to reduce taxes by \$300 million so that taxpayers could lose \$35 billion in assets?

Mr. Ted Menzies: Mr. Speaker, my how memories lapse. Those are wonderful numbers. They are totally irrelevant to today. They are totally irrelevant to anything we are talking about.

We have some new senators in the other place who are looking to help further the work of this government. We had a senator who was very interested in putting forward some legislation. We gave Senator Stephen Greene the opportunity to bring this legislation forward. I see nothing wrong with that. It is great that members in the other place have the opportunity to recognize all the benefits that are in here. We look to them for guidance, but many businessmen in the other place understand that this needs to move quickly. They have sent it here. Let us move it forward and get this done so that we can protect Canadians.

• (1135)

Hon. Joseph Volpe (Eglinton—Lawrence, Lib.): Mr. Speaker, I am delighted to speak to this bill today.

Those of us in the Liberal Party are into what is called nation-building. Nation-building is a bit different from what the parliamentary secretary said a moment ago is the primary function of parliamentarians, that is, to make sure they conduct things the way a businessman would run his corner shop. That is not to diminish the fact there always needs to be economic probity, financial probity in everything that we do, but there is a different action.

In this place, all members of Parliament, whether their background is in business, law, academic teaching, small business, or worker, are interested in building this nation. They do it through the economic stimuli available to a Parliament like our own to ensure that all men, women and children have the opportunity to fashion out a future for themselves in this country, to avail themselves of all of the natural resources that are here and the human resources that come with the interaction of people who live in a collective, and all of the entrepreneurial skills that are developed either through some of the institutions that are funded by government in part on the one hand and stimulated by those who see the value in research and development on the other.

Bill S-3 addresses one component of that social economic development that comes with nation-building. One would expect that I as a Liberal and those of us in the Liberal caucus would be supportive of any initiative that would render the free flow of capital for investment to allow enterprise to capitalize on its ingenuity and create wealth as a result, and to do it not just here in our country but elsewhere. It is called the exporting of our intellectual property, of our entrepreneurial skills, indeed of our culture.

Those of us who are nation-builders, those of us who are members of the Liberal Party, understand that government is not only about operating a balance sheet. We understand that balance sheet has to include the ambition and the dreams of all Canadians in whatever fashion they are developed around the country.

The reason taxation treaties are important and why Liberal governments in the past have sought them in the context of the OECD and the model tax convention that has driven it is that we believe in fairness, the fairness that comes with making an investment and recovering revenue from that investment, but not an investment or return that would be double taxed. In other words, we do not have to make a contribution twice to the infrastructure of a culture, economy and society that may be thousands of kilometres away.

Government Orders

That does not mean our corporate culture would go in and ransack and pillage and walk away without any responsibilities. We believe in a mutual co-operation with legitimate authorities in other locations that welcome our entrepreneurs, our investors and co-operate with them in developing the local economy while allowing ours to come back with the merited profits without being taxed there and here.

When we have to tax here and we have to tax back, the first casualty is probity, i.e., it is replaced by corruption. The second of course is people look for ways to avoid tax and that obviously leads to tax evasion.

That does not work well for the development of any country, because the underlying weakness is one that says the individuals, or the corporate individuals who make an investment, who garner wealth from the activity in whatever place that activity is resident, no longer have a responsibility to their community.

● (1140)

In the Liberal Party we believe in a collective responsibility. We believe there should be profit and capitalization of all intervention and investment that is made in a territory or a collective, but we believe that something must be left behind: growth. Growth is what we leave behind, and a respect for the individuals that allowed us to move along.

We have developed a series of treaties with many countries. I am glad to see that we are now moving ahead with Greece, Turkey and Colombia. I understand that we are already in negotiations with other countries like Cuba. The idea is that those countries and their legitimate authorities help our own investors to secure a proper investment environment and at the same time leave behind an additional investment through taxation that is not so onerous as to generate avoidance, evasion and corruption.

Legislation like this seeks to impress upon the international stage that one can be a responsible and active democracy and still be very dynamic economically. One can be socially oriented, i.e., have a sense of responsibility to the collective and at the same time pursue a very dynamic and rewarding bottom line. We wonder why legislation like this, which purports to do that, would not have been presented earlier and would not have been initiated in the House of Commons, where all money bills, tax initiatives and fiscal responsibilities are developed, debated and promulgated.

We would have thought that. Not to be light on this, but it seems to me that it did happen in the past, but prorogation came along and killed it. Now it has returned again through the Senate. It has come back here. Maybe there will be another prorogation. I must think about it a moment. Why? Because the parliamentary secretary talked with such great earnestness about the government's commitment to all of these bottom lines and fiscal responsibility issues and about how this is almost indispensable to everything in the world.

I agree, but I am not sure that the issue of commitment can be attached to that speech. The legislation was presented, debated, prorogued and killed. Now it has been raised in the other place and brought here. We will make a few interventions. There is no indication that things are going to be moving with any speed. It is important for our businesses to understand that the government is actually in a position where it wants to help and prepare the road so

that foreign governments are at least as sensitive to the dynamics of the marketplace as our own might be.

It struck me as well that the parliamentary secretary talked about the greatness of the Canadian financial system and the basis upon which it is founded, how solid it might be, how much of a beacon it is for the rest of the world, how the marketplace is solid and how there is an appropriate balance between business and government, between society and business and between what must be invested and what must be taxed. In other words, how do we make a contribution to renewal and growth?

The parliamentary secretary said that all of these things are part of the Canadian culture. In saying that, he is paying a compliment to the governments of former prime minister Jean Chrétien and former prime minister Paul Martin, who were able to establish a system of balanced budgets.

● (1145)

Someone is going to say, "Oh yes, but somebody had to pay for it". Canada had balanced budgets and surpluses, in the western world, so that we had the most solid financial system, financial administration, anywhere among the G8. In the OECD countries, Canada was seen as a country that reduced taxes. Of course we had a reduction in the national debt from roughly \$600 billion to about \$500 billion and an elimination of the deficit, from \$43 billion to zero. No, I am sorry, it did not go to zero; it actually went to a \$12 billion surplus, at last count, which was then reinvested in our collective, our community, Canada. It was invested in the taxpayers. It was invested in those Canadians who wanted to make this country grow.

Every country lusted at our model. They asked how it could be that Canadian administrators, Canadian legislators, could make investments in research, in human resources, in universities and colleges, could produce a federal system that allowed for two levels of government to be able to make investments in their young people, in the infrastructure to take care of the old, in the hospitals and medical systems that are required to give a quality of life that is the envy of the world? How can this be? What do they do?

Well, they took a look at the tax system. The two governments of Jean Chrétien and Paul Martin, over a 15 year period, produced the kinds of results I mention. They were able to initiate all these treaties that were reciprocal arrangements with countries, with the business environment in other places and the expectations of our business community.

The Government of Canada and the governments of the provinces were able to go into countries around the world in support of their businesses and receive the red carpet treatment. Why? Because when they struck those deals, those reciprocal arrangements, like those proposed by Bill S-3 right now where two countries are talking about recognizing which of the two has the residual authority to tax an activity, to tax an income, they do it on the basis of fairness. The Canadian government has demonstrated a culture of probity, a culture of continuity, a culture of respect for those who contribute the earning and those who withdraw from that earning to reinvest with their partner.

Government Orders

That is why countries around the world approached us and asked “Can we get an arrangement with you, because you can be trusted?”. People do business with those whom they know, with those who have established a record of continuity, those who have established a record of trust.

That is why I mentioned a moment ago the issue of income trusts. The justification for it was that there was tax leakage here. We needed to get a little bit more. We could not lose that \$300 million. The parliamentary secretary said, “That’s old hat”, three years ago. But it is not old hat to refer to the environmental standards that were set, perhaps not met, by previous governments of 10 to 15 years ago and replaced by no standards. Therefore, there is no judgment.

The issue of income trusts is extremely important because it goes to the heart of internal tax treaties. Those are the arrangements the Government of Canada, i.e. the people, the collective, makes with those who engage in economic activity to produce wealth and to share it, to fund programs.

When the Conservative Government of Canada made a big deal of saying, “We are making the tough decision; we are going to cancel these income trusts because that is \$300 million”, it said that these guys through a legal tax loophole were avoiding paying \$300 million. That is going to be replaced by a circumstance that sees 85% of those activities bought by American and foreign-owned enterprises. As my colleague from Scarborough Centre mentioned a moment or two ago, what happens is they get all the benefits and advantages out of the Canadian tax system and ours do not.

Of those companies that became the target of that \$300 million tax leakage, 85% are now in the hands of foreigners. By the way, they are not paying taxes here. They are paying taxes there.

What is worse is that those Canadians who had made an investment in their own future and in their own retirement lost \$35 billion overnight. They saw their savings melted away like rare snow on a hot June day. They just melted away because the Minister of Finance and the Prime Minister, both Conservatives, said “We need to make a tough decision. You pay for it. You have got \$35 billion to burn. You pay for it so that we can save \$300 million”. We save \$300 million and we are losing whatever is the balance to all those Americans who took the 85% of the income trusts that still exist. That is great.

• (1150)

Let us go back to these tax treaties. Foreign countries are looking at us; now it is tougher to negotiate with them. We are negotiating with them and happily there are people who still want to sit at the table with us, but they are wondering about our right-wing government, I am sorry, an extreme right-wing government. It does not pay attention to that dynamic I mentioned a few moments ago, the dynamic with the individual citizen, the individual taxpayer, engaged either as a worker, a subcontractor, an entrepreneur, an administrator in a large enterprise, or indeed, an administrator in one of those social institutions that make us the great country we are. That relationship of trust and mutual service is being eroded, if not snapped. They look at us and say, “If they have a country whose government has so little respect for all of the elements that go toward wealth creation, that go toward the development of a society that is an economic model for the world, what can we expect? If the

Government of Canada has little regard for its own citizens, if the Government of Canada is busy in the process of eroding all of those programs and institutions that have got it to this place of such elevation, what can we expect in any agreement we sign with them?” We should think about that.

Sometimes we listen to people like the parliamentary secretary, who say to us that this is good, that is good and this is good, then take a look at each item of the puzzle and go out and say, “Look at how many pieces we have in the puzzle”. Put it together and see what it looks like.

We want to support a system, and we will support Bill S-3. We find that those initiatives are a logical outflow of those initiatives we had as a Liberal government. They have to flow from the logic of nation-building that we established in this place and that we still adhere to very proudly, despite the mudslinging that is thrown at us for all of the achievements we made through all those years. Those achievements no longer belong to the Liberal Party. They belong to the country of Canada. They belong to every province. They belong to every municipality. They belong to every citizen.

We have a responsibility in this place to ensure that all the interests of all Canadians, be they workers, small entrepreneurs, administrators or large corporate citizens, are always weighed in an equilibrium, a balance that sees them first as members of Canada, and Canada always.

• (1155)

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, I am not aware of any government briefing. Normally there are some sort of government briefings on bills, where critics could be briefed on the provisions of the bill. In this particular case, one would have to brief the parliamentary secretary, because after he made his speech I asked him how much money has been recovered in terms of tax avoidance and tax evasion issues. Given that these treaties have been enforced for many years, and there are 80 of them in place, one would think he would be able to tell us right away how much money had been recovered in terms of tax avoidance and tax evasion issues.

For many years in Manitoba, I was able to get in estimates, on an annual basis, the amount of arrears on PST, on provincial tax arrears. In estimates it was an open book. I find it really surprising that the member would not have that information at his fingertips.

Another question I want to ask him is: To how many people does this apply? Surely the government has some idea of how many citizens this particular new initiative, the new Bill S-3, would apply to in terms of citizens from Greece, Colombia and Turkey who we are dealing with here.

Clearly the government should be a little more prepared and have more information when it brings in bills such as this. I ask the member if he would like to make some comments about those points.

Government Orders

Hon. Joseph Volpe: Mr. Speaker, the hon. member for Elmwood—Transcona addressed the main issue to which I had already spoken, which is what the objective is of this bill. What do we want to do when we engage in tax treaties with countries like Turkey, Greece and Colombia? We need to have an objective. What is our strategy?

I hear the minister for war and peace in the Middle East saying that we need to have a strategy. I do not know what the strategy of the government is. When our government engaged in a tax treaty like this, it had very specific objectives and tactics in place, which were to stimulate increased activity, to attract companies to those places and to invite companies from those countries to the Canadian environment. We tabulated specifically over a five and ten year period the amount of increased economic activity that would be governed by this kind of legislation.

I, too, am as surprised as the member for Elmwood—Transcona is that the parliamentary secretary could not give him an indication or even a ballpark number. If the member looks at the estimates and the budget, he will find the line that indicates other sources of income from the Government of Canada and he will see that it goes into the hundreds of millions of dollars as opposed to the \$250 billion that is part of the budget.

The member can then divide those three countries by 80 and come up with his own figures because I am not sure the government knows, which is why it did not write them down. Not only that, it does not care.

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Speaker, I listened very carefully to my colleague from Eglinton—Lawrence. The area that touched me was when he referred to income trusts and tied it together in terms of economic development, sustainability, competitiveness and future investments. I was very moved when he said that some \$30 billion were wiped out.

I know how much he has spoken about seniors in the past. I want him to take the opportunity to talk about the impact that decision on income trusts had on seniors. In essence, the Conservatives misled Canadians during the election when they promised they would not touch income trusts and then did the opposite. I would like the member to focus on the impact that it had on seniors.

• (1200)

Hon. Joseph Volpe: Mr. Speaker, my colleague from Scarborough Centre will know that one of the significant demographic developments over the course of the last generation and going forward is that we cannot talk about seniors as people we put on display in a museum. We are talking about 15% of the population. These are people who have already made great contributions to the country and took seriously the government's recommendation that they begin to save for this period in their life by making investments in companies that would structure themselves in a fashion that they would provide a reliable source of income for seniors in their later years.

Over the course of this last generation, not only has the percentage of seniors in our society increased, but the number of people making contributions to the growth of the GDP has, by reflection, diminished. They now find themselves in a situation where the Government of Canada made specific promises to provide them with

certain stability in their later years and then, with one wretched, sneaky move, took \$35 billion out from under them.

Can anyone imagine being in one's 70s or 80s and watching one's life-savings snatched away, dismissed by the Minister of Finance and the Conservative Prime Minister who said that his government was doing this because it had to make a tough decision? It was too bad for seniors who were at the most vulnerable period of their life. It was more important for the government to spin the message that it could make the tough decisions, although stupid, but it demonstrated its toughness, although heartless. The government was absolutely disinterested in the future of the Canadian collective.

Welcome to the Conservative world that erodes away the values that make us a cohesive society, that erodes away all of the values that make us a thriving economic unit and that thumbs its nose at the mock parliamentary process that permitted people to get to where they are.

Mr. Jim Maloway: Madam Speaker, I want to follow up with another question for the member.

I was watching the committee hearings on television last night regarding Mr. Jaffer and the whole argument about whether he did or did not look to Belize as a tax haven. When I look at the list that I have here of all of the 80-some countries with which we have agreements, I do not see any of the tax havens on the list. I do not see the Cayman Islands or Belize on the list. I do not see any of these other countries.

Why would the government not be looking at establishing these sorts of treaties to avoid double taxation and tax evasion? Why would we not be working with some of these countries that are known tax havens to rein these countries in a little more and also demand that they have proper bank rules set up in those countries?

I know the United States is putting a lot of pressure right now on Switzerland to make its banking system more transparent in light of some of the computer tapes that have been sold over the last year that have ended up in the German government's hands and it is chasing the German tax evaders who are hiding money in Switzerland.

It seems to me that if we are going to get at the problem of tax evasion, we should be getting some tax agreements perhaps with some of these tax havens so that we can start chasing some of this money that is evading us.

What does the member think of those observations?

Hon. Joseph Volpe: Madam Speaker, my colleague from Elmwood—Transcona speaks to the essence of the government's presentation. Is it believable or is it just going for low-hanging fruit on tax treaties and economic activities? I think it is going for the low-hanging fruit.

Government Orders

Of course it is difficult, but the government is not about to make difficult decisions. The difficult decisions require work. The government must be able to go to the large corporate investors in many of these offshore accounts that are free of taxation and tell them that they can make all the money in the world in our country but that some of it must stay here. It must tell them that they cannot hide the money, that they cannot take it with them when they go to the other world and, therefore, they should not take it with them when they go across the ocean.

What he wants, of course, is something that the government is not prepared to do, which is to face up to the big boys and say that we should build this country together and that no one should just come, take, pillage and then leave. That sounds a little socialist but it is a question of responsibility and community involvement, and the Conservative government opposite does not understand what that means.

● (1205)

[*Translation*]

Mr. Daniel Paillé (Hochelaga, BQ): Madam Speaker, earlier, I heard our Liberal colleagues talking about broken election promises. As members will recall, during the last election campaign, the Conservatives promised two things: they promised to put international treaties before the House prior to ratification and to give the provinces a role in concluding treaties pertaining to their jurisdictions. But as we can see, and as the hon. member mentioned earlier in response to one of his Liberal colleagues, the Conservative Party made promises during the election campaign, but as soon as it took power, it forgot all about them.

We are not comfortable with this bill because it comes from the Senate, and we have to wonder what the Senate has to do with any of this. Earlier, the Parliamentary Secretary to the Minister of Finance said that we look to some senators for guidance. I realize that many of them have had successful careers and are knowledgeable, but what good is this knowledge in the upper chamber if it wastes away from lack of use?

Bill S-3 would implement tax treaties between Colombia and Canada, Greece and Canada as well as Turkey and Canada. One interesting aspect is that this seems to be a pure, unadulterated bill, unlike Bill C-9, which is a mishmash of things, odds and ends, that the government sent to us in parliamentary committee. We will be studying those 888 pages clause by clause this afternoon. I do not know what time we will finish. But this bill is focused strictly on avoiding double taxation and exchanging information. That is very important.

We in the Bloc Québécois will take our roles as parliamentarians seriously, and we will be diligent in our work. We have studied this bill and, because we encourage diligent and serious examination of issues, when it comes time to vote, we will do our jobs as parliamentarians. We want to see this bill further studied in committee. This is very important to us because we often hear that the Bloc is systemically opposed to everything, that we are here just to stonewall, as some token Quebeckers in the Conservative Party seem to enjoy saying or erroneously suggesting. I am obviously not insulting anyone here in the House by saying that because they are not here. The Bloc Québécois will vote in favour of this bill because we believe in looking at things carefully.

Trade between Canada, Colombia, Greece and Turkey affects the revenues of the Government of Canada, but it also affects the revenues of provincial governments and of Quebec. There was no consultation about that. We do not even know how much this will cost. It will cost something, obviously, but we have no idea what it will cost the government.

Of course, for Quebeckers with companies that do business abroad—and I used to work in companies that did business abroad—tax conventions are attractive. I will always remember when I made my first foray into politics in 1994 in the Government of Quebec. At the time, my employer and immediate superior was Pierre Péladeau, who was president of Quebecor Inc. I was his executive vice-president of acquisitions.

● (1210)

He told me that if I went into politics in the Government of Quebec—I became Minister of Industry, Trade, Science and Technology—I should try to do as little harm as possible. That was how he liked to talk. Pierre Péladeau was a believer in the popular KISS principle, which recommends keeping things simple. To keep things simple, I will try to remember this man I loved working with.

This bill opens loopholes and revolving doors, and we will want to ask questions in committee or here in the House. For example, how is it that Canadian companies can register elsewhere to avoid paying their fair share here? We are concerned that there may be loopholes.

This bill is also supposed to fight tax evasion. Earlier, an NDP colleague wondered whether the current government really wanted to fight tax evasion. That is disturbing. We have to wonder which countries are tax havens and whether they have agreements with the Government of Canada. This is something that needs to be looked at. I still believe that we are being presented with a done deal, but we still need to examine a number of provisions in the bill.

For example, in subclause 1(*d*) of the General Definitions in Schedule 1, which pertains to the agreement between Canada and Colombia, the term “person” is defined as including “an individual, a trust, a company, a partnership...”.

On page 29, in subclause 1(*c*) of the General Definitions in Schedule 2, which pertains to the agreement between Canada and Greece, the term “person” includes an individual, a trust and a company. There is no mention of a partnership. This is the sort of question we could ask, but the agreement is a done deal. We have to take it or leave it.

Government Orders

Moving on with general definitions. In that same paragraph of the agreement with Turkey, the term “person” is defined as an individual, a trust, a company and an estate. As a parliamentarian, I would like to ask a question before signing this kind of agreement. Why are estates not mentioned in the agreements with Greece and Colombia, but they are mentioned in the agreement with Turkey? What does that mean? It is our job as parliamentarians to know what that means. There may be good answers out there, but I have not had a chance to get any. The parliamentary committee will try to get those answers.

There are currently 87 conventions between Canada and other countries, but only one contains the ideal standard of information exchange recommended by the OECD: the Canada-Netherlands convention. It is all a bit vague when it comes to other countries, and that raises a question.

• (1215)

Canada is apparently in talks with 14 other countries: Anguilla, Aruba, the Bahamas, Bahrain, Bermuda, Gibraltar, Guernsey, the Cayman Islands, the Isle of Man, Turks and Caicos, the British Virgin Islands, Jersey, Saint Kitts and Nevis and Saint Lucia. But there have been delays. Until these agreements are signed, people will continue to take full advantage of tax havens. That is the important thing here.

Let us look at three random cases: Bermuda, the Cayman Islands and Barbados. There are no conventions with these countries. They say negotiations are ongoing, but between 2000 and 2008, Canadian investment in those countries rose from \$30 billion to \$90 billion.

Can anyone tell me what it is about those three countries that caused investment to triple in the absence of tax conventions? Some might suggest that 300% divided by eight is 37% growth per year. As a financier and former university and HEC professor, I would say that that is not how it works. We have to consider compound interest. That is still 15% growth per year. Investment rose from \$30 billion to \$90 billion. Can anyone tell me what it is about those countries that supports that volume of international trade?

There are other countries as well. We remember the enthusiasm of President Sarkozy, who had the political will to act quickly, to sign and to condemn tax havens. He condemned what is known as the grey list. Who is currently on this list? Belize. My NDP colleague spoke about Belize earlier. In fact, it seems that some Conservatives do business in Belize. It would seem so. It is still on the list along with the Cook Islands, Dominica, Grenada, Liberia, the Marshall Islands, Montserrat, Nauru, Niue, Panama, Saint Lucia, Vanuatu, Brunei, Costa Rica, Guatemala, the Philippines and Uruguay. They are all on the grey list. What are they waiting for? Canada does not have agreements with these countries and therefore why not take full advantage.

What is a tax haven? The OECD has established criteria for identifying them. We have agreed on 0.08 as the legal alcohol limit for driving a car. I can say that the taxation rate is 0.0 when looking for tax havens. That means that there is no or nominal taxation. When you go to a country and ask about the corporate tax rate or the tax rate on capital gains, and you are asked in turn what tax rate and told 0.0, that should be a sign.

A lack of transparency is the second sign. It is like opening files and there is no system of record-keeping. Organizations specialize in not keeping records.

Lack of diligence is the third sign. It is expressed by administrative, legal or bureaucratic barriers or evasive answers when responding to our questions.

There is no transparency, no diligence and no taxation.

I find the fourth sign interesting: a total absence of economic activity associated with the investment.

I would like to go back to the three examples cited earlier. Canada's foreign investment in three countries went from \$30 billion to \$90 billion and we wonder what is in those countries.

• (1220)

There is nothing. Well, there are beautiful beaches, beautiful people and beautiful places, but in terms of industrial activity, there is nothing.

When a company that does metal and chemical processing invests in Barbados, we have to wonder what that country has to accommodate that. If there is nothing, along with a 0% tax rate, no transparency and no diligence, that is the perfect example of a tax haven.

In the 1950s, there was a sign on the way into Montreal meant to attract American investments in Quebec where, supposedly, labour was cheap and docile. Older people may remember it. Mr. Duplessis boasted about it. In a tax haven, you would see a sign that says that taxation is very cheap and very flexible. It is very docile. That is what a tax haven is all about.

Consider Barbados as an example. It is said that the tax laws in that country include a specific section for international business corporations. An international business corporation is a corporation that is registered in Barbados, but that conducts most of its business outside of Barbados.

Very few conditions have to be met to be there. The business has to be registered in Barbados, have its head office there, hold one annual meeting there—which can be a teleconference—keep records of a board of directors there and employ a local resident as the manager. How interesting: a job is created. However, the manager does not have to have any power. Accordingly, the board of directors recruits a manager from Barbados and tells that person they have no power and that is just fine.

How are the companies taxed? The maximum tax rate is 2.5% and the minimum tax rate is less than 1%, which is not much more than zero. They are exempt from capital gains tax, exempt from exchange controls and they can import anything they like duty free. One small detail: the average salary of a manager of a foreign subsidiary in Barbados is \$1,500 a year. That same Barbados branch manager simply has to find 1,000 jobs at \$1,500 each and he or she is the manager of 1,000 companies. It is a great way to earn a very good living.

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I will close by talking about the road to healthy co-operation. We are told, of course, that things are improving and that this occurs less and less. Attempts are made to have tax agreements with countries, but under what conditions? We are told a country will be removed from the list if we can have access to real, valid information, if there is no banking secrecy, if access to information is relatively easy and if taxpayers' rights are protected. What happens if there are a dozen agreements? The trick is to have a dozen agreements with lenient countries and then continue to operate as a tax haven.

We are voting in favour of the bill. I know that my colleague from Alfred-Pellan will address some of the Bloc's other concerns, but we are voting in favour of the bill in order to be able to go over it with a fine-toothed comb.

•(1225)

With all due respect, it would have been better if the agreements had been submitted to the House beforehand and with input from the Government of Quebec.

Hon. Joseph Volpe (Eglinton—Lawrence, Lib.): Madam Speaker, I listened carefully to my hon. colleague's speech. I know that he is very familiar with parliamentary procedure, because in a case like this, we would usually hear from the government representatives in charge of care of finance or international trade. He said that this is the procedure today.

I would like to know whether he has any advice for the members and ministers who will be examining this Senate bill. Since senators cannot sit in this House, the ministers or members who currently take care of financial and trade matters will probably be able to explain to us how Bill S-3 will close the loopholes he mentioned in his speech.

Mr. Daniel Paillé: Madam Speaker, that is what is disappointing. I know we cannot name members who are absent, and the list would be too long in any case. The Parliamentary Secretary to the Minister of Finance, a man I respect a lot and who I am getting to know, made a speech, but we must move forward and carefully examine the issues. They cannot simply introduce a bill and say that everything is fixed.

We signed an accord with Liechtenstein, but tax evasion is still tolerated. In 2009, the Minister of Veterans Affairs, the former revenue minister, made a big deal of saying that he had a list of 106 Canadian taxpayers who were using Liechtenstein as a tax haven, but this list was criticized by someone at a German bank.

When it comes down to a witch hunt like that, I would say that we need to take things seriously. We need to thoroughly examine the issues and the accords we are presented with, to ensure that they are complete and detailed, and that there are no loopholes.

That is obviously what we will look at in parliamentary committee. We will probably see that this type of bill has some loopholes. I will be happy to use my experience to help them find these loopholes.

•(1230)

Mr. Robert Carrier (Alfred-Pellan, BQ): Madam Speaker, I would like to congratulate my colleague from Hochelaga on his speech. He managed to make this normally dry subject interesting. Thanks to his extensive experience in economics, he was able to broaden the point of view we might have regarding such a bill.

He mentioned that this bill originated in the Senate. One senator said that the purpose of the bill was to lower taxes, not only for individual Canadians, but also for businesses. The bill's aim is rather clear.

This tax conventions bill relates to three countries whose economies are weaker and taxation lower than Canada's. Accordingly, this will have an impact on government revenues, as the member for Hochelaga mentioned. Regarding these three countries, I wonder if the member could elaborate on the economic losses that this bill could cause.

Mr. Daniel Paillé: Madam Speaker, I would like to thank my colleague, whom I work with on the Standing Committee on Finance, for having made such a dry file interesting. It is true that taxation and finances can seem dry when we delve into these kinds of details.

As I sometimes jokingly say, no one is coming to blows over bills like this on Holchege's buses. However, these issues are very important, and I have a passion for making dry topics interesting.

My colleague's comment is very interesting because the three countries we are talking about have sizable economies, but they are in no way comparable to Canada. They will not be the ones losing out, but the Government of Canada will probably lose even more, as will we, while we are still here.

These are the kinds of evaluations we would like to have before the agreement is signed and not afterwards; otherwise, the only thing we can do is say yes or no. We do not have an opportunity to improve the agreement. And I am sure that we could improve it.

The only thing we can do is say no. But saying no means that there would be no agreement and no exchange of information. It also means that these loopholes in the law and these tax havens will continue to be used.

We are between a rock and a hard place, but it is the government that has put us there and we will study this project honestly and rigorously in committee. I am sure that the opposition parties will work with us and I hope that the people of the Conservative Party, the members in power, will become interested in this topic, which, I know, is dry but very interesting.

Mr. Thomas Mulcair (Outremont, NDP): Madam Speaker, I am pleased to speak to Bill S-3, An Act to implement conventions and protocols concluded between Canada and Colombia, Greece and Turkey for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income.

The first thing I want to say is that the bill's alphanumeric designation is a clear indication that it comes from the Senate of Canada. We have to say that the Conservatives talk out of both sides of their mouths when it comes to the Senate's status as an undemocratic and unrepresentative institution.

In the House and at rallies in Alberta, they rail against the Senate, but when it comes to signing treaties, which are the most important expression of our international diplomacy, they do not hesitate to introduce bills like this one in the Senate rather than the House. This is another fine example of the Conservative government's hypocrisy.

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What is more, as the bill's title indicates, this bill is supposed to avoid double taxation and tax avoidance or fiscal evasion, as the bill title states.

I will start by talking about double taxation. Because there are many countries in the world and we live in a world in transition that is increasingly open to trade in goods and services, many people spend part of their professional lives in different countries. This sort of treaty is valuable in that it prevents people from being penalized and having difficulty working and crossing borders. We do wonder, though, whether it will really do anything to prevent tax evasion.

My colleague, the member for Hochelaga, just gave several examples, including Liechtenstein, which is very high on the list of opaque countries, to say the least.

According to the OECD, there is \$6 trillion in opaque countries, that is, \$6,000 billion. This is not far off the estimate of \$10 trillion to \$12 trillion that the Tax Justice Network, an extraordinary English organization, came up with. These figures are very close.

Madam Speaker, I must ask your consent to share my time with my friend and colleague, the member for Sault Ste. Marie. I was asked to remind you.

•(1235)

The Acting Speaker (Ms. Denise Savoie): Order.

[*English*]

Does the hon. member have unanimous consent to share his time with the member for Sault Ste. Marie?

Some hon. members: Agreed.

[*Translation*]

Mr. Thomas Mulcair: Madam Speaker, I would like to thank all of my colleagues, especially those who are kind enough to remind the members that they are supposed to ask for that at the beginning of their remarks.

As I said, the numbers are breathtaking. These are sums of money earned by individuals and companies—both real people and corporations—in jurisdictions like our own where there are institutions that guarantee the rule of law, competent courts untainted by corruption, police forces, educational institutions and so on. All of that costs our society money to ensure the peace, order and good government we have enjoyed here in Canada for 150 years. Then, once they have earned money thanks to these institutions that cost all taxpayers money, they are rich enough and organized enough to get their money out of this country and stash it away in opaque—non-transparent—jurisdictions. In other words, they do not pay their fair share of the cost of the social institutions that helped them get rich.

This is not just about cheating on taxes. This is about swindling the society that helped them get rich. That is what we need to tackle, and it is hogwash to suggest that such a treaty will curb tax evasion. That is not true. All we have to do is review the list of jurisdictions that have signed similar conventions with Canada to see that we are still signing agreements with problematic countries.

That brings me to another major concern about Bill S-3. This bill covers three countries. The issue I am about to raise has nothing to do with Greece or Turkey, but it does have to do with Colombia, and

we believe that including that country in this treaty is a poison pill. The government knew exactly what it was doing when it included Colombia in a bill that also covers two countries that are not problematic in this regard.

All members are aware of our fierce opposition to the Canada-Colombia free trade agreement. There is a reason for it and it is not difficult to understand. If Canada is prepared to sign a free trade agreement with another country because it says that how we do business, deal with people, train our professionals, our way of being and our values are fairly similar, the other party must respect our basic values such as the respect for human rights. Unfortunately, this is not the case with the current government in Colombia.

That is at the root of our fierce opposition to the free trade agreement with Colombia, proposed by the Conservative government. We will vote in favour of the principle of Bill S-3. This bill could make it possible, for example, for a young Greek couple, working one half of the year in Canada and the other in Greece, to avoid double taxation. That is reasonable. However, we want to make it clear right now that although we are voting to send Bill S-3 to a parliamentary committee, once it gets there, we will do everything possible in terms of House procedure to split the bill, to amend it and to use every means available to remove the part concerning Colombia. That is understandable because we have to be consistent.

Therefore, while recognizing that there may be a young Colombian couple in the same situation, we will continue to work with the authorities in that country and with groups trying to raise the bar for human rights. Let us be clear, we cannot, on the one hand, express our fierce opposition to a free trade agreement with Colombia and, on the other, agree to the signing of this type of treaty. Consequently, it can be expected that the NDP will do everything possible, at the parliamentary committee, to split the bill and remove the part concerning Colombia or, once again, to amend it.

•(1240)

[*English*]

Mr. John Cannis (Scarborough Centre, Lib.): Madam Speaker, I listened very carefully to the hon. member's comments. He referred to Colombia, Greece and Turkey and his resistance with Colombia because of human rights. One-third of island of Cyprus is illegally occupied by Turkish forces. There are 1,600 Greek and Turkish Cypriots still unaccounted for with regard to laws, properties, et cetera.

If that is not a violation of human rights on behalf of Turkey, what would he say to his Greek Canadian and Greek Cypriot constituents?

Mr. Thomas Mulcair: Madam Speaker, I would tell my many Greek Canadian friends that Canada has a very proud history on Cyprus as a peacekeeper and a peacemaker. I find it sad to hear a member of the Canadian Parliament simply affirm that one side is right and the other is wrong.

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Canada has always done all in its power to ensure that peace is maintained on Cyprus, which is the case today. Unfortunately, the belligerent words he has just spoken, affirming in the House that one-third is illegally occupied, shows that he is incapable of understanding that, in these historical questions, there are always two sides to a story.

Mr. John Cannis: Madam Speaker, the incapability and ignorance is on that member's side. If he understood what I was trying to tell him, he would ask himself, "If I am singling out Colombia on human rights, why am I not singling out Turkey for doing exactly the same thing?"

With Bill S-3, we are trying to show these nations the way forward by moving them toward tax avoidance and tax evasion so they can produce and input into their economies to make for a better tomorrow. I am sad that he does not have much knowledge on the Cyprus issue. I will ensure his constituents know about it.

• (1245)

Mr. Thomas Mulcair: Madam Speaker, one of the more interesting lessons from Canadian history involves Thomas D'Arcy McGee, who was being pushed to take a side with the Fenians. He stood up and said that when we arrived in this country, we would assert our values and do the best that we could to share those values with the rest of the world.

His belligerent tone, his threatening manner and the fact that he ended with a threat to me simply shows he is incapable of any perspective with regard to the situation in another country. I would much rather use the experience and the expertise that Canada has on the world stage to continue to bring peace to areas like Cyprus than stand in the House and argue with another member who says that he will attack me in my riding for not sharing his view that only one side is right and the other side is completely wrong on an issue as complex as Cyprus.

I am so proud to be a Canadian. I am so proud that we have used our expertise and experience on the world stage to help in a place as troubled as Cyprus. I am also very pleased, as a citizen of the world, that Cyprus now knows peace. Unfortunately, there will always be those who maintain a belligerent attitude, who try to stir the pot and do not understand that our top priority in the world has to be to work for peace.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Madam Speaker, I thought we were talking about Bill S-3, so I will ask the member a question about the bill. I asked the parliamentary secretary whether he could tell me how much money had been recovered by Revenue Canada from tax havens and he was unable to tell me.

That just speaks to the fact that the government has not provided a briefing session, which it should have with this bill. It should have been able to tell us the number of people who are involved in this measure and how much has been recovered in abated taxes.

Mr. Thomas Mulcair: Madam Speaker, it is precisely because Canada has not done enough homework on the issue of tax avoidance and tax shelters that this type of bill is so incomplete. That work has to be done because a lot of companies report their overall situation. A lot of companies operating in Canada making huge profits here are using all sorts of techniques to never pay a cent in

taxes. That is why we have to work on that as well. Otherwise it falls on the backs of ordinary working Canadians.

That is why, since the signature of the North American Free Trade Agreement, the wealth and productivity of Canada has gone up and the income of the middle class has gone down.

Mr. Tony Martin (Sault Ste. Marie, NDP): Madam Speaker, I appreciate the chance this morning to follow the comments of my colleague from Outremont and to challenge the government on some of the initiatives we find ourselves having to deal with these days in the House, particularly at a time when hundreds of thousands of people across the country still do not feel the recession is over.

The finance minister stands regularly in this place, particularly in response to questions from some of us who are concerned that the impact of this recession is not only not stopping, but continues to grow in both breadth and depth. We continue to discuss and move forward on trade agreements with other countries when we have not righted our own domestic economy. If we, at the end of the day, decide that it is in the best interests of Canada to do those trade agreements, we can negotiate from a position of understanding what is best for us and from a position of strength.

A number of reports done in the last week or two have given me cause to pause with regard to where we need to go in light of our economy. The recession has created situations and conditions for people in the country that we have not seen for a long. It is important, in the context and in light of some of the discussions we are having on free trade agreements, taxation and trading with Colombia, that people know what is going on.

Hundreds of thousands of people across the country have lost their jobs. Around 50% have been able to qualify for employment insurance, but that 50%, now that the recession continues to roll on, are either falling off EI or are at a point where they will no longer qualify for EI. The jobs are not out there to give them back the income they had before the recession started. Some of them are finding jobs, but they primarily tend to be jobs in the service sector. Those jobs pay minimum wage or maybe a couple of dollars above that. It is simply not enough to pay the mortgage, to continue to pay for the cost of education for their children, to feed themselves in a way that speaks to good nutrition and health and to participate in a fulsome way, in a healthy way, in their communities.

For example, the Citizens for Public Justice released a study that it did over the last couple of months called "Bearing the Brunt". I am talking exactly about this reality. People who do not qualify for EI cannot find jobs or take on jobs that do not pay them enough to reach the cost of living. People have fallen off EI and cannot find jobs. People who never qualified for EI in the first place and those who were poor before the recession every began find themselves relying on the good graces of their municipalities or provinces under the social assistance programs. More and more they are losing hope in being able to cope. The Citizens for Public Justice was very clear about some of the facts and statistics. We should look to that group and consider it in the light of anything that we do these days where the economy is concerned.

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The poverty rate, for example, was 11.7% in 2009, an increase of over 900,000 Canadians from 3 million in 2007. That is 3.9 million Canadians living in poverty, while we discuss trade agreements and the ramifications for us in terms of taxation in our country.

•(1250)

The child poverty rate likely increased to 12% in 2009, an increase of 160,000 children compared to 2007. The number of poor children has thus risen from 637,000 children in 2007 to at least 797,000 children in 2009.

The unemployment rate rose from 6.3% in October 2008 to 8.6% in October 2009, and 153,600 jobs were lost by parents of small children during the recession.

This report goes on to say, in its analysis, that after the last recession, it took eight years to get us back to the unemployment rate that was present before the recession started, and that it took us 12 years to get the poverty rate back down to the rate that it was before the recession started.

The question that we have to ask, how long is it going to take us to get to a place where some of our fellow citizens, our neighbours and family members who are out there looking for jobs, who want to do nothing else but simply take care of themselves and their families, can comfortably do that again? Why is it that we are not focusing on that here as we discuss this with each other in this House?

The report also goes on to give a very alarming statistic, particularly when we consider the impact that it will have, not only on individual persons and families but on the financial system as a whole. Consumer bankruptcies increased by 36.4% between the end of the third quarter of 2008 and the end of the third quarter of 2009.

A few months ago, as the recession was in full swing, I listened to an economist in my own community talk about trade and the economy. He said that the recession would come at us in waves and that the last wave would be when those people who have lost their jobs, who fall off EI or no longer qualify for EI, find themselves on welfare and begin to use all of the credit available to them, if they have not already used it up, maxing out their credit cards and lines of credit, and selling off all their assets, because that is the only way to qualify for social assistance in this country, and then they begin to default on those loans.

That will have a big impact on the families themselves, as their credit ratings disappear, as they no longer have access to any discretionary money that might be available to them, even if they have to borrow it, as they no longer are able to even rely upon the good graces of their families because they find themselves in the same situation. When we put that together with the impact that it will have on the financial system, as these hundreds of thousands of people begin to struggle and to default on their loans, it will also have an impact on the economy of this country.

Again, I put this to the House. The government brings forward pieces of legislation into this House that talk about further trade with other countries that we are probably, according to the treasurer, in better shape than, but who are struggling with the same kinds of issues in their own jurisdictions. Why we are so aggressively chasing free trade agreements and all that goes with them at a time when we should actually be circling the wagons, taking a look at what has

gone wrong with our own economy, and trying to do something about that?

Anybody who thinks that there is not something wrong with our own economy is not listening to some of those who are reporting these days on the impact that it is having on those among us who are most at risk and most marginalized.

•(1255)

Mr. John Cannis (Scarborough Centre, Lib.): Madam Speaker, I listened very carefully to my hon. colleague and I agree with everything he said.

I want to put a question to him with respect to trade that he was referring to and he made a valid point.

However, the other day we heard testimony in the international trade committee how, for example, there is one province in Colombia which is a coal producing province, employs over 10,000 people, and it just purchased from Canada, I believe it was last year, about \$60 million worth of equipment that it needs to do its work.

We also heard that one of Colombia's largest industries, the flour industry, employs approximately 200,000 people, of which 60%, meaning about 120,000, are women. They have found decent work to support their families and move out of the misery that has been talked about.

If we stay away as Canadians and do not help them, do not show them how to prevent tax avoidance and tax evasion as Bill S-3 is outlining, are we really doing them any good or should we step in and say, like other countries in the past, with their problems we are going to teach them the Canadian way? What does the member have to say about that?

•(1300)

Mr. Tony Martin: Madam Speaker, I would say to the member respectfully, just as I believe wholeheartedly that we as Canadians have the answers to our own challenges and problems, that the people of Colombia should be allowed that opportunity as well.

I do not think anyone can deny it, there are some very real concerns with Colombia and any kind of free trade agreement with Canada. I am talking regularly with steelworkers in my own community who tell me about colleagues and other steelworkers in Colombia trying to negotiate agreements with companies who are being actually shot and killed probably as we speak.

In speaking to human rights workers, Jesuits, church people who are in the Colombia area and working with groups of workers and civil society there, they are saying that there is no freedom to organize and to demand an economy that serves the local populace first. Then, if there is anything left over and any real good argument for entering into trade agreements with other countries, then Colombia should actually perhaps do that.

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I suggest that we send a message to Colombia that it get its act in order, that it take care of the very grievous human rights situations and realities that are happening there, that we know are happening down there which we are hearing about every day. We ourselves should spend some time and energy reorganizing and restructuring our own economy so that everyone continues to benefit from it again. Then perhaps we can begin to look at what we can do in relationship to the rest of the world.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Madam Speaker, I want to thank the member for his presentation today on Bill S-3.

Clearly, the government could have helped itself out a lot if it had had a briefing session for interested MPs in advance of introducing the bill or in advance of it being debated today.

For example, I asked the minister, what was the amount of money that has avoided taxes that has been collected as a result of all the existing 80-plus treaties that have been in effect for a number of years? We would think that he would be able to provide that answer. We do not introduce bills into the House, or we should not in any event, without costing them in advance.

I also wanted to know how many people this applied to. How many people will be affected by each one of these treaties in the affected countries? I do not believe he has that information either.

Would the member agree that the government has dropped the ball once again in the legislative process and should have had a more conciliatory approach?

Mr. Tony Martin: Madam Speaker, of course I agree that all parties should be brought into discussions about new initiatives that are brought to the House. However, the government has a track record of not respecting that way of doing business.

I suggest to the member, to take it even further, that we should all be engaged, led by the government, in a discussion about our own domestic economy and how it is that we are going to right it so that once again, as it did years ago, it serves all of the people who are Canadian citizens, who call Canada home, who come here perhaps to make a new living for themselves, and reflects the real wealth that is being generated every day.

Mr. John Cannis (Scarborough Centre, Lib.): Madam Speaker, before I discuss Bill S-3, I feel it is my obligation to clarify something. The member for Outremont used the word “threat”. Let me put it on the record that it was not a threat. What I was saying to the member, because he refused to answer the question, was that in all fairness the taxpayers of his constituency deserve to know what happens in this honourable chamber because members, myself included, cannot say one thing here and then go back to their ridings and say another, not in the 21st century.

I refuse to engage with the member for Outremont with the vocabulary he used. I will use one word, “belligerent”. I use it only to outline to the audience and Canadians that I will not engage in that vocabulary. I say he lowered himself today because I did not attack him. I simply tried to tie the two together with Bill S-3 when he kept referring to Colombian human rights violations.

I will repeat it for the record. I asked if the NDP was going to base its support for Bill S-3 on human rights violations? The countries

today that are moving forward, and I will be supporting this bill, include Turkey along with Colombia and Greece. I simply asked him the question. Today, a member of the European community, Cyprus, is occupied illegally, 30% of its territory, by Turkish forces. There are 1,600 people who still cannot be traced and are unaccounted for. Refugees, both Greek Cypriots and Turkish Cypriots, want their properties back. I simply asked the member, if we compare that, what does he think about that? Instead of responding, he simply attacked me. I wanted to clarify that for the record.

I was saddened when he talked about not bringing our ways here. I too am proud of the Canadian record on peacemaking and peacekeeping. My father is a veteran of the second world war and I believe very much in what Canada has done. I have supported it over the years and, yes, even the Afghanistan issue and its problems, as a former chair of the defence committee. That is what we are doing here, trying to solve these problems.

I was saddened when he said that. To quote him, he said he was a proud Canadian. I do not know what he was referring to, but I do not know what it is going to take. Is it going to take my grandfather, John Cannis, who arrived on these shores 105 years ago? Is it going to take my father's generation that came after the war? Is it going to take my generation? Is it going to take my kids' generation? Is it going to take my three grandchildren's generation before I belong or anybody else? I ask the member to reflect on the words.

Now, to the issue today, Bill S-3. I proudly say that I am of the race of Solon. I am of the race of Pericles, Socrates, Hippocrates, Alexander the Great of Macedonia in Greece, but I also am the product of Sir John A. Macdonald, Cartier, Laurier, Pearson and Trudeau. That is why I have the privilege of standing in this honourable House. I say to the members of the Bloc that I believe in a strong and united country, unlike them.

Today we are here to discuss Bill S-3. The member for Eglinton—Lawrence described it when he talked about nation building. The issues of double taxation, tax avoidance and tax evasion are issues that have been on the table for as long as I have been a parliamentarian, which is since October 1993.

I will refer to my former colleague from Ahuntsic, Eleni Bakopanos, and myself. Every time we found ourselves with Greek representatives, we brought this issue to the table. It was not that Canada was not willing. It was the other side more so. There were obstacles but we were moving forward. We were ready in or around 2003 to finally put this agreement in place with Greece in terms of double taxation so that seniors who may choose to move back to Greece or other people could be fairly treated on the tax side.

Then, of course, there was the election of 2004. I am pleased that this government, and I cannot say “this government” because the bill was introduced in the Senate.

● (1305)

I am just wondering why the bill was not introduced in this hon. chamber, the House of Commons. I am glad that it was introduced.

For the record, the bill states that it is:

An Act to implement conventions and protocols concluded between Canada and Colombia, Greece and Turkey for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income.

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That is what it is all about. That is what the member for Eglinton—Lawrence talked about. That is what we are trying to do.

In his speech, Senator Wilfred Moore said:

As the global economy grew more integrated, a treaty on international taxation was sought to deal with the problems of double taxation and tax evasion.

The OECD began to address these issues in the 1950s, eventually creating the model tax convention. Since then, more than 3,000 tax treaties have been put in place worldwide.

This is yet another step in trying to find some continuity, some consistency and more so some fairness. We as citizens, and I include myself, demand that the system offer us certain services, whether that be health care, education, pensions, et cetera.

In order for those systems to be sustained, there has to be infusion of money into the system. That is why it has been said that too much tax relief is not good. Where would the money come from to address the infrastructure needs, to address climate change, to put money into post-secondary education and the health system? I ask each and every Canadian, how would we sustain that?

I agree with Senator Moore's proposal in the way he describes it. I want to put more of his speech on the record of this hon. chamber and for Canadians to hear. He also said the following:

It is important to remind honourable senators that while we have been impacted by a global recession, Canada has weathered the recession better than any other countries and we are well placed going into a recovery. Our fiscal standing is the healthiest in the G7; our housing markets avoided the problems seen in other countries; and our banks and financial system are the strongest in the world.

He is absolutely correct. He went on to say:

I would like to inform the chamber that I have passed on these compliments to the Right Honourable Jean Chrétien, the man responsible for protecting the economy and Canadians from this recession.

In all fairness, the facts and the truth must be told. In 1993 when the Liberals assumed government, we inherited, unofficially, a bankrupt country. The debt was out of control. The deficit was just over \$43 billion. There was over 12% unemployment. Students were disillusioned. They did not know if there would be any jobs for them after they graduated.

The International Monetary Fund was ready to step in. The bond market was ready in our country. What did we do? We said to Canadians that we would have to do a program review. Today they call it an austerity program, which is fairly true. We had to make adjustments. We had to make cuts, simply put.

Today when the government stands up and says we had to make cuts, let me remind the government members that their people at the time, Ray Speaker for example, stood up in this hon. House and said, "You did not cut enough." When they stand up today and say, "Look at what you guys did", let me remind them that it was Conservative provincial governments that were cutting first before the federal government did. Nevertheless, we have to move beyond that.

We implemented an austerity program. We started trimming the fat, as they say, in terms of laying off civil servants or terminating their employment, and adjusting how things were done. We tried to streamline with one-stop shopping concepts, so that services were not duplicated. In a short four and a half years, we balanced the

books without raising taxes. Then surpluses came. Those are facts that nobody can deny.

● (1310)

We asked Canadians where they would like us to invest the surpluses. They said there were three areas—

An hon. member: Corruption.

● (1315)

Mr. John Cannis: Madam Speaker, I am disappointed that my friend said "corruption".

They paid Jimmy Hart \$50,000 to get rid of him. I do not want to get into this gutter talk, but I can if the member chooses to. He is a new member today. He is a former reporter, and I would like to believe that he was a good reporter, but maybe he was not a fair reporter and he should have reported both sides of the story. I would like to challenge him, for example, on the gun registry. Every time those members stand up they say it is \$1 billion or \$2 billion. They cannot even make up their minds how much it is, but truth be told that is not the amount. Why do they not ask the various police associations?

I would be more than happy to take on my colleague, the Minister of International Trade. I am very disappointed actually because he knows that I have stood to support the government's initiatives, especially on Colombia. I was not going in the direction today of trying to distort or defame in any way. I was simply pointing out the facts. I must say to the hon. gentleman, for whom I have great respect, that I am hurt. Nevertheless, I am going to move on.

We overcame that difficulty. We did it in a balanced way. Those are words that the Conservative government is using today. We put one-third into the programs that Canadians wanted, health care, pensions, and post-secondary education. We put one-third into personal and corporate tax reduction. We put one-third—

Mr. James Bezan: Madam Speaker, on a point of order, I was quite enjoying the hon. member's intervention, but I must say that he is not relevant to the bill.

I want to quote O'Brien and Bosc, chapter 16, page 744, where it states:

Central to the second reading stage is a general debate on the principle of a bill. Although the Standing Orders make no specific reference to this practice, it is deeply rooted in the procedural tradition of this House. Accordingly, debate must focus on the principle of the bill and not on its individual provisions.

The relevance here is the other thing I am really concerned about. Regarding the rule of relevance, I quote from O'Brien and Bosc, page 623, chapter 13:

A just regard to the privileges and dignity of Parliament demands that its time should not be wasted in idle and fruitless discussion; and consequently every member, who addresses the house, should endeavour to confine himself [or herself] as closely as possible to the question under consideration.

Madam Speaker, I have heard a number of speeches today that were not at all relevant to Bill S-3. I would ask that you ask the member to make sure that his comments are specific to the bill that is before us.

Government Orders

The Acting Speaker (Ms. Denise Savoie): I thank the hon. member for reminding the House of the purpose of second reading debate. It is to examine the principles of the bill. I urge all members to come back to the point.

However, as the hon. member probably knows, the Speaker allows a fair amount of latitude at second reading to get to that point, and I am sure the hon. member will make his way there.

Mr. John Cannis: Madam Speaker, you can be assured that I will. I do not know if the member was here earlier, but I have been referring to nothing but Bill S-3. I have talked about how we promoted the issue of double taxation specifically with Greece given my Greek background. I am moving into various examples to draw a parallel, but maybe what has happened is I hit a soft spot because the Reform Party, now known as the Conservative Party, is trying to fool Canadians again by not allowing me to put the facts on the table. If the Conservatives believe in the democratic process, I ask the member not to interrupt again.

Of course tax avoidance and tax evasion create problems within any society. We look at the United Kingdom which just formed a coalition government, something which the Conservative Party condemned not too long ago. The first thing that coalition government is doing is it is looking at austerity programs simply because adjustments are needed. Obviously the tax revenue is not there to sustain the standard of living or programs.

Bill S-3 addresses this to make us competitive so there is more revenue coming into the treasury. It means people no matter whether they work inside or outside Canada will be treated fairly from a tax point of view. Canadian citizens, should they decide to move to Turkey, Greece or Colombia or other countries we have agreements with, or buy a summer home in Trinidad or wherever, will be treated fairly. In Florida there are a lot of Canadian snowbirds. Why should they not be treated fairly? That is what part of Bill S-3 is doing.

If I am off topic, Madam Speaker, please let me know. I believe I am trying to explain the whole process. Maybe my Conservative friends do not like to hear about it, but unfortunately the truth must be told.

The rules as set out by the OECD's model tax convention is a process where there is fairness, more so continuity in this model. What I was saying to my counterparts in Greece is they have to treat it fairly both here in Canada and in Greece.

For the last little while, Madam Speaker, Greece has gone through some unfortunate problems. The newspapers are reporting that Greece has a problem. Greece finds itself in the same position today that Canada found itself in 1992-93 where we were unofficially a bankrupt country. The IMF was going to step in. This is what is being talked about in Greece. We were not asked to sell the CN Tower, Niagara Falls, or some of the Thousand Islands in the St. Lawrence near Kingston. I do not know why anyone is asking these idiotic, silly and stupid things of Greece that the media suggested.

I believe in co-operation. The message I sent to the people in Greece is that everybody has to participate in this unfortunate economic situation in which they find themselves. I was saddened by the demonstrations and loss of lives.

Back to tax avoidance and tax evasion. The government in the last election promised that it would not touch income trusts and the government put it in writing. What did it do right after the election? It reneged on its written agreement. All of a sudden, Conservatives said there was a leakage and they needed the revenue of about \$300 million. As the member for Eglinton—Lawrence pointed out earlier, it cost Canadians over \$30 billion. There were two areas that primarily concerned me. One was the downward adjustment of seniors who had planned for their retirement years and then all of sudden x amount of money was taken out of their monthly revenue. That was unfair. The Prime Minister and his party misled Canadians before the election. People supported him because he told them he was not going to touch income trusts.

There is something else which also concerns me on the taxing side.

● (1320)

There is a provision in that area that gave Canadian companies and all other companies the opportunity to borrow money, should they wish to expand and acquire other companies, et cetera, and they could deduct the cost of that borrowing.

All of a sudden the government has put Canadian companies at a disadvantage. Canadian companies can no longer do that, but other companies around the world can. That is why there is an increase in foreign companies buying Canadian companies, thereby weakening the Canadian economy and Canadian sovereignty. That is what I cannot stand. I brought in a specific motion to have the government change that, but the government voted it down.

When we talk about sustainability for what we love here about Canada, the government has weakened that sustainability. Corporations that need to generate revenue, so they can pay taxes, so we can put money into the health system, have been weakened.

Hon. Lynne Yelich (Minister of State (Western Economic Diversification), CPC): Madam Speaker, I want to go back to one of the comments the member made. He stated that the Liberals did not raise any taxes and when they took office they had a huge deficit. The Liberals were elected on their promise to get rid of the GST. They also said that they were going to tear up the free trade deal with the United States. Those two things alone are probably why they got out of deficit. They also took \$25 billion from the provinces, and that is how they balanced the budget.

When the member goes on about his government not really raising taxes, I just want to correct the record. In a way they did because they were going to get rid of the GST. That was a promise they were elected on. They also were elected on a red book that said they were going to have a child care program, which they never did have.

I am just wondering if the member recalls any of that.

● (1325)

Mr. John Cannis: Madam Speaker, I am so pleased the minister asked me that question. I would be more than happy to put the red book before the public with respect to the GST and other issues.

Government Orders

If she had listened to my speech, she would have heard me talk about a nation needing revenue to carry out its responsibilities, and part of that revenue would come from the GST. The red book said that we would scrap the GST and replace it with an equal revenue-generating tax. A house, a business and a country cannot be run without revenue.

I challenge the member publicly. If I am wrong, I will resign. If I am right, she will resign. Will she take me up on the challenge?

[*Translation*]

Mr. Robert Carrier (Alfred-Pellan, BQ): Madam Speaker, I am pleased to rise here today to speak to Bill S-3, which passed third reading in the other place on May 4, 2010.

The Bloc Québécois supports the bill because we believe that it is important to implement the tax conventions negotiated with Colombia, Greece and Turkey. The goal of these conventions is to avoid double taxation and promote the exchange of information.

Any time economic relations are established with another country, the individuals or businesses in question likely enjoy revenues in both countries. Accordingly, tax conventions are crucial in order to ensure the exchange of information so as to avoid double taxation.

Nevertheless, the Bloc Québécois does have some serious reservations about the bill that must be examined in committee once it passes second reading.

First of all, we do not know how it will affect public finances. We heard a little bit about this earlier in other speeches, because Bill S-3 is 74 pages long and includes provisions that will have a direct impact on government revenues. The terms and conditions need to be thoroughly examined for a final assessment of this bill.

This type of review becomes even more necessary when the government is opening loopholes in the Income Tax Act to allow corporations that are not registered in Canada to avoid paying their fair share of taxes. Just look at Bill C-9 currently under review in committee. I will come back to that later on in my presentation.

The government must make a real commitment to fight tax evasion. The Conservative government, which waited until 2009 before signing its first agreement on information sharing, is showing blatant unwillingness to do anything about tax havens.

Signing bilateral agreements on information sharing is just the first step in fighting tax evasion since businesses have an incentive to declare their income: to avoid being taxed twice.

The government can do a number of things to truly fight tax evasion and simply sharing information is not enough. It has to stop concluding tax treaties with tax havens. It has to submit every international treaty it negotiates to the House of Commons and allow the representatives of the people to have their say.

In order to respect jurisdictions, it has to consult the provinces and Quebec before negotiating a treaty that affects their jurisdictions. I will come back to that later.

Earlier I spoke about the impact on the government's finances. Bill S-3 falls into line with the Conservative government's moves to cut corporate taxes. What impact will it have on the government's finances?

What impact will limiting the rate of income tax withheld at source have on the government's finances in the case of dividends from affiliates and the cases involving other dividends, interest and royalties?

This type of review becomes even more necessary when we consider that Bill C-9 to implement certain provisions of the budget confirms the Conservative government's desire to protect rich taxpayers at all costs, and among them we find the banks and big corporations.

With regard to tax loopholes, the government is talking out of both sides of its mouth. On one side, it says that it wants to go after tax havens and, on the other side, it is opening loopholes in the Income Tax Act to allow corporations that are not registered in Canada to avoid paying their fair share of taxes.

I would like to shed some light on the budget implementation measures in Bill C-9. This bill changes the definition of "taxable Canadian property" to exclude shares from certain private companies. This will have a number of implications.

• (1330)

Non-residents—which can include companies that are owned by Canadians but were incorporated abroad—that sell shares of Canadian companies are currently exempt from paying taxes under the Canadian Income Tax Act, without having to apply the tax relief measures provided for in the different tax conventions Canada has signed.

I want to put this into context. Before, when a non-resident sold a Canadian company in part or in full, Canadian tax authorities required the purchaser to hold back 10% to 25% of the total amount of the transaction, while they did their usual checks of the conventions between Canada and the country of the non-resident. Once these checks were complete, if there was a convention in force, the non-resident would pay taxes in their own country and would avoid double taxation.

With Bill C-9, the government will stop enforcing this holdback, whether or not there is a convention with the country in question. For example, a company in the Bahamas, which does not have a tax convention with Canada, could sell shares of a Canadian company without paying taxes in Canada. A number of these companies are owned by Canadians, who would therefore avoid paying taxes.

Furthermore, the non-resident is no longer required to wait for authorization from the tax authorities when selling a Canadian investment, pursuant to clause 116, and is therefore no longer required to produce a Canadian income tax return.

The government is opening the door wide to foreign investors, and this includes the technology sector. Companies registered in countries where the tax rate is low or non-existent will be able to purchase and resell Canadian companies and pay little or no taxes.

Government Orders

Regarding tax havens, the Bloc Québécois urges the government to stop talking and start acting, instead of proposing pseudo-solutions made up of empty words. The Bloc Québécois has been proposing concrete solutions since 2005 to do away with access to tax havens like Barbados and to eliminate the double deduction of interest.

Why would a company not pay taxes on profits brought back to Canada after having declared them in a tax haven like Barbados, for example? This type of special treatment does not have a place in our society. Companies, like citizens, must pay their share of the tax burden. That is why we must prevent companies from using tax havens by abolishing the section in the Income Tax Act that makes this possible.

In order to truly fight tax evasion, the government could take action on a number of fronts. It must stop signing tax treaties with tax havens.

On four occasions the Bloc Québécois has introduced a treaty bill to modernize the entire process for concluding international treaties. Our treaty bill was designed to build transparency and democracy into the process of negotiating and concluding international treaties.

Moreover, the bill required that the federal government respect the provinces' jurisdictions, including Quebec's. The bill provided for five important changes: all treaties were to be put before the House of Commons, the House was to approve important treaties, a parliamentary committee was to consult civil society before Parliament voted on important treaties, treaties were to be published in the *Canada Gazette* and on the Department of Foreign Affairs website and the government was to consult with the provinces before negotiating a treaty in an area of provincial jurisdiction.

●(1335)

The treaty bill came to a vote only once, on September 28, 2005. I would like to point out that all the federalist parties in the House voted against it.

The clause on consulting Quebec and the provinces was nothing revolutionary. When the federal government, in an international forum, discusses a treaty that would impact the provinces, it consults the provinces beforehand.

The Bloc Québécois will still support the bill despite our reservations. As for respecting the Quebec nation, which was recognized here in the House, the Conservative government has yet to deliver the goods.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Madam Speaker, I find the Conservatives' strategy of cramming several bills into one very curious. They did the same thing with Bill C-9. They put all sorts of things in that bill, but of course it was inappropriate and showed a complete lack of respect for Parliament.

Bill S-3 has to do with Greece and Turkey, two countries that have rather advanced tax systems, and Colombia, where the drug industry rakes in about \$90 billion a year in revenues. We know that that industry has close ties to the government.

Does the member believe that it is inappropriate to combine two countries that have relatively advanced tax systems with a country whose government is linked not only to paramilitary groups, of

course, but also to the drug industry, which rakes in tens of billions of dollars?

Mr. Robert Carrier: Mr. Speaker, I thank my hon. NDP colleague for his question. Clearly Colombia is a country that poses a problem. In fact, we firmly oppose the free trade bill that was introduced in the House. The bill we are currently debating has to do with tax arrangements, which have a less significant social impact on the countries in question.

The purpose of the bill is to avoid double taxation, which is commendable. However, the potential loss of government revenues must be confirmed. Bill S-3 merely aims to correct tax revenues, which is why we agree with it in principle, since it will clarify the corporate tax situation.

Mr. Christian Ouellet (Brome—Missisquoi, BQ): Madam Speaker, I would like to congratulate my colleague from Alfred-Pellan. His speech about Bill S-3 was very clear.

Still, I would like to ask him if the government was motivated to propose this bill by an old-fashioned notion of globalization. Going back 20 or 25 years, everyone thought that neo-liberalism would bring prosperity to the whole world. Now we know that it is bringing prosperity only to very rich countries like the United States. Other countries are trying to act as though they are as rich as the Americans, but the fact is that it will benefit others, not us.

We seem to be just keeping our heads above water in a system that is alien to us. In many countries, people are abandoning neo-liberalism and that style of capitalism in favour of a more traditional kind of globalization.

Would we not be better off working toward a form of capitalism that puts people first, that values cooperation, that gives people around the world an opportunity to be happy and equal? This bill promotes inequality. I think that my colleague from Alfred-Pellan was touching on this in his speech, but I would like him to comment further.

●(1340)

Mr. Robert Carrier: Madam Speaker, I thank my colleague for that vast question, which encompasses the responsibilities of all humanity.

In terms of globalization, we could all aim for a healthy balance for all peoples. But the bill that is before us addresses only a small part of the overall problem.

We have to think about the end result of the bill, because taxation in the three countries in question is lower than in Canada. In fact, Bill C-9, which I see as related, allows companies registered in foreign countries to pay tax only in the country where they are registered. That is why I talked earlier about Canada's potential loss of revenue, which needs to be assessed.

If we look at the end result of this bill, I think we will see that these countries may ultimately achieve a net gain. Because taxation is lower there, many companies registered there will benefit in terms of their domestic revenue.

These countries will have to manage this revenue well if they really want to improve their people's welfare.

Government Orders

Mr. Peter Julian: Madam Speaker, I commend my colleague, whom I am very fond of and who makes a solid contribution here in Parliament. I believe that what he is saying here today is important.

The principle behind tax treaties with other countries is that we have the highest possible standards for taxation information. Yet we know very well that Colombia, where the drug industry has ties with the government, cannot have the same standards.

Does the member find it contradictory and hypocritical that the government, which claims to be implementing these tax treaties with countries that have the highest possible standards, is trying to sign a treaty with a regime linked to drug traffickers?

Mr. Robert Carrier: Madam Speaker, I would once again like to thank my colleague. He always asks good questions. By carefully examining the issue, we can improve our understanding of the bill being studied.

It seems obvious to me that this bill amounts to de facto recognition of that country. Therefore, we do not have a choice. Colombia, which is one of the three countries in question, is part of the agreement and could benefit from clarification in terms of revenues.

However, this will not prevent us from strongly criticizing the lack of respect for human rights that prevails in Colombia. It is exactly for that reason that there were many discussions during examination of the bill on free trade with that country. We would like to impose stricter rules on that country in order to ensure greater respect for human rights.

• (1345)

The Acting Speaker (Ms. Denise Savoie): The hon. member for Burnaby—New Westminster has time for just one quick question because there is less than a minute left.

Mr. Peter Julian: Madam Speaker, would my colleague be willing to split this bill into two parts? One part would deal with Greece and Turkey, which do not pose a problem in terms of taxation and human rights, and the other would deal with Colombia which, naturally—

The Acting Speaker (Ms. Denise Savoie): Order, please. I must allow the hon. member to answer the question.

Mr. Robert Carrier: Madam Speaker, very quickly, with respect to the agreements already covered by Bill S-3, they are tax treaties that have already been negotiated and Parliament does not have the authority to amend the bill or even to split it. I believe we must accept it as is or reject it.

[*English*]

Mr. Peter Julian (Burnaby—New Westminster, NDP): Madam Speaker, I rise to speak to Bill S-3.

As my colleague from Outremont mentioned earlier in the House, we have great difficulties with the way the government is approaching legislation generally.

There are principles in this place that have been well established for generations and have been respected generally by all parties. What we have seen over the last few years, but particularly in the last few months, is a throwing out of those conventions of appreciation for democratic debate and respect for this place, respect for

Parliament itself. We are seeing this illustrated once again by Bill S-3.

The first issue is the fact that the bill comes from the Senate. We must remember that the Conservatives, prior to the last election, promised that it would bring democracy to the Senate but they have appointed Conservative associates to the Senate. The Senate is now a legislative place with largely Conservative appointees.

Canadians do not want to see the perpetuation of a fundamentally anti-democratic system imposed on Canadian democracy and yet we are now seeing bills pushed through the Senate, where there are a bunch of Conservative Party appointees, who are responsible to nobody but the Prime Minister himself, creating this legislation and bringing it into the House of Commons. If that is not a fundamental rejection of the democratic principles on which this country is founded, I do not know what is.

When we couple that with prorogation, a refusal to table in this Parliament documents that should be, as the Speaker has ruled in the past, tabled in Parliament, we see a systematic obstruction of the democratic principles in Canada that have served Canada so very well. We now have a bill referred from the Senate.

The second principle that is being violated by the bill is the fact that the government has cleverly tried to insert a poison pill. The bill itself is a rather anodyne bill, a tax treaty bill that deals with Greece and Turkey.

Although concerns were raised earlier today in the House by a Liberal member, I do not think anyone in this place would have any strong differences with Greek fiscal policy or Turkish fiscal policy. We understand that their democracies are relatively advanced systems. Instead of submitting Greece and Turkey to a parliamentary vote, the government deliberately inserted the poison pill of the Colombian regime into the bill. Rather than respecting parliamentary debate and have two separate bills, the government deliberately tried to muddy the water and insert a poison pill. It is absolutely ridiculous and it shows the complete lack of respect that the Conservative government has for democracy.

Although we have no objections to the Greek and Turkish treaties on fiscal management, the tax treaties themselves, we will have to move in committee to split the bill so we can consider the case of Colombia. It is pretty appalling that the Conservatives would do this, but I do not think Canadians are surprised by anything the Conservative government does any more. It simply has no respect for democratic traditions, period.

The backgrounder for Bill S-3 put out by the Minister of Finance is very clear. I will quote it because it is a pretty strong illustration of how the government proceeds. What it says in the backgrounder, which is supposed to speak to all of these tax bills that are brought forward, is that Canada “will conclude no new tax treaty, or update an existing tax treaty, unless the treaty partner country agrees to abide by the highest international standards of tax information exchange”.

Government Orders

• (1350)

Anyone who knows anything about Colombia and the Colombian industry would know that Colombia is the producer of about 90% of the world's illicit cocaine industry. We are talking about a \$90 billion a year industry, produced by drug lords, produced by paramilitary gangs connected to the government, produced by guerillas, produced by all sectors. There is no taxation system around this massive industry in Colombia. Therefore, the highest possible standards of fiscal probity cannot be maintained in what is a narco-economy.

The Conservatives and Liberals have admitted to this in the past. They have said that this trade agreement has been condemned by every major human rights organization around the world, particularly in Canada, every major civil society group, every major labour union in Canada and almost all of the Colombian trade unions except those directly affiliated with the Colombian government or under the thumb of the Colombian government. The Conservatives say that we need this treaty because it will eliminate the narco-economy. They know this is significantly the largest industry in Colombia and is not part of the tax foundation, the so-called prudent fiscal management of the Colombian government.

Therefore, getting back to the backgrounder which says “agreeing to abide by the highest international standards”, Colombia has already failed those standards even before the treaty was signed. Even before it was brought to the House, it had manifestly failed with a \$90 billion a year narco-economy, not subject to taxation laws. Yet the Conservatives have the nerve to throw in this failed narco-economy, failed fiscal framework into a bill that affects Greece and Turkey.

We have to hand it to the Conservatives. The Colombia regime has been described as Hell's Angels with a public relations firm. Nowhere is it clearer than that when we look at the Conservative government trying to endorse Colombian fiscal policy with a \$90 billion a year cocaine industry, an illicit industry outside if that fiscal framework.

Conservatives will say that this has nothing to do with the government. Anyone who is actually following the debate around why the United States Congress has refused to ratify a free trade agreement with Colombia, why the European Union is refusing to ratify a free trade agreement with Colombia, why EFTA is refusing to ratify an agreement with Colombia, anyone who does the due diligence, does the homework as a member of Parliament, and certainly the 37 members of the NDP have done their homework, their research and have actually found out what goes on in Colombia, would know that the Defense Intelligence Agency in the United States very clearly identified the Colombian president as being affiliated with drug lords.

In fact, in its document, which was released under access to information just a few years ago, it stated very clearly that President Uribe had risen to power through his connections to the Medellin drug cartel and was a close personal friend of Pablo Escobar. They are a notorious drug lord and a notorious drug cartel and the president is in their pocket.

Why would the Conservatives want to cozy up to a regime like that? Perhaps someone might say, that this was before, that he rose to

power with the drug lords and the drug cartels, but now he is a nice guy. They might say that he has a good public relations firm, that we should treat him royally, that we should sign privileged trade agreements with him and that we should pretend the fiscal framework he runs is of the highest international standards.

However, we know the story does not end there. We know his connections with those murderous paramilitary thugs who kill dozens of people every year, who kill aboriginal Colombians or chase them off their land, with more forced violence displacements than anywhere else on the planet, who kill more labour activists than anywhere else on the planet. We see the forced displacement of Afro-Colombians, more than anywhere else. The Colombian Association of Jurists talks about the repeated and ongoing sexual torture, sexual assault and killing of Colombian women.

• (1355)

These are all present day circumstances that Conservatives tell us to disregard. They tell us that he is a nice guy, that he shook their hands so he must be great. They want us to forget about the past, forget about the drug cartels, forget about Pablo Escobar, forget about the killings and brutal rapes of children and women in Colombia. They want us to endorse his regime. They want us to think that he has excellent international standards on tax information and fiscal exchange, even when he does not.

The Conservatives are trying to make that argument, but this corner of the House has done its due diligence. We have done the work to find out what is going on behind this bloody, murderous regime, the secret police, the murderous paramilitary thugs and the Colombian military. They kill hundreds of innocent people every year under this horrifying rubric of false positives.

We know full well what is involved in this. That is why we will move to separate out Greece and Turkey, which meet those excellent standards, those standards that do not exist in Colombia. We should not say that this treaty-partner country agrees to abide by the highest international standards of tax information when it clearly does not, with a \$90 billion illicit cocaine industry. At the same time, we should not allow the government to make another promise that it will break. It promised to clean up human rights abuses and it did not.

We will look to break the bill into two halves: one to deal with Greece and Turkey, the other with Colombia.

• (1400)

The Acting Speaker (Ms. Denise Savoie): I regret to interrupt the hon. member. He will have approximately seven minutes when the debate resumes.

[*Translation*]

We will now move on to statements by members. The hon. member for Newmarket—Aurora.

*Statements by Members***STATEMENTS BY MEMBERS***[English]***NEWMARKET**

Ms. Lois Brown (Newmarket—Aurora, CPC): Madam Speaker, two weeks ago *MoneySense* magazine released its best places to live national survey.

This survey provides analysis of many communities across Canada for lifestyle, employment opportunities and leisure activities. While all of York Region provides wonderful opportunities, the town of Newmarket topped the list as the most desirable place to live in York Region, and it ranked 15th in the country.

I am not surprised to see Newmarket's success for I have seen firsthand the benefits of Canada's economic action plan and what it has brought to my riding. From helping manufacturers take new products to market, to stimulating our local economy, our economic action plan has meant new jobs, investment and prosperity.

Congratulations Newmarket for a job well done.

* * *

IMMIGRATION

Mr. Sukh Dhaliwal (Newton—North Delta, Lib.): Madam Speaker, the city of Surrey is home to over 800 refugee families. The immigration loans program provides government assistance to pay for the costs associated with the initial settlement of refugees. Recent studies have shown that this program's strict repayment conditions push refugees toward homelessness, malnourishment and family instability.

Canada is the only country in the world that makes such demands on resettled refugees. There are currently \$38 million of outstanding loans across the country.

I strongly encourage the government to rethink this program and forgive these unpaid moneys immediately. I thank Surrey Councillor Judy Villeneuve for her commitment to this cause and our community of Surrey.

* * *

*[Translation]***USE OF WOOD**

Mr. Richard Nadeau (Gatineau, BQ): Madam Speaker, recently the House of Commons voted in favour of Bill C-429 to promote the use of wood in the construction and renovation of federal buildings.

The federal government has just announced the construction of two office towers in Gatineau. This is an excellent opportunity for the federal government to promote the use of wood in the construction of these two buildings.

A number of countries such as Sweden, France, Austria and Norway, have already implemented similar measures that have had a significant environmental and economic impact.

Over the past few years, the forestry industry in the Outaouais, and in a number of regions in Quebec, has lost thousands of jobs. The Conservative government could show vision and send a positive

message to thousands of forestry workers in Quebec by promoting this type of policy.

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*[English]***SAULT STE. MARIE AND ALGOMA**

Mr. Tony Martin (Sault Ste. Marie, NDP): Madam Speaker, Sault Ste. Marie and Algoma is a resilient community of people working together in the best interests of all those who call this wonderful part of Canada home.

Indicative of this effort to stay strong and build community now and for future generations is the way and the many times we gather to celebrate who we are, our story, culture and extraordinary contribution.

In the last few weeks I attended two such events.

First at the Marconi Club, where the families of the two soldiers we lost recently in Afghanistan, both of Italian origin, Scott Vernelli and John Faught, were given the I.A. Vannini Award.

The second was the Sault Ste. Marie civic Medal of Merit, where we honour citizens who reflect the best that we are, the highest honours our city gives. This year Father Bernard Burns, Harry Huston and the Comedics were chosen for their nurturing and care of, as I said that evening, the soul of the community.

* * *

CANADA 55+ GAMES

Mr. Gordon Brown (Leeds—Grenville, CPC): Madam Speaker, tomorrow in my riding of Leeds—Grenville, the organizers of the Canada 55+ Games will provide an update on the games, which will be held August 23 to 28 in Brockville, Gananoque and the 1000 Islands area.

This "100-days-out" announcement will provide residents with details about the event. The Canada 55+ Games is a nationwide program to sponsor wellness; that is the spiritual, mental and physical well-being among Canadians 55 years of age and older. Provincial programs are staged annually in different provinces and territories.

These events bring together amateur competitors who participate for the sheer joy of competition, for the opportunity to visit other parts of Canada and for the camaraderie and social interaction that are an integral and essential part of the games.

I want to take this opportunity to congratulate the staff, led by Laurence Bishop, the organizing committee under David Dargie, and all the volunteers who are working hard to make these games a success.

•(1405)

ORGAN DONATION

Mr. Anthony Rota (Nipissing—Timiskaming, Lib.): Mr. Speaker, I rise today to congratulate the citizens of the city of North Bay, in my riding, who have the highest organ donor registration rate in the province of Ontario, at 43%. This is compared to cities like Toronto, listed at between 4% and 8%.

Currently, more than 1,600 people are on waiting lists for transplants in Ontario. That number is expected to grow, especially as more people require kidney transplants due to rising rates of diabetes.

In Ontario, anyone 16 years of age or over can consent to donate his or her organs and tissue upon death. One donor can save up to eight lives. Kidneys, heart, eyes, bone, liver, lungs, skin and pancreas can all be donated.

Citizens in Ontario can obtain an organ donor registration form by visiting their local Service Ontario OHIP office or outreach site. Forms are also available online at the Ontario Ministry of Health website or the Trillium Gift of Life Network website.

Once again, I would like to congratulate and thank those in my riding who have already registered to donate their organs.

* * *

WORLD HEPATITIS DAY

Mrs. Joy Smith (Kildonan—St. Paul, CPC): Mr. Speaker, on May 19, Canada will join with groups around the world to raise public awareness about hepatitis B and hepatitis C, two forms of life-threatening liver disease.

Today, one in twelve people worldwide is living with hepatitis B or hepatitis C, including 600,000 Canadians. These figures are certainly a cause for sombre consideration. If the House of Commons represented international statistics, 25 members of Parliament would be living with hepatitis B or hepatitis C.

These are chronic, lifelong viral infections that can affect anyone, from any walk of life. The problem is that many people are unaware they have hepatitis B or hepatitis C. As a result, the focus of the World Hepatitis Day campaign is on raising public awareness.

I would invite hon. members and all Canadians to find out more about both forms of hepatitis and the World Hepatitis Day campaign by visiting www.whdcanada.ca.

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[Translation]

NATIONAL PATRIOTS DAY

Mr. Luc Desnoyers (Rivière-des-Mille-Îles, BQ): Mr. Speaker, on May 18, 2003, the Parti Québécois government established Journée nationale des Patriotes, a day to commemorate the men and women who fought and died for freedom, for the national recognition of our people and for democracy.

Whether we are talking about the patriation of the Constitution in 1982 in spite of Quebec's wishes, the federal government's violation of Quebec's democratic rules during the 1995 referendum or, more

Statements by Members

recently, the Liberals and Conservatives agreeing to reduce Quebec's political weight within the Canadian federation, all of these events—and the list goes on—simply remind us of the need to fight for our independence and defend the interests of Quebec.

I am proud to represent the Bloc Québécois, a party that, in its own way, is carrying on the fight of the patriots.

To close, I would like to echo Lorimier: Long live freedom, long live independence!

* * *

[English]

JUSTICE

Mr. Phil McColeman (Brant, CPC): Mr. Speaker, since being elected to office, our Conservative government has consistently taken action to ensure that our justice system is strong and that victims' rights are protected.

On Tuesday, legislation was tabled in this House to ensure that sexual offenders against children do not receive pardons. This legislation is a step in the right direction. Canadians and victims' advocates agree.

It is too bad the Liberals and the member for Ajax—Pickering are not listening. Is he going to play his political games of delay in committee, as he has done with Bill C-391? Why will he not support speedy passage of this important bill?

There is overwhelming support for our legislation among Canadians and victims' advocates.

We call on the member for Ajax—Pickering, and all Liberals, to support the speedy passage at all stages of this urgently needed legislation.

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DAVENPORT COMMUNITY BUILDERS AWARDS

Mr. Mario Silva (Davenport, Lib.): Mr. Speaker, I am honoured to pay tribute to the recipients of this year's Davenport Community Builders Awards, which recognize outstanding contributions to our community.

Viviana Astudillo, a local artist, has been cleaning up the community through urban beautification murals, and her work with Crime Stoppers represents only part of her efforts.

For many years, Steve De Quintal has been shaping young minds and encouraging community involvement among his students at Bishop Marrocco/Thomas Merton School through his leadership course and other volunteer initiatives. Steve has also been very actively involved with Casa da Madeira Community Centre.

Mabel Ernest is the tenant representative and a community organizer in Pelham Park Gardens. A long-time supporter of tenants with disabilities and champion of their rights, she has also created a local community garden and promoted a number of energy, recycling and anti-violence projects.

Statements by Members

Finally, Don Panos and the St. Clair Gardens BIA have been economic and social anchors of the local community. Using their own resources, they have continued over the years to promote and revitalize the St. Clair neighbourhood, making it a great place to live, shop and visit.

On behalf of the residents of Davenport, I invite all members of Parliament to join with me in congratulating these outstanding community leaders. They help make the Davenport community and Toronto a vibrant and beautiful place to live.

* * *

• (1410)

[*Translation*]

LEADER OF THE BLOC QUÉBÉCOIS

Mr. Steven Blaney (Lévis—Bellechasse, CPC): Mr. Speaker, the leader of the Bloc Québécois claims to defend Quebec's interests, but the reality is that he is not defending the interests of Quebec's victims of crime. The examples are both numerous and sad.

Whether shamefully attempting to argue that a sex crime is less serious if the offender is young, or forcing his members to vote against a bill that would have introduced mandatory sentences for child trafficking, or making them toe the party line on the bill setting out minimum sentences for drug dealers who destroy families, the Bloc leader is clearly not defending the interests of Quebec's victims of crime.

A leader who sides with Quebec's victims of crime should support them unconditionally. Clearly the Bloc leader is not serving Quebecers. He is serving his own interests and his reductionary, separatist ideology.

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[*English*]

BUILDING AND CONSTRUCTION TRADES

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, I want to take a moment to congratulate Canada's building and construction trades on another hugely successful policy conference in Ottawa this week.

I want to thank them in particular for supporting my Bill C-227, which would give tax deductions to workers for travel and accommodation expenses when they go to job sites away from their homes, but I also hope that the government paid close attention to the building trades' call for action on apprenticeship and training programs.

Two concurrent trends are unfolding. By 2017, there will be a shortfall of 317,000 skilled workers in Canada. According to April statistics, unemployment for youth between the ages of 15 and 24 was 88% higher than the national average. Troubling as these data are, they also point to an opportunity, if only the government would act to support the skills training youth need to acquire a trade and build a future with decent paying jobs.

Instead of spending \$13 billion on community infrastructure with no strings attached, the government could and should have seized the opportunity to mandate training and apprentice ratios in every

contract awarded. Sadly, the only time the Conservatives talk about youth is in the context of young offenders. Frankly, it is a disgrace.

Young Canadians deserve hope and they deserve the opportunity to strengthen the country their parents and grandparents built.

* * *

FIREARMS REGISTRY

Mr. Gerald Keddy (South Shore—St. Margaret's, CPC): Mr. Speaker, the Liberal Party continues its blatant culture of misrepresenting the facts on the gun registry. I pointed out earlier this week that the Liberals falsely Photoshopped the badge of the Ottawa Police Service onto the shoulder of a serving American police officer to make it look as if Canadian police officers support the Liberal leader's forcing his MPs to support the wasteful and ineffective long gun registry.

The Liberal Party has no shame because it is continuing to use the photo of that American officer to promote its supposedly Canadian policy. The Liberal leader will stop at nothing, even deliberately trying to mislead Canadians in order to get his way.

Despite the Liberal leader's attempt to confuse Canadians, the choice is clear: MPs either vote to keep the ineffective Liberal long gun registry or they vote to scrap it. This latest tactic by the Liberal Party over the long gun registry shows once again that Liberals cannot be trusted to tell the truth about the ineffective long gun registry.

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[*Translation*]

MEMBER FOR LAURIER—SAINTE-MARIE

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, today I am proud to congratulate our leader, the member for Laurier—Sainte-Marie, who will be awarded the 2010 Louis-Joseph Papineau prize at the Gala des Patriotes on May 24.

This prize, which was instituted in 2005, honours a parliamentarian from Quebec who has distinguished himself by contributing to political life in Quebec and advancing the cause of sovereignty.

Needless to say, our leader has made an outstanding contribution to defending Quebec's interests by serving as a sovereignist MP in Ottawa since 1990 and playing an active role in founding the Bloc Québécois after the failure of the Meech Lake accord. For the past 20 years, he has devoted his time and energy to the sovereignist cause, always with the same passion and inspiration.

I join my colleagues in commending our leader on his contribution to building the Quebec we know today and extending its influence abroad.

• (1415)

[English]

FIREARMS REGISTRY

Hon. Navdeep Bains (Mississauga—Brampton South, Lib.): Mr. Speaker, on September 13, 2006, a man carrying a pump-action shotgun opened fire at Dawson College in Montreal. One person was killed and 19 were wounded.

A delegation from Dawson College is on the Hill today to join with police officers to support the life-saving gun registry. Why is the member for Mississauga—Erindale ignoring these voices of reason?

On that fateful day, police officers checked the gun registry in order to successfully identify the Dawson College shooter. They say it is a vital tool to protect our families and communities. Police officers support the life-saving gun registry and so do the people of Mississauga.

The member for Mississauga—Erindale should break his party's muzzle, stop the American-style scare tactics from the NRA and stand up for his constituents, stand up with police officers and vote no on Bill C-391.

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STANDING COMMITTEE ON ACCESS TO INFORMATION, PRIVACY AND ETHICS

Mr. James Bezan (Selkirk—Interlake, CPC): Mr. Speaker, by long-standing constitutional convention, any MP may attend and participate in any committee meeting. Standing Order 119 says:

Any Member of the House who is not a member of a standing, special or legislative committee, may, unless the House or the committee concerned otherwise orders, take part in the public proceedings of the committee, but may not vote or move any motion, nor be part of any quorum.

Today, defying the Standing Order, the Liberal chair of the Standing Committee on Access to Information, Privacy and Ethics forbade the Minister of Human Resources and Skills Development from participating in its proceedings. This ruling was contrary to law and turned the committee into a kangaroo court.

Further, by denying the minister her legal right to participate, the chair was undermining the principle of ministerial responsibility and accountability, a key principle of our Constitution. It is outrageous that the chair of the ethics committee, the member for Mississauga South, would reject the principle of ministerial accountability, all in an attempt to score cheap political points. He should be ashamed and he should resign.

ORAL QUESTIONS

[Translation]

THE ENVIRONMENT

Hon. Bob Rae (Toronto Centre, Lib.): Mr. Speaker, I have a question for the government regarding its G8 and G20 agendas. Clearly, this government does not believe that environmental issues and economic issues go hand in hand. Clearly, the major challenge involves making innovation the focus of the future.

Oral Questions

Why is the government stubbornly refusing to put climate change on the G8 and G20 agendas?

Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, the Prime Minister has been very clear. This very important policy will be discussed at the G8 and G20 summits. Economic growth and additional measures to create jobs are also part of our top priorities of course, as they are for all G8 and G20 member countries.

[English]

Hon. Bob Rae (Toronto Centre, Lib.): Mr. Speaker, the minister is actually making the point that we are making on this side of the House; that is, that the creation of jobs, the creation of work, making a real turnaround in the economy, all these depend on innovation. All these depend on change. Take Germany, for example, where the largest section of the manufacturing part of that economy is now based on fighting climate change.

Why is the government being such a dinosaur when it comes to climate change and not put it at the heart of our economic agenda?

Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, nothing could be further from the truth. Under the leadership of the Minister of the Environment, Canada has actively supported not just the negotiation but the successful agreement with respect to the Copenhagen accord. It is a meaningful international agreement that will have real results. I know those issues will be followed up at additional meetings including those of the G8 and G20.

We are seeing a fragile economic recovery take hold around the world. We are very pleased that 108,000 net new jobs were created in Canada just last month. The Prime Minister is going to provide great leadership to all the G20 countries to see that we have more economic growth and greater economic stability right around the world.

Hon. Bob Rae (Toronto Centre, Lib.): Mr. Speaker, the government is living so far in the past it is not funny. Sir Nicholas Stern—

Some hon. members: Oh, oh!

Hon. Bob Rae: Mr. Speaker, I am hearing a lot of heckling. I did not know 250 knuckles grazing the floor could make so much noise.

We have a consensus around the world that climate change and innovation are at the heart of the new economy. That is what the Secretary-General of the United Nations recognizes. That is what Sir Nicholas Stern recognizes.

Why will the Government of Canada not come firmly into the 21st century and start showing some leadership on climate change for a change?

• (1420)

Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, I will talk about leadership. Look at the leadership the Minister of the Environment has taken when it comes to negotiating successful emissions for the auto sector between Canada and the United States. That is specific leadership.

Oral Questions

This government is making real progress on the environment. But let us look back to what it was just four short years ago. The leader of the Liberal Party actually said, just four years ago, that his own party did not get it done on the environment, did not get it done on climate change. Shame on them.

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OFFSHORE DRILLING

Ms. Joyce Murray (Vancouver Quadra, Lib.): Mr. Speaker, hearings in the U.S. are shedding new light on the environmental disaster in the Gulf of Mexico. We have learned that when the offshore drilling industry alone is left to regulate such high risk activity, it is fraught with problems. Now in Canada the Conservatives are blindly trusting industry without any independent verification of its emergency plans.

Since the Conservatives are acting as a rubber stamp for the oil companies, are they prepared to take responsibility if a similar catastrophe happens in Canada?

Hon. Christian Paradis (Minister of Natural Resources, CPC): Mr. Speaker, this is not true. The health and safety of Canadians remains the government's top priority.

[Translation]

The National Energy Board has announced that it will also examine the offshore drilling process. When it comes to the Arctic in particular, it plans to hold open, transparent public hearings. Now that is action. Once again, I wish members would stop discrediting these reliable, independent Canadian agencies.

[English]

Ms. Joyce Murray (Vancouver Quadra, Lib.): Mr. Speaker, this minister's answer and the minister's answer yesterday on the oil tanker moratorium just smack of the Conservative culture of deceit. Our Pacific north coast has narrow, rocky, storm-lashed inland channels with fragile ecosystems. The tanker exclusion zone the minister talked about yesterday does nothing to protect these inland waters at all. Clearly, the Conservatives are planning on opening them up to crude oil supertankers.

When will they tell the truth about their decision to put B.C.'s coastline at risk?

[Translation]

Hon. Christian Paradis (Minister of Natural Resources, CPC): Mr. Speaker, there is an offshore *moratoria* in place for the coast of British Columbia. Yes, that is the singular. For the benefit of my colleagues in opposition, that is the singular form for the Latin. As far as our government is concerned, lifting the *moratoria* is out of the question. It is carefully inspected and rigorously followed. Lifting it is out of the question, so once again, the members across the floor should stop trying to politicize the matter and stop needlessly frightening people so much.

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CLIMATE CHANGE

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, during his visit to Ottawa yesterday, the United Nations Secretary-General, Ban Ki-moon, clearly urged the Prime Minister to make climate change a priority during the upcoming G20 meeting.

He also urged the government to comply with the Kyoto targets, not the more lenient Copenhagen targets.

If the Prime Minister is serious about getting a seat on the Security Council, will he heed the United Nations Secretary-General's request with respect to climate change?

Hon. Christian Paradis (Minister of Natural Resources, CPC):

Mr. Speaker, we have always been clear about this. The government's priority for the G20 summit is to talk about the economy and job creation. Our Bloc colleagues do not seem to understand those issues. They never talk about those issues because they do not consider them to be priorities. We respect the Copenhagen accord, which, for the first time, brings major emitters on board. Finally, there will be meaningful action, instead of all the empty talk we have had from them for the past 20 years.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the minister is truly an endangered species if he believes that the environment and the economy are two separate things.

This government is doing enough damage here with its backward and ideological stances on the environment, women's rights and aboriginal rights. We cannot let it do similar damage elsewhere.

Does the Prime Minister understand that with that kind of attitude, Canada does not deserve a seat on the Security Council under this government?

● (1425)

Hon. Christian Paradis (Minister of Natural Resources, CPC):

Mr. Speaker, once again, Canada is moving forward and once again, those people are trying to sabotage progress. Their only goal is to separate Quebec from the rest of Canada. That is all there is to it. Sabotage, sabotage, sabotage. They are the ones who see the environment and the economy as two different things. We have always said that there are ways to achieve economic progress while reducing our environmental footprint. Strategic investments are being made, and for the first time, the Copenhagen accord will bring major emitters together. That is what I call action.

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FOREIGN AFFAIRS

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, let us talk about sabotage.

Traditionally, Canada has been in sync with the international community, just as a sovereign Quebec would be. I am thinking, for example, of our peacekeeping missions and our refusal to participate in the illegal war in Iraq. At the time, Canada sat on the Security Council. Today, with these conservative policies that are not in line with those of the international community, that is unthinkable.

Does the Prime Minister understand that we believe Canada does not deserve a seat on the Security Council, not because we are sovereignists, but because, with this government, Canada is not worthy of such a seat?

*Oral Questions***OFFSHORE DRILLING**

Hon. Lawrence Cannon (Minister of Foreign Affairs, CPC):

Mr. Speaker, Canada has an excellent reputation around the world. Canada plays a leadership role. I understand that my Bloc Québécois colleague has a short memory, but he need only take a look at the excellent work we have done with our partners in Haiti to help this country get back on its feet. These are people who tend to settle in Montreal. I am not sure how these Bloc opposition members do not know that.

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, our question has to do with why UN members should trust a country that violates the Kyoto protocol and the Geneva conventions, that does not respect the Convention on the Rights of the Child, and that has yet to sign the Declaration on the Rights of Indigenous Peoples.

Does the Prime Minister understand that with a record like that, Canada, under this government, does not deserve a seat on the Security Council?

Hon. Lawrence Cannon (Minister of Foreign Affairs, CPC): Mr. Speaker, I repeat, Canada plays an important role in the international community. We have deployed soldiers to Afghanistan, to essentially build peace in that country, and we have also deployed peacekeepers to several countries around the world.

I know that the Bloc Québécois has a hard time with that. I know the Bloc members are ashamed of all that, but I can assure them that the majority of parliamentarians support Canada.

* * *

[English]

THE ENVIRONMENT

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, this week the government of the United States announced that the Department of the Interior's Minerals Management Service is going to be split into two agencies. Why is it doing that? It is because it understands that it cannot reconcile the objective of trying to maximize oil revenues from the role of implementing safety and environmental standards. It has that right, but the Conservatives are moving in the opposite direction.

We have to ask the question, why? Why are they turning over to the industry-friendly National Energy Board the job of environmental assessment? It makes no sense.

Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, I do not share the views of the leader of the New Democratic Party.

Just because it is done in the United States does not mean that we should do it here. Obviously, there were serious concerns with respect to what happened in the Gulf of Mexico. I think all Canadians who are watching the situation are rightly horrified.

I am very pleased, as I know all members of the House are, that the National Energy Board will be reviewing Canada's strong and effective regulations, in response to what happened in the United States, to ensure that we do the right thing for our environment, to ensure that we protect the environment for future generations.

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, it was the opposite of what he said just two days ago.

[Translation]

The risk of an accident in Canada is real and the government is not taking the threat seriously. Canadians are worried and rightly so. Today, BP admitted that it did not know how to clean up the ice in the event of an oil spill in the Arctic.

What does the Conservative government intend to do in light of this admission by BP?

• (1430)

[English]

Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, what I can say to the leader of the New Democratic Party is that as we speak, there is no drilling going on in the Arctic. The Arctic is a very ecologically sensitive part of our great country. It is an important part of the world. Canada has a special responsibility to provide environmental leadership in this area. That is exactly the kind of leadership that the Prime Minister, the Minister of the Environment and the Minister of Northern Development have been providing.

Just in this session of Parliament, we have expanded environmental protection in the north. We will continue to do that. We have an important responsibility to protect the Arctic and we will honour that commitment.

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, the exploratory well drilling season starts in just a couple of weeks and we are not seeing action from the government.

On the other hand, U.S. lawmakers have said that the limits on corporate liability are not high enough. In fact, they are presenting proposals to take those limits as high as \$10 billion. Guess what they are here in Canada? They are \$10 million, a thousand times less.

The estimates for the cleanup in the gulf are running at \$450 million and we all know it will end up higher, then there are the billions of dollars in damage to fishing and tourism.

Will the government at least realize that \$10 million is not enough protection for Canadians?

Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, let me say a few things to the leader of the New Democratic Party. There are no permits to drill in the Arctic. Let me refresh the leader of the New Democratic Party of another fact. We have unlimited liability for oil companies with respect to pollution. Polluter pays, but that is not good enough. We have to have strong and effective regulations to ensure it does not happen.

That is why the NEB is doing additional reviews. That is why this government will always do what is best. That is why we will always protect the Arctic. It is incredibly important and we fully accept our responsibilities.

*Oral Questions***TAXATION**

Mrs. Bonnie Crombie (Mississauga—Streetsville, Lib.): Mr. Speaker, it is the wrong choice to cut taxes for the largest and wealthiest corporations while the global economy remains fragile. It is the wrong choice to cut taxes for the largest and wealthiest corporations while a debt crisis rages in Europe. It is the wrong choice to cut taxes for the largest and wealthiest corporations when markets fluctuate at the drop of a hat.

Why does the government plan to borrow money and mortgage our children's future to pay for its reckless corporate tax cuts?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, we know that the Liberal opposition wants to raise taxes. The Liberals want to raise personal taxes for Canadians. They want to raise taxes for small and medium-sized Canadian businesses. They even muse about raising the GST.

We know, from the way they have voted in this place, that they are opposed to the tax reductions that we have made over the last four years; that is, \$3,000 on average for every Canadian family in tax reductions over the course of the past four years.

Mrs. Bonnie Crombie (Mississauga—Streetsville, Lib.): Mr. Speaker, that minister drove the province of Ontario into debt. Now he is doing the same to our country.

Some hon. members: Oh, oh!

The Speaker: Order, please. I would urge a little self-control on all hon. members. The member for Mississauga—Streetsville has the floor and we need to be able to hear the question the member is asking. The hon. member for Mississauga—Streetsville.

Mrs. Bonnie Crombie: It is thanks to a decade of sound Liberal financial management that we are not in the same mess as Greece and other countries.

Some hon. members: Oh, oh.

Mrs. Bonnie Crombie: The Liberals slew the Mulroney deficit. We cut personal and business taxes when we had surpluses because it was the right thing to do.

What did the Prime Minister and his Reform colleagues do? They voted against every tax cut for 10 years. Now they want to use borrowed money to pay for corporate tax cuts when the country is mired in a \$54 billion Conservative deficit.

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, I thank the member opposite for the lobbed question.

I know the Liberals are in favour of raising taxes but most Canadians do not want to pay more taxes and they do not want to go through the cuts that the Liberal government made in the mid-1990s.

I am in good company with a former premier of Ontario, the member for Toronto Centre, when he criticized the federal government for cutting expenses on the backs of nurses, students, teachers and—

• (1435)

The Speaker: The hon. member for Markham—Unionville.

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, the only party that wants to raise taxes is the Conservative Party with its massive EI premium hikes, costing 200,000 jobs.

[*Translation*]

The Conservatives are increasing the deficit by borrowing billions of dollars to finance corporate tax cuts. Obviously, they are going to pass the bill on to the taxpayers, who will have to absorb all this extra debt.

Why make families in debt pay for corporate tax cuts?

[*English*]

Hon. Jim Flaherty (Minister of Finance, CPC): Again, Mr. Speaker, I think I am in good company with respect to the tax issue. The member for Markham—Unionville said, “corporate tax cuts are one of the best strategies to attract investment and help manufacturers battered by the high Canadian dollar”.

At least that is how he felt in 2007. He may have been philosophically misguided since then, but still, most Canadians believe in the reduction of taxes. They see it in the strength of our economy. They see the strength of our economy precisely because we have reduced the cost of doing business in this country.

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, we must remember that in 2007 we were running a surplus and we were in favour of lower corporate taxes, but not when it puts the country into greater debt, which is exactly what the minister is doing.

We are at a crossroads: borrow money today to cut corporate taxes or freeze corporate taxes, fight the deficit and invest in education.

We can take the Conservative path of the eighties and become more like Greece or the Liberal path of the nineties and become more prosperous. Why are the Conservatives choosing more debt over prosperity?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, I know what the Liberal government wreaked on the Canadian people in the mid-1990s, what it did to our schools, what it did to higher tuition in universities, what it did to our hospitals and what it did to nurses. All of those things, that is what the Liberals did in the 1990s.

This is Canada. We have the best fiscal situation in the G7. We have the soundest financial system in the G7. We have the highest credit rating in the world. The hon. member should be proud of the performance of his country and stop knocking it.

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[*Translation*]

CLIMATE CHANGE

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Mr. Speaker, the Secretary-General of the United Nations has asked Canada to add the fight against climate change to the G20 agenda. What was the Prime Minister's response? The agenda will focus on the economy. That says it all. For the Prime Minister, the economy and the environment do not go hand in hand. Sustainable development is a foreign concept to him.

Oral Questions

How can the Prime Minister separate the environment and the economy when it is obvious that the environment is not an obstacle to but a motor for economic development?

Hon. Jim Prentice (Minister of the Environment, CPC): Mr. Speaker, yesterday the Prime Minister indicated that many topics will be discussed at the G8, including climate change.

Our government supported the Copenhagen accord in December. We have committed, along with other countries, to making this accord an international treaty. That is why I recently went to Bonn to take part in meetings with environment ministers. The Bloc should be supporting our efforts.

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Mr. Speaker, by saying that the environment has no place at the G20, the Prime Minister is refusing to look at the economic opportunities associated with environmental protection. He thinks that Kyoto is expensive and of no benefit. But that is not true. Green technologies and a carbon exchange represent opportunities for Quebec.

Will the Prime Minister admit that implementing Kyoto is costly for oil companies but not implementing it is costly for Quebec?

• (1440)

[English]

Hon. Jim Prentice (Minister of the Environment, CPC): Mr. Speaker, the hon. member overlooks the fact that since December we have had more than 120 countries internationally associate themselves with the Copenhagen accord, accounting for in excess of 85% of the world's carbon emissions.

That is the way forward. Ban Ki-moon said that yesterday when he was in Ottawa. Canada is part of those discussions. We have been taking part in those discussions in the major economies forum. We also took part in the recent Bonn meeting of the environment ministers. Those are the forums in which the Copenhagen accord will be converted into an international treaty. The Bloc and the other opposition parties should support our efforts.

* * *

[Translation]

SECURITIES

Mr. Daniel Paillé (Hochelaga, BQ): Mr. Speaker, Power Corporation has added its voice to the broad coalition in the Quebec business community that rejects the federal government's plans for a single securities commission in Toronto. The president and CEO of Power Financial Corporation said that the AMF is doing a fine job.

Will the government continue to insist on dismantling the AMF or will it listen to the wise counsel of the Desmarais family, who wants the government to put off its unfortunate plan to set up a securities commission in Toronto?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, the AMF can continue in existence if that is what the Government of Quebec wants. We will respect provincial jurisdictions. The provinces' and territories' participation will be voluntary. Quebec and Quebec alone will decide if it wants to continue with AMF regulations.

Mr. Daniel Paillé (Hochelaga, BQ): Mr. Speaker, the Quebec finance minister just told him that that is nonsense. Power

Corporation opposes this plan. Does my colleague know what Power Corporation is? Yesterday he was wondering about financial institutions. Power Corporation is Great-West Lifeco, Canada Life, London Life, Investors Group, Mackenzie Financial, *La Presse*, *Le Droit* and so on. They are the ones saying that the existing system works well.

Why fix something that is not broken?

[English]

If it is not broken, why fix it?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, I know we will be going on a parliamentary break now, which is probably a good idea because I think the member for the Bloc needs a rest. He is aligning himself with Power Corporation. I never thought I would hear that in this place the socialist party from Quebec aligning itself with Power Corporation.

It should be known, of course, that the comments by Power Corporation covered both sides of the issue and it does want to see more work done on it.

The point is this that those provinces that wish to join the common securities regulator can and those that do not can continue regulating in their own jurisdictions. The choice is for Quebec.

* * *

[Translation]

CITIZENSHIP AND IMMIGRATION

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, four months ago yesterday, Haiti suffered a violent earthquake. In the days that followed, we called on the government to be flexible, like Quebec, and temporarily broaden the definition of family member. We also offered to support any legislation needed to make that happen.

Will the minister promise today to broaden the definition of family member so that all our fellow citizens of Haitian origin can help their relatives?

Hon. Jason Kenney (Minister of Citizenship, Immigration and Multiculturalism, CPC): Mr. Speaker, I thank the member for his question. We have already announced special measures to expedite family sponsorship of Haitian nationals. I am happy to announce that under those measures we have already finalized more than 50% of the family sponsorship applications that were in the system before the earthquake hit. That means that we have finalized 100 cases in just a few weeks. This is unprecedented in the history of our immigration system.

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, that was not even the question. I am very concerned that our Canadian friends of Haitian origin will be bitterly disappointed at the Conservative government's answer.

Since the minister seems to be saying that his government will not consider sponsorship applications that do not fit within the existing definitions, does the government plan to refund the tens of thousands of dollars people have paid needlessly for sponsorship applications that will not even be considered?

Oral Questions

●(1445)

Hon. Jason Kenney (Minister of Citizenship, Immigration and Multiculturalism, CPC): Mr. Speaker, the member clearly is not up on the Immigration and Refugee Protection Act, which requires that applicants cover the costs of applications. People who apply to sponsor a family member have to prove that they are financially able to host and settle that person. That requirement is not political; it does not come from any party. It is a requirement of the law that was passed by the Liberal government.

* * *

GOVERNMENT PROGRAMS

Mr. Marcel Proulx (Hull—Aylmer, Lib.): Mr. Speaker, Montreal's cultural community is in shock. No one understands why the Conservatives are attacking the FrancoFolies. Their funding has been cut one month before the start of the festival and the selection criteria were tinkered with after the fact. Quebeckers have had enough of this spiteful Prime Minister who is now taking aim at a festival that enhances Quebec's international reputation. The Conservatives have made cut after cut after cut to culture.

Why has the Prime Minister embarked on a demolition derby against culture, the French language and Quebec?

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, our funding has increased again and again and again. Festival funding has increased. For example, in the case of the FrancoFolies, we increased funding for 2010-11 and 2011-12. This is the first time that the FrancoFolies festival has had a multi-year agreement. It will receive \$350,000 from my department as well as money from the Economic Development Agency of Canada for the Regions of Quebec. The FrancoFolies will receive funding and we are proud of our commitment. During the election campaign, we promised to support artists. We have kept our promises once more.

Mr. Marcel Proulx (Hull—Aylmer, Lib.): Mr. Speaker, the Prime Minister tinkered with the rules at the last minute to eliminate those organizations that do not serve his interests. Do we want deceit and intimidation? Well, there we go. That was his tactic with women's groups and with the FrancoFolies and now he is increasingly hostile in his attacks against the CBC. He is now accusing the CBC of waging a faith war. This is reminiscent of the dark ages.

Is there anyone in the party opposite who will rise and condemn this Prime Minister's arrogance, intransigence and abuse of power.

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, that is absolutely ridiculous. First of all, as I stated, for the first time in its history the FrancoFolies festival has a \$350,000 multi-year agreement.

During the election campaign, we promised to maintain or increase funding for the CBC. We kept our promise. The Liberal Party made the same promise, and then cut \$414 million and 4,000 jobs, and is now accusing us of being the CBC's enemy? We kept our promise. We invested more than \$1 billion in the CBC. Those are the results we promised in our election promises.

[English]

HUMAN RESOURCES AND SKILLS DEVELOPMENT

Mr. Chris Warkentin (Peace River, CPC): Mr. Speaker, today is perhaps a precedent-setting day in the history of a Westminster system of parliament.

This morning a minister of the Crown appeared at committee as an individual. According to our system of government, she is ultimately accountable for her ministry and yet the opposition, led by the chair of that committee, dismissed our system of ministerial accountability and would not let her answer for her department or for herself.

Having been silenced this morning, I wonder if the Minister of Human Resources will now be permitted to speak and to share with this House her reaction to this seemingly unprecedented event.

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, today I voluntarily appeared before the ethics committee to answer questions about the department for which I am ultimately responsible. Shockingly, opposition members refused to allow me to speak.

This may be the first time in parliamentary history that a ministerial responsibility has been denied. Ministerial responsibility is a cornerstone of our parliamentary system.

This is proof that the opposition members are not in it for accountability or truth. They are just in it for themselves.

* * *

ETHICS

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, the member for Simcoe—Grey was thrown to the wolves on the flimsiest of allegations by “Magnum B.S.”, yet when a big shot lobbyist buys 40 \$250 tickets to a fundraiser for a minister and then successfully lobbies that cabinet minister at her own fundraiser, that is just business as usual for the Conservative lobbyist daisy chain.

How can the Prime Minister tolerate what amounts to a \$10,000 bribe of one of his ministers? And whatever happened to the idea of getting big money out of politics?

●(1450)

Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, that is quite outrageous.

I can say this. The member for Simcoe—Grey will be pleased to learn she has a new best friend in Parliament. The member for Winnipeg Centre, having made serious allegations of improper conduct against the member for Simcoe—Grey and her husband, now seems to be standing in his place and suggesting she should be reinstated. It just does not get any more bizarre.

Oral Questions

[Translation]

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, when the hon. member for Calgary Southwest was the leader of the opposition, he condemned the Liberal's partisan appointments. He said, "Patronage must stop and when we form the government it will stop".

This morning, the *Chronicle Herald* illustrated that, once in power, the Conservatives are no different than the Liberals.

They forced Enterprise Cape Breton Corporation to hire former employees of Conservative ministers.

People are sick of the Conservatives' political chicanery. When will the Conservative government stop its partisan practices?

[English]

Hon. Keith Ashfield (Minister of National Revenue, Minister of the Atlantic Canada Opportunities Agency and Minister for the Atlantic Gateway, CPC): Mr. Speaker, as the member opposite should know, the Enterprise Cape Breton Corporation provides an excellent level of service to Cape Bretoners and is highly regarded in the region.

The member also should know that ECB is an arm's length crown corporation. It is responsible for its own hiring and staffing decisions.

[Translation]

Mrs. Claude DeBellefeuille (Beauharnois—Salaberry, BQ): Mr. Speaker, the private detective says he has no evidence of any wrongdoing by the former minister for the status of women. However, the Prime Minister relied on the detective's testimony to dismiss the minister. He even called the police and the Ethics Commissioner.

It remains a complete mystery. If the detective is not the Prime Minister's source, then what "serious and credible allegations" was he relying on and who provided him with that information?

[English]

Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, let me say this. There are serious allegations that are on the public record that have been stated in this place involving the member for Simcoe—Grey and Mr. Jaffer.

This issue has been handled with great care. The Prime Minister has sought legal counsel to ensure that it is dealt with well by the party's lawyer.

Let me be very clear. The Prime Minister did the right thing. He referred this matter to an independent authority to make the determination as how best to deal with it.

The Prime Minister did the right thing.

[Translation]

Mrs. Claude DeBellefeuille (Beauharnois—Salaberry, BQ): Mr. Speaker, the detective says he never made the allegations reported by the Prime Minister's Office to the Ethics Commissioner. The "serious and credible allegations" the Prime Minister received about the former minister for the status of women came from another source.

If the detective is not his source, then what "serious and credible allegations" did the Prime Minister rely on to dismiss his minister and who provided him with that information?

[English]

Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, in our parliamentary system of government, the Prime Minister makes the determination as to who has the privilege to serve the Canadian people as a member of the cabinet. This Prime Minister has set a high standard, both ethically and in terms of the professionalism, for the conduct of his ministers.

It is a great privilege to serve as a minister of the Crown and I think the Prime Minister reminded us all of this when he made recent changes to his ministry.

[Translation]

Hon. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, the Prime Minister said he acted based on "serious" and "credible" allegations of a criminal nature when he fired his minister, kicked her out of his caucus and called the RCMP.

Nonetheless, the private detective that the Prime Minister's Office used as justification denies ever making such allegations.

This casts doubt on the Prime Minister's judgment. Is a criminal investigation under way? Why did he dismiss his minister? Who is his source?

[English]

Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, there are so many falsehoods in that question by the member opposite that I do not even know where to begin to answer it.

What I can say is that serious allegations were brought forward to the Prime Minister. He did the right thing. He immediately referred those allegations to the relevant authorities so that they could determine the best way to handle them. That is an open and transparent and high ethical standard. The Prime Minister did the right thing.

• (1455)

Hon. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, the Conservatives keep changing their story.

Yesterday Derrick Snowdy accused the Prime Minister of misrepresenting information he provided them, so they countered by insisting the Prime Minister acted on information from more than one source. But the Ethics Commissioner has confirmed that Snowdy was the sole source of the Prime Minister's allegations.

There is a really easy way to clear this matter up and establish the truth. The Prime Minister could simply release the letter he wrote to the Ethics Commissioner. Will he do it, yes or no?

Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, the best way to handle this is to turn the matter over to an independent authority to be able to look into these allegations and make the best determination. That is the right thing to do. That is the appropriate thing to do. That is the ethical thing to do. As usual, the Prime Minister did the right thing.

*Oral Questions***HEALTH**

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, we can all agree that the victims of Canada's hepatitis C tainted blood disaster deserve, at the very least, to be treated with respect and to be given their court-ordered compensation as quickly as possible. But now we are hearing that payments are being cut and in some cases stopped altogether. These are claims that are approved, not claims that are pending.

What is the government doing to ensure that victims receive the compensation they are owed as quickly as possible?

Hon. Leona Aglukkaq (Minister of Health, CPC): Mr. Speaker, there is an independent organization that oversees the applications for these victims and each application is reviewed.

If the member's constituent has concerns, the member should be directing the individual to the independent organization that was established to respond to this situation.

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, this is not about the application. The application has already been approved.

The government should have been prepared for this. Victims deserve nothing less.

What do I tell the person in my riding whose claim has been approved but who has been waiting to get a cheque for years? The individual has been told that payments have been put on hold because funds have run out. The government is shortchanging victims who have already suffered too much.

When will the government drop the excuses, stop re-victimizing claimants, and pay the money that is owed?

Hon. Leona Aglukkaq (Minister of Health, CPC): Mr. Speaker, again, there is an independent organization that has the resources to pay the victims. Each application is reviewed and responded to accordingly.

* * *

THE ECONOMY

Mr. Ron Cannan (Kelowna—Lake Country, CPC): Mr. Speaker, the Liberal leader was not in Canada during the former Liberal government and is confused about its fiscal record. He needs to talk to Liberal MPs, like the MP for Kings—Hants, who noted “The Chrétien-Martin cuts sent the health and education systems into crisis in every Canadian province”. Or he should talk to the Liberal MP for Toronto Centre, who said, “When the federal [Liberal] government decided in its wisdom that it would cut...it had a major and devastating effect on the people of [Ontario]”.

Could the finance minister please speak further to the Liberal record?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, the Liberals like to talk about the 1990s. I understand the Liberal leader was not in the country in the 1990s but he should speak to some Canadians who were actually in Canada at the time, for example, the Liberal member for Toronto Centre who, when he was premier in the mid-1990s, had this to say, “When the federal [Liberal] government decided in its wisdom that it would cut back unilaterally, particularly in the area of social assistance, it had a

major and devastating effect on the people of [Ontario]”, and the nurses and the students and all the others.

The people of Ontario remember well.

* * *

NATIONAL DEFENCE

Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.): Mr. Speaker, while we celebrate the navy's 100th anniversary, the government is gutting our navy.

According to Admiral McFadden, half of his combat systems are going to be cut. Anti-submarine capabilities are going to be cut. Worst of all, key weapons systems to protect our sailors are going to be cut.

Why is the government choosing to gut our navy and put the lives of our brave men and women sailors at risk?

Hon. Peter MacKay (Minister of National Defence, CPC): Mr. Speaker, the reality, for the member opposite, is that this government is going to be increasing the budget for the navy by almost \$200 million this year. That is up from last year and it is up over the year before. It is certainly up over the time that the hon. member was part of the previous government when it slashed and burned not just our navy but our entire Canadian Forces.

We are investing in the navy. We are investing in the Canadian Forces in unprecedented numbers. There will be \$40 billion for shipbuilding in the next 20 years. The men and women of the Canadian Forces and the navy will get our support, unlike the time when the member was in government.

* * *

● (1500)

[Translation]

GOVERNMENT PROGRAMS

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, the government is justifying the cuts to the FrancoFolies and Montreal High Lights festivals by claiming that they have established new selection criteria. However, the majority of the events that will receive funding in 2010 do not meet these so-called criteria. And there is no way that \$350,000 over two years can replace \$1.5 million each year for the FrancoFolies. The minister needs to find another answer.

Instead of manipulating the existing program's funding rules and starving one festival to feed another, why will the government not increase the overall envelope and finance the festivals according to their actual needs?

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, this is the problem with the Bloc Québécois policies: every time we invest in arts and culture to increase festival funding, for example, they vote against it.

They voted against the International Festival of Films on Art, the Festival Jazz et Blues de Saguenay, the Festival de Lanaudière, the theatre school festival, Musiques des nations, the Festival de Trois-Rivières and the Portuguese festival.

The Bloc Québécois has voted against the interests of Quebeckers every time.

* * *

WORKPLACE SAFETY

Mr. Claude Gravelle (Nickel Belt, NDP): Mr. Speaker, on May 7, an incident occurred at the Copper Cliff smelter. A smokestack extension collapsed and fell onto oxygen and nitrogen pipelines. This is one of the most complex plants to operate and it is located in a residential neighbourhood.

Unfortunately, the company is using strikebreakers who are not adequately trained. It was only a matter of time before such an accident occurred.

What is the Minister of Labour doing to ensure the safety of workers and other people and to shed light on what caused this accident?

[English]

Hon. Lisa Raitt (Minister of Labour, CPC): Mr. Speaker, I would appreciate getting more information on the incident so that we could look into it.

What I can say is that when it comes to occupational health and safety, we do very much in the labour ministry. We want to educate employers. We want to make sure that employers work with workers in terms of occupational health and safety. Of course, if there are indications that something has been contravened, we do enforce.

* * *

PUBLIC SAFETY

Mr. James Bezan (Selkirk—Interlake, CPC): Mr. Speaker, it is becoming more and more apparent that the Liberal Party does not care about public safety or criminal justice.

The Liberal agriculture critic and the Liberal public safety critic continue to demonstrate that they are only concerned with maintaining the wasteful long gun registry that turns farmers into criminals. Instead, the Liberals are trying to turn convicted criminals into farmers.

Can the Minister of Public Safety inform the House on how we are taking the right steps to stand up for our farmers and law-abiding Canadians?

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, I would like to thank the member for his question and for all of his hard work.

It is clear that if one is a Liberal, one is more interested in a prisoner's right to plant tomatoes than in keeping Canadians safe on our streets. If one is a Liberal, law-abiding farmers should be criminalized by a wasteful long gun registry. If one is a Liberal, one encourages reducing prisoners' sentences while refusing speedy passage of a bill that would limit pardons for notorious criminals.

Tributes

Well, our Conservative government believes that Canadians deserve much better, even if the member for Ajax—Pickering does not.

* * *

BUSINESS OF THE HOUSE

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, I would be interested in the government's program for the balance of this week and, especially, the week after the constituency week, which is scheduled to come up after this weekend.

Before the end of May, we have to deal with the estimates of two government departments in the committee of the whole under the provisions in our Standing Orders. We have indicated, on behalf of the opposition, that the departments we wish to call before the committee of the whole are the Department of National Defence and the Department of Natural Resources.

I wonder if the government House leader, when he gives the business plan for the next week or 10 days, would also be able to designate those days.

● (1505)

Hon. Jay Hill (Leader of the Government in the House of Commons, CPC): Mr. Speaker, we will continue today with Bill S-3, the tax convention bill, followed by Bill C-15, nuclear liability. It would be by intention to call these two bills tomorrow if they are not completed today.

Might I add that, thankfully, as my hon. colleague noted, next week is a constituency work week.

When the House returns on May 25, it is my intention to call Bill C-3, gender equity in Indian registration, which will be at the report stage. Following Bill C-3 will be Bill C-20, the National Capital Act, and Bill C-10, Senate term limits.

My hon. colleague asked about the committee of the whole. I would inform the House that pursuant to Standing Order 81(4) I would like to designate May 27 for consideration in committee of the whole of the main estimates of the Department of National Defence and May 31 for the Department of Natural Resources.

Friday, May 28 shall be an allotted day.

The Speaker: I understand there is agreement for the House to proceed at this time to tributes to the late William Corbett, former Clerk of the House of Commons.

* * *

WILLIAM CORBETT

Hon. Jay Hill (Leader of the Government in the House of Commons, CPC): Mr. Speaker, it is indeed an honour for me to rise to pay tribute to the former Clerk of this august chamber.

Last week members learned of the death of William Corbett, who was the Clerk of the House of Commons from 2000 to 2005.

Tributes

I think I first met Bill while he was in the Committees Branch. Then he came to the Table of the House, ultimately becoming our most senior officer and adviser. For many of us, Bill was the friendly and courteous person we met when we first came here, fresh from the election trail, to swear our oath as members. That is a pretty heady event for new members and their families. Bill treated all of us as if we were the only people he had to swear-in that day, and you knew you had found a new friend on the Hill.

Parliamentary process is a rare field of study. It is a balance of protection for the rights of minorities, while it enables the House to move business forward in an orderly way. This is the speciality of the officers of the House, and Bill was one of the best. We always knew we got complete and fair advice from him.

The Clerk's office is an ancient one, in Britain dating from 1363 and predating the offices of Speaker and Prime Minister. In Canada, since Confederation, only 13 people have held the office of the Clerk of the House. Bill was the 12th. The House and the Board of Internal Economy benefited from his wise counsel in his all too brief tenure.

However, there is more than Parliament and Ottawa. Bill's passion for travel by water and land, I am sure led him to be one of VIA Rail's best customers, and his green tugboat plied the historic Rideau waterway, a testament to the pleasures of a slower and more elegant pace.

To his family, his wife Marit, his children Erica, Mark and Caitlin, Erica's husband William and Bill's sisters and brothers and their families, we say thank you.

Thank you for sharing him with the House of Commons. The members of the House were better able to discharge their responsibilities to the Canadian people because of his efforts and talents. He was a leader and inspiration to the next generation of House officials.

[*Translation*]

Mr. Marcel Proulx (Hull—Aylmer, Lib.): Mr. Speaker, it is with great sadness that I rise here today to pay tribute to our former colleague, the Clerk of the House of Commons from 2000 to 2005, William Corbett.

Mr. Corbett passed away peacefully at home following a short battle with amyotrophic lateral sclerosis, also known as Lou Gehrig's disease.

• (1510)

[*English*]

Bill, as he was formerly called, worked at the House of Commons for almost 30 years. He first joined the House in 1976 and left the following year to work in Colombia for the Canadian International Development Agency. However, serving the House of Commons was stronger than any other call.

[*Translation*]

Returning to the House of Commons in 1980, he held roles as deputy principal clerk, principal clerk of Committees, clerk assistant and Deputy Clerk of the House of Commons before finishing his career as Clerk of the House of Commons from 2000 to 2005.

[*English*]

His intimate knowledge of the procedures and traditions of the House, coupled with his passionate and jovial nature, made him a delightful person to work with.

[*Translation*]

Working with Bill Corbett was a real pleasure. I worked in close co-operation with Bill when I was one of the chair occupants, and I can attest not only to his tremendous competence, but also to his *joie de vivre* and his infectious enthusiasm. It was a pleasure working with him.

[*English*]

My Liberal colleagues and I would like to offer our most sincere condolences to Mr. Corbett's family and also to his extended family, by which I mean all those in Procedural Services who had the pleasure of knowing and working alongside Bill over the years.

The House has lost a great man and we mourn his departure.

[*Translation*]

On behalf of the Liberal Party of Canada, I pay tribute to the memory of William Corbett and offer our most sincere condolences to his family.

[*English*]

Thank you, Bill.

[*Translation*]

Mr. Louis Plamondon (Bas-Richelieu—Nicolet—Bécancour, BQ): Mr. Speaker, the Bloc Québécois members were very sad to learn that William Corbett, the former Clerk of this House, passed away on May 3.

Bill, as we affectionately called him, lost his battle with amyotrophic lateral sclerosis, better known as Lou Gehrig's disease. This same disease also claimed the life of Richard Wackid, a member of this House, last September.

A native of Kingston, Ontario, Bill Corbett went to school in Montreal. I believe that is why he had such an extensive knowledge of Quebec. He also studied in New Brunswick and obtained a BA from Queen's University in Kingston and an MA in political science from the University of Western Ontario in London.

Before coming to work at the House of Commons, Bill went on several international aid and development missions. As a volunteer instructor, he taught English and math in Colombia. He was a field officer for CUSO in Colombia and Ecuador, supervising volunteers working on health, education and rural development projects, before returning to Colombia as a project manager for CIDA.

Bill then worked for the House of Commons for nearly 30 years, from 1976 to 2005.

He started out as a committee clerk, making his mark on the Standing Committee on National Defence and the Standing Committee on Fisheries and Oceans.

He became deputy principal clerk of committees in 1986 and principal clerk in 1987. That was when I came to know him better and most appreciated his work in the House.

During his time with the committees directorate, he got involved in many programs offered by the House of Commons for politicians and officials in the newly emerging democracies in Eastern Europe, Africa and Asia, including spending two weeks as a consultant for the Cambodian national assembly on parliamentary committees and their functions.

He became clerk assistant of corporate resources in 1997, deputy clerk in 1999 and Clerk of the House of Commons in July 2000. He retired in 2005.

Bill worked under seven prime ministers.

It was in his capacity as Clerk of the House that we were able to fully appreciate his talents. In difficult situations, he knew how to walk the line between House procedure and practice. He was involved in the reform of the Standing Orders of the House of Commons in 2004. The changes made had an impact on the role of members in this House—particularly for opposition parties—for example private members' business and opposition days.

He was also the Clerk during the 38th Parliament when House procedures had to be adjusted because of minority governments.

Retired for only five years, William left his mark on this Parliament. We remember his professionalism and his admiration for democratic institutions.

Bill was an efficient, jovial man with an uncommon sense of humour. I had the honour and the pleasure of witnessing his diplomatic approach in this Parliament for more than 25 years. My Bloc colleagues and I will fondly remember this great servant of Parliament and of our democracy.

On behalf of all my Bloc Québécois colleagues, I wish to offer my sincere condolences to his wife, Marit, his children, Erica, Mark and Caitlin, and his brothers and sisters.

In closing, I will quote the famous French author, Alexandre Dumas: "Those whom we have loved and lost are no longer with us, but will remain forever in our hearts".

Farewell, Bill.

• (1515)

[English]

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, I am honoured to rise today on behalf of our leader of the New Democratic Party and our caucus to honour the life of Mr. William "Bill" Corbett. We share in the sadness expressed in the House today for the loss of a dedicated public servant who contributed enormously to this country, to this Parliament, and to our democracy.

We remember Mr. Corbett as a kind and respected gentleman who served the House for so many years in the challenging and prestigious role of the Clerk of the House; an exclusive club of 13, as was pointed out in a very nice article in *The Hill Times*. He also served as a deputy clerk before that and held perhaps the unenviable position of chief of the entire House committees directorate before that.

It is not always outwardly evident to the public how our work as elected officials is so intertwined and dependent on the services,

Tributes

knowledge and professionalism of those serving as clerks and their staff. The people at the Table, as we say, are the foundation of this institution, the institution that Bill Corbett held in such high regard and upheld in all his work.

When we speak about the institution of Parliament, we are speaking about these people sitting here before us and beside us in committees, the unsung heroes who we value so dearly, and who contribute daily to Parliament and Canadian democracy. This place would not run without this team of people. We could not have functioned without Bill Corbett in the many years he spent here serving us.

In the last few days, so many friends and colleagues have come forward with wonderful stories celebrating the life of Bill Corbett, speaking fondly of his wry sense of humour and his sense of decency. It is also wonderful to know that he took his around-the-world trip in the last year of his life.

The NDP is grateful to Mr. Corbett and his life's work in Parliament. He was a mentor to many and left his mark on the parliamentary process in many areas, not the least of which was his work to overhaul private members' business.

We thank his family, his wife Marit, his children Erica, Mark and Caitlin, and his siblings for supporting Bill in his work and allowing him to give so much of himself to us here.

We will always remember Bill Corbett as an honorary member of this House and all that he contributed.

The Speaker: When I was first elected as Speaker of the House of Commons, it was very comforting to know that Bill Corbett, a fellow Queen's graduate, was our Clerk.

Bill not only brought to the job a passion for his country but a love for procedure. As many of you know, those who share those sentiments with him are relatively few and far between.

[Translation]

Bill was a staunch defender of our institution. A model of integrity and impartiality, he performed each of his roles with distinction.

[English]

I would like his family to know that his sage advice was always greatly appreciated. I very much enjoyed his humour and his great talent for storytelling. Bill's legacy at the House of Commons speaks for itself, but as you, his family, know, his greatest and truest legacy was his devotion to his family, and his love and respect for his friends and colleagues.

[Translation]

I offer my sincere condolences to his family, Marit, Erica, Mark and Caitlin.

*Government Orders***GOVERNMENT ORDERS**

• (1520)

[English]

TAX CONVENTIONS IMPLEMENTATION ACT, 2010

The House resumed consideration of the motion that Bill S-3, An Act to implement conventions and protocols concluded between Canada and Colombia, Greece and Turkey for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, be read the second time and referred to a committee.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, I am pleased to speak today to Bill S-3, which originates in the Senate. Interestingly enough, there are a considerable number of bills that are coming to us from the Senate this year. This is An Act to implement conventions and protocols concluded between Canada and Colombia, Greece and Turkey for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income.

The bill relates to Canada's continuing efforts to update and modernize its income tax treaties with other countries. At present, Canada has tax treaties in place with 87 countries, a figure that was mentioned by one of the speakers earlier today. The bill would implement three new treaties that Canada has signed with Colombia, Greece and Turkey.

It has been pointed out by several speakers today that we are in a reactive position in this House. We are not in a position to amend these agreements. These agreements have been negotiated like a trade agreement would be negotiated between the two countries. The agreements are signed, and then put into legislation and brought before the House.

At this point I would like to make the observation that I believe the government, had it been smart in this situation, would have split these treaties into three separate bills rather than putting all three treaties into one bill. Bill S-3 should really have been written as relating to only one of the treaties. We then would have had three bills to deal with and that would have made matters easier for all of the members here in the House, but that is not the case so we will have some difficulties with the bill once we send it to committee.

I would also like to mention that the bill, as well as many others, is going around the block for the second time. It had already made it through the Senate last year, before the Prime Minister prorogued the House, and we are back doing it again only a year later.

Another point is that the bill does not represent any new or significant change in policy. The tax treaties covered by the bill are patterned on the OECD Model Tax Convention, which is accepted by most countries around the world. As a matter of fact, I believe I read that there are several hundred of these treaties in existence. Because it is an OECD model, other countries adopt the model and simply negotiate with their group of partners.

What the agreement does is avoid double taxation, which we can all agree is an admirable goal. It also is designed to prevent international tax avoidance and evasion, and that is another extremely important area, although I have to question just how

effective these agreements are in terms of dealing with tax avoidance and evasion.

For example, given that we have had 87 of these treaties going back now for a good number of years, since I believe the 1970s, one would think that someone would have done an audit of the treaties and could at least present us with some facts and figures as to how effective they are. It does not make any sense to me that we would have signed 87 treaties, and we are proposing another dozen to be signed and more to be negotiated, when we cannot quantify and qualify how effective the previous 87 have been.

Clearly, the government must have some sort of information as to how effective these treaties are because it keeps signing them. That is why I asked the parliamentary secretary, when he introduced and spoke to the bill in the House earlier today, if he could present information as to how much tax has been recovered through Revenue Canada based on evasion and avoidance in other countries covered by these agreements.

• (1525)

He admitted that he did not have that information. I believe that he has undertaken to try to get the information, but once again I cannot guarantee that that will ever happen.

A lot of this could have been avoided if the government had set up briefings, as the ministers of the Manitoba government did, under Conservative governments and under the NDP government. To be fair not all ministers were good at it. I should not say good at it, but not all ministers actually did it. I can recall several Conservative ministers, as well as NDP ministers, who were just excellent at calling together the opposition members, or any members who wanted to attend a briefing, to explain the bill to them.

It has worked. I think that almost every minister who has done this will claim that it is money in the bank and is a very smart way to proceed. If the adversarial process is cut out and any interested members of Parliament are brought into a briefing so that they can find out about a bill, it would save a lot of time in debate. At least the information we are dealing with would be consistent and everyone would have accurate information.

I would really like to ask those questions. I would also like to ask, how many people take advantage of these treaties? How many people are affected by the treaties? Are we negotiating an international treaty for one or two cases a year, or are we negotiating an international treaty for hundreds and hundreds of cases in a year? Unless we can do an audit of the process to prove that we are actually gaining something, then why would we be negotiating these treaties?

Another question I would have is, are these treaties consistent? The argument is that they are based on the OECD wording, but they are negotiated between two countries. I have checked two of the treaties, and I do not believe they are entirely consistent with one another. Yes, they follow an OECD model and pattern, but it seems to me that there may be differences between the treaties.

Government Orders

We are being given this bill and are expected to deal with it as summarily as possible, but we are missing information. We do not have the government putting up any speakers, as with quite a number of bills right now, so we do not get to ask the government members any questions about the issues.

It is little wonder that we end up being very reluctant to send these bills forward. We end up being very suspicious about the intent of the bills, even though there may not be any sinister movement or ideas behind the bills. We have to question them, and it slows up getting them to committee in the first place. Then it slows them up in committee once they get there.

I think the government could streamline its processes better and would get more results by having briefings in advance of bills like this, especially bills that may, in fact, have a number of serious questions attached to them.

In 1971 the federal government undertook a review and overhaul of Canada's taxation system. That would be during the first Liberal government of Pierre Trudeau, I believe. The Liberals reviewed and overhauled Canada's tax system. Among other initiatives the review involved the expansion of the network of tax treaties with other countries.

Interestingly enough, we were looking at tax avoidance way back in the 1970s. I believe one of the earlier speakers talked about \$6 billion, and that is probably a conservative figure, in tax havens around the world. Clearly, there is a lot of work that has to be done, cracking open these tax havens.

● (1530)

I know the Bloc members are extremely interested in the tax haven issue and they have talked about it, certainly in relation to the throne speech and other pieces of information. My time is not unlimited and I have a lot to talk about.

We have all these governments over many years making declarations that they will cut down on tax havens and close the loopholes. How many times have we heard governments say they will do this? They have the entire power of the state behind them to do it, and they are spectacularly unsuccessful. Just to show how important a single person can be in this world, in the last year an employee of a bank in Switzerland, a little guy, took a backup tape containing the names of thousands of people, German citizens, Canadian citizens, citizens from other countries, who were avoiding taxes on undeclared income in these banks. I do not know what his motives were exactly, but whatever they were, he sold the tape, and the German government bought the records that dealt with their own citizens. He may have sold it to other countries too. The ripple effect was that Canadian taxpayers were rushing for the exits to take advantage of the tax amnesty offered by this government to voluntarily declare their undeclared income.

The moral of the story is that Canadian citizens are free to seek out and invest in tax havens in other parts of the world, not pay taxes on their capital gains, on the interest they get on this money, and the worst that happens to them is that they can simply walk into the nearest Canada Revenue Agency office and make a voluntary declaration. It is called an amnesty. If they do that, they do not even get a slap on the wrist. They simply pay the taxes and I suppose they

are told to behave themselves in the future. If they do not voluntarily declare, they would be in trouble if they get caught, which is why so many of them have been voluntarily declaring.

This is an example of one little guy, one worker in a bank, stealing a tape for whatever reason and selling it to the government and essentially setting off a firestorm of activity. I believe there are also movements afoot now under the Obama administration, predicated more on the terrorism issue than the whole idea of trying to collect taxes from tax evaders. The reason the Americans are putting pressure on the Swiss banking system and other banks that hide information and keep it private is that they want to uncover moneys that are being stored in these facilities by terrorists. That is the motivation.

However, the Americans were happy to avoid doing that all these years. The Swiss system got rich over the years by taking money from drug cartels, arms dealers and all sorts of unsavoury organizations and people. In fact, drugs dealers and arms dealers who put millions and probably billions of dollars into Swiss banks over the years in many cases were actually getting zero interest on their money. That is the explanation why Swiss banks are able to lend out the money. Back in 1987 when Canada's interest rates were in the 18% range and we could buy GICs at the Royal Bank, or treasury bills, at 18% or 20% for a month, we could get money from Switzerland for 6% from Swiss banks.

● (1535)

I am told that many of the people involved in dirty money essentially put that money there and expect nothing. They are just happy to have the money protected and to have the veil of secrecy and privacy at their disposal.

They will put millions and millions of dollars in a Swiss bank with no interest, none whatsoever. Of course that is why the bank can turn around and lend it out at low rates.

This system lasted for many years but it is about time we, as a group of countries, started to crack down on people who try to avoid paying taxes.

I turned on CPAC last night and saw Mr. Snowdy talking about Rahim Jaffer, former MP, and how he was alleged to be setting up accounts in a bank in Belize. Belize is not on our list of countries that have treaties like this, but the question I would have is this. Are people like that, who are trying to plan out their careers in tax evasion, looking at our list? Are they looking at the list of countries where we have these tax treaties and trying to avoid the tax treaties?

Of the 80-plus countries we have on the list, where we have tax treaties, we have Algeria, Argentina, Armenia, Australia, Austria and then we have Barbados. I looked through the list of countries and I do not see any that come across as tax shelters until I get to Barbados under the Bs.

There we have a case where we have one of these tax treaties in place. We had the Bloc critic speaking this morning, and by the way he apologized for Lichtenstein. He and I checked it because it was not on my list. He admitted that it in fact is not on the list.

Government Orders

He explained in very good detail about the tax haven situation with regard to Barbados, I believe. He was explaining that the OECD has a tool to detect tax havens. He said there are four criteria that it uses to be able to tell whether a country is a tax haven: the taxes of a country were either low or zero, there was no transparency, there were no filings to be made, there was no due diligence and there was no economic activity. I believe he was describing a situation where we had an increase in Canadian investment in Bermuda, Barbados and the Cayman Islands from \$30 billion up to \$90 billion, and these are countries where we do not have these tax agreements.

There is a grey list and I believe Belize is on the grey list.

I have no idea why Mr. Jaffer would have chosen Belize, because Belize is not necessarily even one of the countries on the best-tax-haven list, but still we certainly do not have a treaty with it.

Grenada is on the list. Just several weeks ago there was a report in the press about Grenada and how in the last two or three years there was a spectacular tax evasion scheme going on using a Grenadian bank. I believe an American or Canadian citizen went to Grenada and set up the bank, and it was just a front. It was a rented office. There was no real bank there at all. Millions and millions of dollars were being bilked from North Americans.

• (1540)

So there is obviously more at play here than what is involved in these tax treaties. Before we go around signing another 80 of these treaties, we should find out just what we have gained by signing the 80 we have right now.

Ms. Irene Mathyssen (London—Fanshawe, NDP): Madam Speaker, I want to touch on something I heard in a speech by the member for Burnaby—New Westminster. He talked about the fact that, in signing this treaty, the government of the day would say that even if there are indiscretions in places like Colombia, that does not mean we should not go ahead with signing an agreement. Yet we have been very reticent about signing a free trade agreement with Colombia because of the crimes against labour leaders, workers and indigenous people of that country. The United States and certainly the European Union felt similar concerns.

In light of the behaviour of Colombia in regard to its environment, its people and trade unionists, should we not stand back and say, no, we are not going ahead and signing a tax treaty because that legitimizes the kinds of behaviours we are seeing in Colombia?

Mr. Jim Maloway: Madam Speaker, that is a very good question from the member. I would like to see what these 87 tax treaties have accomplished in the first place. I asked the government that question this morning. Members were not able to give me even one example of their being able to collect some money owed to the government because of tax evasion or tax avoidance. Why would they promulgate more of these agreements when they do not even have results to show for the first 80?

I already suggested that the government should split them off, if it wanted these bills to pass. There are three treaties here. The Conservatives should have introduced one bill for the treaty for Greece, a second bill for the treaty for Turkey and a third bill for the treaty for Colombia. But they introduced all three together under this bill. One wonders why they would do that, given that they should

have known there would be questions about this. Clearly they do not want their legislation to go through as smoothly as it could have if they had simply split it up.

Having said that, we would still want to know what sort of results we have obtained from all the other treaties we have signed. Why are we signing treaties if we cannot show any results from the first 80?

The next question is about the treaties themselves. I checked over two separate treaties and they are not the same. Are the Conservatives taking the OECD model and basically adjusting it based on how good the negotiators are with the other countries? I am really at a loss to explain that one.

We have said that, when the bill goes to committee, we will try to make some amendments to it and separate and divide it, but we are not happy with what the government has done and we think members knew in advance the trouble they were going to get into on this bill.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Madam Speaker, I enjoy listening to my friend. We all know we have the opportunity to do it often, much to the chagrin of the Liberal member for Mississauga South who is losing out on the count and contributions.

My question actually came from a member of the Liberal Party. Underlying these conversations about an increase in treaties and an increase in fair trade agreements from the government, in previous governments there has been a philosophy and a notion that by signing these agreements, human rights will improve in our trading countries, the environmental regulations will get better and workers' rights will improve. There is sort of this litany of other consequences from signing these trade deals.

My hon. colleague just talked about how the government has not proffered any evidence, one way or the other. Was this trade deal a good trade deal? Did this one not work as effectively? It is partly because the government does not use any measurements of success, other than the signature on the deal. It says that once the deal is inked and signed, that is successful.

That does not make any sense. There would not be a business in this world that would have a contract with another business with the only measurement of success being the contract itself. Of course deals are signed in order to get something done. However, when we ask the government what has been done, it does not offer any evidence and says that it needs to sign more.

I wonder if my friend could comment on this issue because there seem to be concerns coming from the Liberals as well. This is from a previous question by the member for Scarborough Centre who referred to Colombia, Greece and Turkey and resistance with Colombia because of human rights. He said, "Today we have an island called Cyprus. One-third of it is illegally occupied by Turkish forces. There are 1,600 Greek and Turkish Cypriots still unaccounted for with regard to laws, properties, et cetera. If that is not a violation of human rights on behalf of Turkey, what would he say to his Greek Canadian and Greek Cypriot constituents?"

Government Orders

Here we have even Liberal members, which is defying description, raising concerns about these other elements, elements of human rights and elements related to the environment. I wonder if my hon. colleague could comment on the evidence, or lack of evidence, about whether these treaties actually accomplish any of these other benefits.

• (1545)

Mr. Jim Maloway: Madam Speaker, 87 treaties have been signed and, from what I can see, only one of them was signed with a country that would be seen as a tax haven, and that is the country of Barbados. Having signed the agreement with Barbados, one would think we would be able to determine, with some degree of accuracy, how much progress we have made in turning around the tax haven status of the island of Barbados.

As the Bloc member pointed out, Bermuda, Barbados and the Cayman Islands had an increase in investment from \$30 billion to \$90 billion. We do not have tax conventions with Bermuda or the Cayman Islands. If the intention here is to cut off the tax havens, then why do we not go out and try to sign tax treaties with the worst offenders of the tax havens? However, we are not doing that. We are signing them with countries that evidently we do not have a problem with them being tax havens. The minister, if this whole idea was working, presumably in his speech would have singled Barbados out.

He would have said, as the member for Kings—Hants would say, “Well, we signed this agreement with Barbados, and look at the huge improvement we have had in their tax haven status. They have gone from being a tax haven to a non-tax haven”.

That is not what the Bloc member described this morning. The way he described the companies operating in Barbados, they clearly are still operating in a tax avoidance environment, which is not something the government should be trying to emulate.

I think that the government is operating on the basis that this whole agreement structure facilitates trade. If members read the speeches from the senators in the Senate, that is what they would notice in their speeches. It is all about trade and this is just one little piece in that whole idea that we are open for business and let us trade with one another.

It is just lip service being paid to shutting down tax havens. If that were the intention here, there would a different picture being presented in this situation.

• (1550)

Mrs. Carol Hughes (Algoma—Manitoulin—Kapusksing, NDP): Madam Speaker, my colleague is exactly right. We see a government that keeps throwing stuff into bills and budgets that does not make sense. It put in the Navigable Waters Act. It attacked pay equity in the budget. Now it is putting forward a bill that should be two separate bills.

Maybe my colleague could reiterate why it is important to have a bill that would specifically address the issues with regard to Colombia.

Mr. Jim Maloway: Madam Speaker, the simple answer is that if the government had a specific bill that dealt only with Colombia, another one that dealt only with Greece and another one that dealt

with Turkey, it would get two of the three moved through the House in an expeditious way. That would be the bottom line on it.

Just for a moment I want to deal with the situation in Barbados, which is a tax haven that has an agreement. The Bloc member indicated that to register, people had to have their headquarters there, had to have one meeting a year, had to keep minutes and had to have one director who was a resident and they could pay the director as little as \$1,500 a year. This is the way it is set up. There is also banking secrecy.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Madam Speaker, it is encouraging to hear my colleague from Winnipeg talk about the implications of tax policy, with having done so much research on it, because those implications affect so much of what we do in this place, primarily the government's ability and willingness to collect taxes fairly across the country. Are there special understandings within the political class here, the cabinet, and those families that can even afford to even consider things like tax havens?

I suspect that most Canadians watching this have not contemplated with their families around the dinner table what to do with their tax haven structures this year. Most Canadians are struggling to make ends meet and pay their fair share of taxes, and are willing to do so, but it is when they hear stories of the excessively rich families in Canada making a certain amount of money, wanting to avoid taxes and then skipping town, essentially.

Some of these same folks end up getting a little pin on their lapels or the Order of Canada from prime ministers for their great and dutiful work for Canadians. The irony and the hypocrisy in that alone smacks so hard against Canadian values.

Bill S-3 is a bill that has come forward from the Senate. It is great to know that every once in a while the senators rouse themselves from their afternoon naps and produce something. However, it is a bill that does not necessarily mean a lot in its particulars but, in general, has implications for all of us.

In Bill S-3, as my friend from Winnipeg said, the government quite intentionally included a country that may cause problems, because it is trying to do a free trade deal with Colombia right now and now it is slipping it into this taxation bill. It is striking to me and to others why these three particular countries are locked together and why it is of interest to the government to include such diverse economies together into one piece, but the government has chosen to do that so we must work with that.

The issue that is in front of us is how to deal with this bill. The NDP has suggested, quite rightly, that the bill should be split, that it should be broken up into its contingent parts so we can deal with each reality on its own. The government at this point has refused that, but let us look at the pattern of how the government operates when it comes to making legislation and the role of the government.

Government Orders

Right now at the finance committee, members are dealing with Bill C-9, which, by all measures and accounts, is a Trojan Horse bill. It is supposed to be a budget bill but it is an omnibus bill, which means that it includes a whole bunch of different pieces. The government has included things like raising airport taxes and the selling off of Atomic Energy of Canada Limited, the largest crown corporation in this country. It is the nuclear industry. It has also included a watering down of environmental regulations on, of all things, the oil and gas industry, which is quite ironic to think about doing that right now. All of these things are embedded into a piece of legislation that is meant to be a budget bill, a finance bill. That is a cynical form of politics. It is a form of politics that says that it does not want to debate these things on their merits.

Let us just take one of those pieces as an example, the selling of AECL. Canadians, over the 50 years of this crown corporation existing, have put somewhere north of \$21 billion into it to develop the nuclear industry here in Canada, both on the energy side and creating isotopes. That is a lot of money. What else could have been done with \$21 billion? However, here we are and the money has been put in.

It actually says in legislation that was crafted in this place that in order to sell or break up AECL, the government must bring a bill before the House for debate. That makes sense. That is reasonable. That is what every other country around the world does. However, rather than debate the sale of AECL or how to break it up, or any of these other things, the government instead has slipped it into a budget bill and has said that it is a matter of confidence.

It also tacked in this thing about raising taxes at airports. This is from a government that is constantly claiming that it is cutting taxes. It is becoming laughable because at the same time it is raising them, like the HST.

I am a member from British Columbia and I was just at our first farmers' market in Terrace, B.C. this weekend. I manned the HST booth for a couple of hours and heard from constituents in British Columbia how frustrated they are that when they flick on the evening news they hear Conservative minister after minister talk about their glorious tax cuts, when they know in British Columbia and in Ontario that they are moving the HST onto the backs of hard-working families who will pay more taxes.

•(1555)

It was a tax that was brought in by a British Columbia premier who promised not to do it. The Conservatives pretend they had nothing to do with it, forgetting that their fingerprints are all over a \$1.6 billion bribe that they sent to Ontario. The government took \$1.5 billion from taxpayers to bribe another level of government to raise taxes on those same taxpayers. This is the way the Conservative government cuts taxes.

It is unbelievable that those guys can still walk upright and claim the high moral ground on taxation when they took \$1.5 billion and slipped it into a budget bill to raise taxes in British Columbia and another \$3.5 billion or so to Ontario. That is remarkable.

What is remarkable is that the folks who were coming up to us at this farmers market were from all political persuasions. Folks from across the political spectrum were saying that whether it was this

type of tax or another type of tax, the process stunk. They were signing a petition so a free and fair vote could be held in British Columbia to decide things.

Bill S-3 is another effort at talking about things without actually doing anything. We have asked for evidence from the government about the effect of these treaties. The government has signed, I believe, 87 agreements. The Conservatives think they are great free traders because they have signed these agreements. They say that they are fantastic, thereby implying that something actually has changed in the world.

It must have cost a lot of money to print 87 treaties, never mind sending negotiators all over the world to make these things happen. These things are not free. We have invested in these things. We are asking for a return on our investment.

We want to know what has changed in tax policy. Have we caught those folks who take their money offshore to a tax haven? Have we recovered any funds from the people who have earned their money from investments by Canadians and then skipped town before the bill is due? The government has not provided any evidence.

This leads one to some suspicions. This is again the portrayal of action without anything actually changing. This is a level of government of which people are growing increasingly tired. If the government is going to do something, then it should do it.

I come from a remote rural part of northern British Columbia. When somebody says he or she is going to do something, often it is a handshake and the agreement is made. Then we go forth and do it.

To set up all these agreements with no evidence as to whether they work or not, or which kind work better for which situation, is governance by a certain ideology rather than governance by any kind of thoughtfulness and debate.

With this bill, the government is lumping three countries together so it can get the numbers up. It is signing more treaties, all the while refusing a fundamental principle of trade, which has been evolving, growing and maturing around the world for the last 50 years.

That is the counter to the free trade ideology. We can trade with other partner countries but we have to do it fairly. Everybody knows that nothing is free in this world. Even the terminology free trade must sound good, it must mean good things. However, when we ask about fair trade, when we ask about trade that is on good terms with our trading partners, that would improve working standards, that would take care of the environment, that would ensure we do not support regimes that we would never tolerate here, the government is silent. It is not interested in those types of trade agreements, and we see that with Colombia.

Our member for Burnaby—New Westminster has been pushing hard to get some sort of review of the human rights situation in Colombia. He has made some progress with members after a massive campaign involving thousands of Canadians. They would like to know that their trading partners are living up to some sort of standards, some sort of requirement, for the privilege of trading.

Government Orders

That is how trade works. It is a privileged status. It is not a right. Countries do not trade with each other based on any fundamental rights. Countries trade as a privilege. It is the same with operating a business. It is not a right to operate a business in Canada. It is a privilege. One has to follow certain rules and those rules cannot be broken.

If someone ducks out on taxes, the government comes after that individual, and rightly so, except for a particular class of Canadians. When we get into the billions of dollars, suddenly a whole new set of rules apply. People go to what is called a tax haven, and tax havens, as has been described earlier today, are set up by countries that have a skeleton of a banking sector. They are often islands. They are often very small countries, sometimes democratic, sometimes not. The list of prestigious Canadian families who have their money socked away in these tax havens is astounding.

• (1600)

We see it time and time again, whether it is Liberal or Conservative governments. A little private meeting goes on and Revenue Canada says that is all right. We saw it with a former prime minister, for goodness sake, who got caught evading taxes. It was Brian Mulroney, a Conservative. Those folks used to know him, then they pretended they did not know him and now they know him again, I think. What did he do once he got caught. He cut a deal with Revenue Canada. If he paid back a portion of those taxes, it would be satisfied.

I wonder if the government offers that same deal to the average hard-working Canadian taxpayers. If they are having a hard time this year or last year paying their taxes, Revenue Canada will cut them a deal and they will only pay 50%. Of course not. The system would not work that way.

However, when we move up into this upper echelon, if it is a Brian Mulroney, or a Bronfman, or somebody who has some connections to this place, they can cut deals with the government to pay half of the taxes they actually owe. How does that make any sense? How can those guys call themselves fiscally conservative if, at the same time, they allow tax avoidance to go on? How can they be running deficits while, at the same time, taxes owed to the good people of Canada are not paid. The only reason is because there are connections, there is the familiarity, there is a need to have some sort of comfort with certain Canadians who are of a certain wealth.

On the agreements with countries, we hope, as Canadians, that our presence in the world, our ability to connect with other countries is for a betterment of the world. We do not go forth, whether it is through military or diplomacy or trade, hoping to make the world a worse place. Part of our underlying belief as Canadians is that we have accomplished something in our country that is, as some have said, a country that works well in practice but not in theory. We want to be a symbol and an example on certain issues, particularly, for other countries struggling to establish a democratic rule of law, struggling to establish women's rights and rights for minorities, rights for the gay-lesbian community. Canadians feel okay with promoting those things overseas. We hope we do that through our diplomatic core and our military, from time to time.

However, when we look at the free trade ideology coming from the government, all these other issues get short shrift. One wonders if

the government even believes that trade is a mechanism and a vehicle for promoting human rights and environmental standards around the world. Conversely, and I think this is much closer to the reality for those guys. The very nature and vision of the role of Canada, the very vision of Canada promoted by the Conservative government is not one that supports human rights. It is not one that supports environmental protection or the rights of first nations people. The reason I can make that strong statement is there is so much proof that the government does not mind cutting access to women's programs. The government does not seem to mind cutting back funding for certain groups that it does not like if their ideology is not right. It does not mind watering down environmental regulations on the oil and gas industry. In fact, the government suggests the oil and gas industry can regulate itself, which might be better.

In committee this morning we heard that our national regulator that governs oil and gas for most of the country, with the exception of Newfoundland and Labrador, had said that it was no good to have these regulations any more, that we should just be goal-oriented in our rules. Let us not have rules, in fact. Let us just have guidelines. Would it be a good idea to just have goal-oriented guidelines for driving regulations or for the safety of our homes and our streets? Of course not. We put regulations in place.

As my father-in-law, who works for a compensation board in British Columbia, says that a lot of the rules and regulations that govern industry for workers' safety are written blood. What he means is those rules were not invented out of nowhere. They were often invented after there had been an accident. In his case, workers' safety, somebody died, or somebody was hurt seriously. They realized they had to change the rules guiding construction, or a certain industry. They had to make them stronger so people could go to work knowing they would come home at the end of the day. That is the principle from where regulations and rules come. There is not a little office of people sitting around Ottawa, not that I am aware of, who make up rules for the sake of it. We make up rules and regulations so they enable good practice to flourish, so they give people a fair opportunity earn a decent buck to be social citizens. There is a social licence to operate that is buried within it.

However, when it comes to the regulations, the government promotes a Canada that does not necessarily believe in this, that industry can self-regulate. If we look to the Gulf of Mexico right now, we see what happens when an industry is given more self-regulation.

Government Orders

• (1605)

This does not always happen in one shot. It happens over time. There is a creep, they call it. It creeps edge by edge. We saw it in the stock market in the U.S. and in Canada. We put rules and guidelines in place to try to contain some of the greed that would be rampant in any stock market, because it is a profitable place to make money. We put those in place because not everybody was very ethical. Some traders want to bend and break rules and rip off their investors. In American, it was the Glass-Steagall act. In Canada, we had a bunch of other stuff, but the creep happened.

Bit by bit, the Americans eroded some of their guidelines. They eroded the rules and decided to do outcome-based guidelines. The outcome-based guideline for the stock market is to make money. If people keep making money, that is all right, but they will not be guided. The invisible hand of the free market will save them at the end of the day.

The marketplace is a magical thing. It can bring billions of dollars into new technology, ideas that spur innovation and that ambition can be allowed to flourish. However, it needs to have some rules and some sort of containment so people who try to do the right thing are rewarded and those who are crooks are thrown in jail. We take away all those regulations and they make guidelines. We make goal-oriented objectives and we get what we get, which is the worst of the worst are able to manipulate the system to their best abilities and make money in unethical ways.

Now we move to trade in Bill S-3, the bill from the Senate. We need to have these tax deals so people are not double taxed. That is a very fine principle. It is something we can support. Then we look at all the existing tax haven countries. Has the government signed any treaties with those countries, the places where people actually set up tax havens?

I have not known Turkey to be a great and rampant source of tax havens for the wealthy and rich around the globe, because it is not. We have the list of the places that are. Transparency International runs a list of the most corrupt regimes every year. Some of those are also the regimes where these tax havens exist. All one has to do is pay somebody off to not pay any taxes in the country, to never have to declare it and to have one board member.

Former Prime Minister Martin ran his whole shipping company under different flags of convenience. Why are they convenient? Because if people have shipping companies like the former Prime Minister of Canada did and they do not want to follow Canadian, American or European law, they fly them under the flags of some backwater African country, which has no rules or regulations for shipping. Therefore, they do not have to stand by any labour or environmental laws because they have this convenient flag flying over their ships.

The problem with the government's ideology on this is it also applies a flag of convenience to its trade policy. It uses trade in a convenient way to accomplish only a very narrow band of things. There are those of us who believe strongly that trade with a country can be an opening of a conversation about improving the conditions for people on both sides of the deal, both Canada and the country with which we are trading.

There is some evidence that this has happened around the world. In the last 25 years, we have seen steady improvements for the lowest-income people across the globe in some regions. However, it is false to think that this just happens naturally and that it is some byproduct that will happen no matter what we do. Very strong evidence exists to show this is the case.

We traded with Iraq during the entire Saddam Hussein regime. We bought its oil. The Americans bought its oil. We did not put a single stipulation in place. We had to drive furiously at a previous Conservative government to get a proper regime set up against South Africa when apartheid existed. We had to make the moral implication. The argument against any trade sanctions against South Africa was that free trade had to reign. That was the most fundamental principle. If we just traded with South Africa, it would eventually let apartheid dissipate.

Of course that was never going to happen. It would still be there today if the world did not get together and say that, as part of human trade, we would insist on human rights. As part of our trade with South Africa, to buy its resources and products, we would insist that it also treated all its citizens with some level of dignity. It was a good moment for the world when we finally decided that. Conservative ideological thinkers were against it. They opposed every step of the way.

• (1610)

We see it again here today. We need good trade policy in Canada. We are a trading nation. We need to shut down tax havens around the world and have people, whatever their social standing, pay their fair share of taxes. It is the right thing to do.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Madam Speaker, it has been rightly pointed out that when we go through the list of the 87 countries that have signed these tax treaties, there is only one that looks as though it qualifies as a tax haven.

If the member for Kings—Hants is correct, that the way to get these rogue countries in line is to sign tax treaties and free trade treaties with them, which would somehow alter the way they do business, then Barbados should be a perfect example of a country that is totally reformed, yet we have lots of evidence to the contrary. It is still as big a tax haven as it was before.

Then we look at the real tax havens and we find that we have tax treaties with none of them. If we are trying to stop Canadians from putting their money in tax havens, then one would think we should be sending our negotiators off to sign treaties that will turn these practices around with those countries that are known tax havens.

How do we treat Canadians who engage in investing in tax havens? We give them an amnesty. When the Swiss bank employee gave out all the information from the computer disk last year and we uncovered all of the Canadians' undeclared income, thousands of Canadians rushed into the nearest Canada Revenue Agency office and took advantage of the amnesty. What sort of message are we sending to Canadian high rollers? We are telling them to go ahead and invest in tax havens, because what is the worst that will happen? When they get caught, all they have to do is go to the nearest Canada Revenue Agency office and the amnesty applies. They declare that they have been bad, they declare the income, pay the tax and they are scot-free.

Government Orders

That is not the way to run the system. We should not be giving tax amnesties. We should be shutting the door on these tax havens and saying that if people take a chance and send their money to a tax haven, then when they are caught they will do time in jail. That would be tough on crime, but the government is not tough on crime.

Mr. Nathan Cullen: Madam Speaker, shutting down tax havens is not an easy thing to do for two reasons.

The first would be the political connections of those who use tax havens. It is not the average citizen who is flying around the world in a Lear jet looking for the best tax haven available. These are folks who have means and resources and sometimes strong political connections. We have seen that here in Canada.

Second, even though it is difficult, it is necessary, and if the government were sincere about the effort to shut these things down, it would do something very particular that is not actually in the bill. It would include some way to measure its effectiveness. It would include some way to say that after six years or after 10 years, it would look back and measure the effectiveness of closing down these tax havens.

Again, the number of tax havens in Turkey escapes me right now, but I suspect it is not that many. The question is, does the government have the courage, if I can use that word, to actually go after real tax havens? If it does that, will it do that with the full support of the House? Madam Speaker, you had better believe it. Would it do that with the full support of Canadians? Absolutely. Canadians pay their taxes because they know it is that money that pays for roads, schools and hospitals, but they get properly cheesed off when they find out the richest of the rich do not pay a nickel.

• (1615)

Mr. Pat Martin (Winnipeg Centre, NDP): Madam Speaker, I want to thank my colleague from Skeena for his passionate speech on this subject which really makes Canadians' blood boil the more they think about it.

I have looked on the websites of a lot of chartered accountants and they advertise tax-motivated expatriation. That is the code. Those are the buzz words for sleazy tax-cheating loopholes. That is what it is.

Perhaps my colleague would like to comment on something I read in an article by Diane Francis, a right-wing journalist, in the *National Post*. She was calling the public's and Parliament's attention to one of these sleazy tax-cheating loopholes, her words I believe, involving family trusts. A wealthy family can expatriate its entire fortune for a one-time payment of 25% tax. From thereon after, all the money earned out of country by that block of money, even if it is repatriated into Canada, is tax free.

The children of that wealthy family, and there might be dozens of them, could all be getting an income from that offshore pool of money and never pay taxes again on that money expatriated from Canada.

The United States does not allow it. I do not believe there is a western country in the world that allows it. I wonder if my colleague has heard of that and thinks we should address that as well.

Mr. Nathan Cullen: Madam Speaker, one of my colleagues from the Conservatives said, "Was that not the Paul Martin scheme?" No.

He had set up an entirely different scheme to avoid paying taxes and avoid rules. He orchestrated multiple tax havens.

It is somewhat ironic but I remember asking him at one point that as the finance minister of the country, the person in charge of tax policy, how did he feel about avoiding taxes while imposing taxes on Canadians. He had his own company which was doing quite well. This was not a company that was on the ropes or dying and he needed to do something about it. The company was doing quite well. He just wanted it to do a fair shake better. He was avoiding taxes while he was imposing taxes on Canadians.

We can remember that the 1990s, and this was raised during oral questions today, was a time when we were making very difficult decisions in this country about cutting back on folks. The hypocrisy of that moment, which was not felt by the then finance minister, someone hoping obviously to become the leader of the country, is so discouraging to Canadians.

The idea of having tax-motivated expatriation, the idea that one can make a whole whack of money, move it out of the country and pay a one-time small penalty on it and then slowly move it back in for generations to come is tax avoidance. Tax avoidance in most places is against the law because if one person does it, everybody does it and the whole system starts to fall apart.

The impression is that it is the wild west down on Wall Street and that Canada is the land of bliss and tight rules and serious governance. The OECD, a group of the most developed countries in the world, came out with a report citing all of the different barriers to trade and investment of each of its member countries. This is an exhaustive report. The number one reason that it cited not to invest in Canada was the lack of fair rules and regulations. Our markets were seen as too risky because we did not apply the rules consistently to companies. Investors were shy about putting their money into the country.

It was not high labour rates. It was not high environmental standards. Lord knows those are all being watered down. It was the simple fact that our market was not being governed properly. With Bear Stearns in the United States, the folks got caught and they did what is called the perp walk. We have seen this. The CEO is put in handcuffs and is walked down Wall Street in front of the cameras. They do it for a reason. It is to send a signal to the other guys to say, "Try this and we will do the same thing to you. We will humiliate you. We will put you in jail. No more golf memberships for you".

In Canada, what do we do? We have a self-governing, self-regulating body. I cannot remember seeing any CEO, and there have been a few, who have completely ripped off—

• (1620)

Mr. Jim Maloway: Conrad Black went to the States to go to jail.

Mr. Nathan Cullen: Conrad Black would have never been caught here.

Government Orders

At the end of the day, if the government is really interested in getting at the tax haven issue, we encourage it. These folks should be paying money. No more of this tax-motivated expatriation. It should be illegal. Any accountant that promotes it should be thrown in jail and his or her licence taken away.

Mr. Pat Martin: Madam Speaker, while I have the floor I would like to put forward a motion to make the leader of the New Democratic Party, the member for Toronto—Danforth, the Leader of the Official Opposition for a period of one week.

The Acting Speaker (Ms. Denise Savoie): Members have heard the motion. Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Ms. Denise Savoie): There is no unanimous consent.

On a point of order, the hon. member for Peace River.

* * *

POINTS OF ORDER

ORAL QUESTIONS

Mr. Chris Warkentin (Peace River, CPC): Madam Speaker, thank you for the opportunity to raise this point of order. Today during question period the member for Winnipeg Centre made a wild accusation that a minister of the Crown had taken a bribe. While much of the question was indeed unparliamentary, I would like to point out that without a doubt it was unparliamentary to suggest that a minister did anything illegal. I hope that the member would now apologize for that.

The Acting Speaker (Ms. Denise Savoie): I thank the hon. member for his submission. As I was not at question period, I will certainly ask the Speaker to review the blues and if necessary to come back to the House on this issue.

Would the hon. member for Winnipeg Centre like to respond on the same point of order?

Mr. Pat Martin (Winnipeg Centre, NDP): Madam Speaker, yes, and I do appreciate your taking under advisement the point made by my colleague regarding the question I asked in question period. To aid you in your deliberations on that point of order, I would like to elaborate on what my intent was in the question that I put during question period today.

My question found its origins in the just released report of the Ethics Commissioner looking into a complaint to the Ethics Commissioner that the former minister for natural resources, and I am not sure what her riding is, but she is currently the Minister of Labour, had a fundraiser put in place for her by a bunch of lobbyists.

One lobbyist, Mr. McSweeney, whose brother is the chief of staff to the then minister of natural resources, in testimony to the Ethics Commissioner, bragged in an email that he bought 40 tickets to the fundraiser at \$250 per ticket which would be \$10,000. He went on to say in his testimony to the Ethics Commissioner that when he was successfully lobbying the minister at the very fundraiser that he was sponsoring, she said, "That's great. Let's make sure I get a copy—

The Acting Speaker (Ms. Denise Savoie): Order, please. I believe the hon. members are getting into debate on the issue. This will be referred to the Speaker. It will be taken under advisement and if necessary, the Speaker will return with a ruling on that issue.

I believe we have heard enough from both sides. If necessary, the Speaker will return with some comments.

Resuming debate, the hon. member for London—Fanshawe.

* * *

● (1625)

TAX CONVENTIONS IMPLEMENTATION ACT, 2010

The House resumed consideration of the motion that Bill S-3, An Act to implement conventions and protocols concluded between Canada and Colombia, Greece and Turkey for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, be read the second time and referred to a committee.

Ms. Irene Mathysen (London—Fanshawe, NDP): Madam Speaker, I would like to thank the members of this House who have taken a principled stand against, first, the Canada-Colombia free trade agreement and now this treaty that we see before us, Bill S-3, an act to implement the most recent tax treaties with Greece, Colombia and Turkey.

I did wish to note that there is nothing exceptional in tax treaties. Canada enters into such treaties to help individuals and corporations to work in both Canada and the home country without double taxation, and to prevent tax evasion.

However, in the context of the Canada-Colombia free trade agreement, I am convinced that in order for Bill S-3 to be successful, it is essential to divide the bill. We can then vote for the treaties with Greece and Turkey, and set aside the treaty with Colombia.

The reason for avoiding the treaty with Colombia is related to our concerns with the Canada-Colombia free trade agreement. Our concern rises from the fact that we in the NDP caucus challenge the ethics of that free trade agreement between Canada and Colombia. We need to examine the situation in Colombia and look at it carefully so that we can understand why I am making this statement. Why kind of partner is Colombia, in terms of any kind of treaty?

I have been aware of the circumstances in Colombia for a number of years. I have actually had the privilege of speaking directly to Colombians from all walks of life in regard to the situation that they face in their homeland under the Uribe government. In fact, I have many constituents who fled to Canada because they no longer felt safe in their home country of Colombia.

In the last session of Parliament, I spoke about the CCFTA and undertook to talk about the lack of environmental protection and labour rights in the agreement.

Government Orders

Violations of labour rights and violence committed against unionized workers are among Colombia's foremost human rights challenges. Colombia is the most dangerous place in the world to be a trade unionist. A deep-seated anti-trade union culture exists in that country, both within the government and among entrepreneurs. These entrepreneurs and the government see autonomous organizations of workers as a threat.

There were 2,690 trade unionists murdered in Colombia since 1986, with 46 deaths in 2008 and 27 murders in 2009. Impunity rates for these violations are unchanged. There is only a 3% conviction rate for those who murder. Tragically, these crimes are tolerated by the Colombian government.

Canadians must not be party to this tolerance for violence. It goes against everything we believe about ourselves. It goes against our sense of justice. So, in signing Bill S-3 or in approving a tax treaty with Colombia, I think we are betraying our values as Canadians.

The Uribe government continues to inaccurately denounce union members as guerrillas, statements considered by the unions to give carte blanche to paramilitaries to act, putting workers in extreme jeopardy. Substantive labour rights protections remain in a side agreement of the Canada-Colombia free trade agreement, rather than in the body of that agreement. Enforcement of these rights is entirely at the discretion of the signatory government.

It is not a matter of discretion. It is a matter of life. It is a matter of justice. That life and justice is denied because the complaint process in the CCFTA does not investigate nor evaluate the complaints. There are no independent judicial or even quasi-judicial bodies that could lead to real remedies, that could look at the complaints and expect a change.

As I said, only a matter of discretion in the FTA governs these labour agreements. Unlike the provisions for investors' rights, the agreement offers no trading sanctions, no countervailing duties or abrogation of preferential trade status in the event that a party fails to adhere to labour rights provisions.

What it does institute, though, are fines. Fines for murder. That is just beyond belief.

Investors have rights, very clear and substantive rights. Workers do not. It defies logic. It defies understanding, and it is basically a matter of kill a trade unionist, pay a fine.

• (1630)

This is hardly acceptable or effective. Fines neither address the causes of the violence nor generate substantive incentives or political will in the Colombian administration to address the crisis and bring an end to the violence against trade unionists. Quite simply, there is no justice.

Given the scale and the depth of labour rights violations in Colombia, neither the Canada-Colombia free trade deal, its side labour deal or this tax treaty should be implemented. The fact is that it is more likely that agreement provisions for market liberalization and investors' rights, which are substantive, will exacerbate conflict and violations of workers' rights.

How on earth can we be party to this? How can we do it? How can we talk about tax treaties and trade agreements with a country where people's lives are in danger simply because they stand up for their rights?

Once Canadians understand what the proposed Canada-Colombia free trade agreement contains and what it means to sign a tax treaty with such a regime, they will simply reject it and they will ask this Parliament to reject it.

I would like to also speak about the crimes currently committed by the Uribe government against indigenous Colombians.

In a new report released February 23 of this year, Amnesty International called for immediate international action to ensure the survival of indigenous peoples in Colombia. It stated:

The organization says guerrilla groups, state security forces and paramilitaries are responsible for grave human rights abuses against Indigenous Peoples. These abuses include killings, enforced disappearances and kidnappings, sexual abuse of women, recruitment of child soldiers, persecution of Indigenous leaders and forced displacement of communities from land that is rich in economic potential.

People are quite literally forced from their land because they live in areas that are valued for their natural resources, including oil and minerals. Amnesty has stated that the situation of indigenous people in Colombia is nothing short of an emergency. Until countries like Canada recognize the gravity of this situation and exert much needed pressure on the Colombian government, there is a real risk that entire indigenous cultures may be eradicated. Signing tax treaties is not exerting pressure. It is simply going along with what is happening there.

According to the National Indigenous Organization of Colombia, ONIC, the survival of 32 different indigenous people in Colombia is at risk as a result of the armed conflict, the impacts of large-scale economic projects and a lack of state support. According to ONIC, at least 114 indigenous men, women and children were killed, many others threatened, and thousands driven from their land in 2009 alone, in one year alone.

In its latest report, Amnesty International says the threats facing indigenous people are intensifying and is calling on guerrilla groups and state security forces to respect the rights of indigenous people not to be dragged into hostilities, and equally importantly, to respect the rights of indigenous people to own and control the land on which they depend for their cultures and livelihoods. Tragically, indigenous leaders in communities that try to defend their land rights commonly experience threats, killings and mass displacement.

Colombia's ongoing armed conflict has affected millions across the country and left tens of thousands dead, tortured and forcibly disappeared. The vast majority of victims are civilians. In the last seven years, more than 1,595 indigenous people were forcibly killed or disappeared as a result of the armed conflict, and in 4,700 collective reports, threats were reported. In the vast majority of cases, these crimes have not been properly investigated, nor have the perpetrators ever been brought to justice.

Government Orders

Just as with trade unionists, the death toll is rising and still the Conservative government is determined to pursue trade agreements that are highly questionable and to enact a tax treaty that is equally questionable.

As Amnesty International testified at the House of Commons Standing Committee on International Trade in November 2009, one of the most worrying trends is a dramatic increase in the number of Colombians forced to flee from their homes, as many as 380,000 in 2008, and there are more every day. That brings the total number of internally displaced people in Colombia to between three million and four million, among the highest in the world, and it is growing.

● (1635)

Forced displacement has paved the way for misappropriation of lands, mostly by paramilitaries but also by guerrilla groups. It is estimated that more than four million hectares of land have been stolen by paramilitaries in this way. Displacement is one of the greatest threats facing indigenous communities, as in the case of Colombia.

I do not believe it is a coincidence that this happens in oil and rich minerals, and remarkable biodiversity. International mining, agribusiness and those who extract oil have a vested interest in these territories, all at the expense of people who have a right to live on these lands. We know that multinationals, including Canadian businesses, are interested in Colombia and are participating in the exploitation of resources.

According to the director of the United Nations High Commission for Human Rights in Colombia, when this displacement to urban centres occurs, it becomes very complicated. Since most of the indigenous women do not speak Spanish very well, the immensity of the city frightens them with its anonymity and lack of solidarity among residents. The women face new problems in raising their children and relating to their partners because the city is not a customary environment.

In addition to this uncomfortable environment is the anguish of leaving their homes and running with whatever little they had or could carry in order to outrun death and desolation. Accepting new, unfamiliar realities and activities not traditional in indigenous cultures results in culture shock and disorientation. People experience a way of life and language radically different from their own.

This fracturing can result in a breakdown of cultural continuity, as young people find themselves in alien environments and deprived of the social and cultural networks and practices necessary for the survival of their communities. Displaced people are at heightened risk of destitution, sexual violence, exploitation by criminal gangs, armed groups and discrimination. Even in the places in which they seek refuge, they may face further intimidation or violence and have to flee once again.

The inadequate state response by the Colombian government to the needs of internally displaced communities means that some people return to the dangerous situations that they fled. Without support or safeguards that should be provided by the state, the right to traditional lands is crucial to these indigenous people and the right to support is equally crucial. It is vital as an element in terms of their

sense of identity, livelihood, way of life, and it is crucial for their future.

This brings me to the bill that is before us. This bill, as I said before, is of profound concern because it enables the government. It enables Colombia to abrogate its responsibilities. It is completely inadequate for any country to say that this is just a tax treaty, that the government of that country should be allowed to do whatever that government wishes. When one considers murder, torture and the displacement of people, we are treading on very dangerous ground here in our association, both through the Canada-Colombia free trade agreement and this tax treaty legislation.

It is clear that the members of the Liberal Party and the Conservative Party want nothing more than for Canada to move ahead with the CCFTA despite all the human, environmental and ethical costs. I think that we have to answer the ethical questions that are put forward by this discussion. I wonder what Canadians would say if they knew that, in last month's legislative elections in Colombia, independent foreign observers reported vote buying and fraud that allowed narco-paramilitary candidates to maintain influence over the Colombian congress.

I wonder what they would think about the plea to the Canadian Council for International Co-operation from Methodist Church of Colombia Bishop Juan Alberto Cardona during his visit to Canada in November 2007, when the bishop said:

—but we know from other places like Mexico that these agreements might create more wealth for wealthy people, but they make inequalities worse. Whatever new wealth is created does not reach the poor people.

● (1640)

The Canada-Colombia free trade agreement was signed behind the backs of the Colombian people, without any real participation from civil society and without any study on the impacts. Now we are proposing to move ahead with a tax treaty, again, I would say, against the wishes of the people of Colombia.

This is something that must be made very clear to this Parliament and to the people of Canada.

The stage is set for further and increased human rights violations in Colombia. We know that the Uribe government is looking for re-election. We know that this will give it *carte blanche*. Colombians have asked Canadian society, this Parliament, to demonstrate solidarity with Colombian people by mobilizing against the CCFTA. We did not listen to them. We are moving ahead with that. I think that is a great travesty.

Likewise, I think we should be very careful about moving ahead with this tax treaty.

When I began my remarks, I said that the fight against the CCFTA was principled. I have not changed my mind. How can our country contemplate any treaty that legitimizes such a corrupt government as the Uribe government? I believe Bill S-3 would exacerbate this. Therefore, I believe we need to split Bill S-3 so we can go ahead with treaties with Greece and Turkey.

Government Orders

We should not be accessories to the crimes committed against Colombia workers, the Colombian environment, Colombians of African descent and indigenous Colombians by signing a treaty with any government that sanctions murder, rape, the dispossession of people and that sanctions drug dealing and crimes against the human community. Let us rather say in one voice that no treaty, be it a trade treaty or a tax treaty, is something on which Canada is prepared to embark when there are such risks to human dignity.

Because we value human rights, human life and the legitimate aspirations of the Colombian people, let us refuse to engage in anything that might give credibility to the Uribe government and to the things that it represents in terms of its behaviour. Let us stand here together and divide the bill to ensure that Greece and Turkey's tax treaties are respected, but let us not proceed with anything with the Colombian government.

The Acting Speaker (Ms. Denise Savoie): Before moving to questions and comments, it is my duty pursuant to Standing Order 38 to inform the House that the questions to be raised at the time of adjournment are as follows: the hon. member for Elmwood—Transcona, Chile; the hon. member for London—Fanshawe, Veterans Affairs.

Questions and comments. The hon. member for Elmwood—Transcona.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Madam Speaker, it was in 1971 that the federal government reviewed and overhauled Canada's tax system. One would think, now that we have 87 tax treaties signed, that it should be time to take another review of this system to see how well these tax treaties are working.

I asked the parliamentary secretary this morning whether he could tell me the number of tax evasion cases and the amount of money that has been recovered as a result of one or any of these tax treaties but he could not answer the question at all.

We have a government that comes to this House to respond to a bill from the Senate, which is the second go-around, and we have 87 treaties in place, but government members cannot tell us whether even one case of tax evasion has been solved by signing those agreements. They also cannot tell us the amount of money that has been recovered as a result. Yet they want to continue signing more and more of these agreements that may not even work for all we know because we do not know what the results will be.

The Conservatives say that it would reduce or eliminate tax evasion. Barbados is one of the 87 countries with these agreements. Since signing that agreement with Barbados, has it done anything to reduce tax evasion and the tax haven status of Barbados? I will bet that nothing has actually happened. The Bloc member today was giving the information about Barbados and it sounds to me like it is just as big a tax haven as it was before.

When we look at the list of countries that really are tax havens, the government has no agreements with them. One would think that if the Conservatives' intention is to close down tax havens, they would be aggressively looking at signing tax treaties with countries that are in fact tax havens.

I would like to ask the member whether she has any comments on this whole idea that somehow the government has no information

about how the 87 tax treaties have worked since they have been signed and why it would be moving ahead to sign more when it cannot tell us the results of the first 87.

• (1645)

Ms. Irene Mathysen: Madam Speaker, my colleague has raised a very salient point. It seems that the government is on automatic pilot, or going by rote, or simply responding to what the Senate dictates. The Senate says "thou shalt have a tax treaty in place, here is the bill, go to it". Without any thought, without any judgment, the Conservatives simply go along. We have to sincerely question a government that seems to be rudderless.

As my colleague pointed out, it has been 40 years since any effective review. As my colleague also pointed out, when asked, the minister responsible could not provide any information or any answers. It would seem to me that if one is going to pursue a specific course, then one would be well advised to do the research, understand the rationale for that course and to bring something substantive and logical to this place.

We deal here with public policy. As leaders in this country, we need to ensure that the public policy we enact makes sense. The nation depends on our wisdom and our judgment. To hear that the minister responsible does not know the answer to very basic questions makes me very concerned.

In regard to tax havens, we know there has been significant loss in terms of the legitimate taxes owed to Canadians through tax havens. Billions of dollars have disappeared, billions of dollars that could have gone into affordable housing for people who are struggling or could have given us a national child care system. We have been waiting since 1984 for a national child care system. It is a little late in the day in terms of the kind of response that we should have had.

Those billions of dollars could have been invested in environmental protection. The government is oblivious to the fact that we have an international crisis with climate change and that we have a crisis in terms of oil spilling into the pristine, or once pristine, environment in the gulf. It has absolutely no plan in place to protect our Arctic waters from a similar spill. It also has nothing in place to address the real possibility that oil will enter the gulf stream and come right up the Atlantic seaboard and devastate our fishery and our coastlines as it has devastated the coastlines of Louisiana and Florida. Billions of dollars are in tax havens.

We need to get a response from the government. We need to know what it knows in regard to who is utilizing these tax havens and how we can repatriate the money owed to Canadian taxpayers. We need to enact the kind of public policy that makes sense, rather than, as the government is doing, blindly following along, dancing to the tune of a Senate bill without any substantive investigation or understanding of the impact and the effect.

Government Orders

• (1650)

[*Translation*]

Ms. Meili Faille (Vaudreuil-Soulanges, BQ): Madam Speaker, I completely agree with my colleague, who pointed out that Bill S-3 is a large bill, and that we must examine it thoroughly. I remind members of the initiatives that were introduced by the government, for example, in Bill C-9. The government opened loopholes in the Income Tax Act to allow corporations that are not registered in Canada to avoid paying their fair share of taxes. The Bloc Québécois also introduced a number of initiatives to combat tax evasion. Every time, something happened in Parliament, with prorogations or elections, and our bills died on the order paper. The Bloc Québécois also tabled some provisions to combat tax evasion that were not passed by the House.

I would like the member to share with us some real solutions for combatting tax evasion.

[*English*]

Ms. Irene Mathysen: Madam Speaker, I think the member has pointed out some very important realities in her question. First and foremost is that we have a government that runs away. It runs away from its obligations when faced with any kind of situation. It prorogues and leaves the members of Parliament without the forum in which to discuss the kind of issues our country is facing.

In terms of Bill C-9 and the tax loopholes, I do not believe the government has any interest at all in closing those loopholes. In fact, I would say these loopholes have been deliberately created for the very people who support the government, who go to fundraisers for the government and who manage to support it in terms of the election and re-election campaigns. These are the very loopholes that undermine and eat away at our ability as a nation to do things for the people of this nation, which they deserve.

If we look at budget 2010, and I hope I can remember this accurately, currently corporations account for about \$27 billion in taxes, and individuals, ordinary men and women, the people who work hard every day, pay \$116.7 billion in taxes. By 2015, corporations will be up to something like \$29 billion and the people of Canada, those hardworking individuals, will be paying \$156 billion in individual taxes.

This is hardly fair. This is hardly the kind of tax system we should have. We need fair taxes. We need to abandon the practices of the past where we saw a Liberal prime minister, Paul Martin, give \$100 billion in tax giveaways to profitable corporations and the current government give away \$60 billion and in fact, in January 2010, an additional \$1.5 billion in largesse.

The Acting Speaker (Ms. Denise Savoie): Resuming debate. Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Ms. Denise Savoie): The question is on the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: On division.

The Acting Speaker (Ms. Denise Savoie): I declare the motion carried. Accordingly, the bill stands referred to the Standing Committee on Finance.

(Motion agreed to, bill read the second time and referred to a committee)

* * *

• (1655)

NUCLEAR LIABILITY AND COMPENSATION ACT

Hon. Diane Finley (for the Minister of Natural Resources) moved that Bill C-15, An Act respecting civil liability and compensation for damage in case of a nuclear incident, be read the second time and referred to a committee.

Mr. David Anderson (Parliamentary Secretary to the Minister of Natural Resources and for the Canadian Wheat Board, CPC): Madam Speaker, it is my pleasure to be back discussing this bill one more time. It is the first time in this session of Parliament, but I know some of my colleagues who have been on the natural resources committee over the last couple of years, or even the last five years, are very familiar with it.

It is my pleasure today to rise in the House to present Bill C-15, the nuclear liability and compensation act. This legislation would replace the 1976 Nuclear Liability Act. Its purpose is to update the insurance framework that governs the nuclear industry and protects the interests of Canadians in the unlikely case of a nuclear incident.

Bill C-15, as I mentioned, will not be new to the members of the House. Indeed many individuals on both sides of the House and, in particular, members of the present and past House Standing Committee on Natural Resources have worked together and actively contributed to its improvement. Amendments proposed at committee were incorporated into the legislation that is being reintroduced. I would like to thank the members of the committee for their helpful contributions.

Canada's nuclear safety record is second to none. We have a robust technology, a well-trained workforce and stringent regulatory requirements. There are now two pieces of legislation that provide a framework for the regulation of the nuclear industry: the Nuclear Safety and Control Act and the Nuclear Fuel Waste Act. Nevertheless, we must be prepared for the possibility of a nuclear incident that could result in civil damages and have specific legislation that prepares us for such an event if it were to happen. The responsibility of doing so falls under federal jurisdiction.

However, traditional insurance is not appropriate for dealing with this kind of liability. It is difficult, for example, to determine the levels of risk involved. Canada, like virtually all other nuclear countries, first addressed this void with the enactment of special legislation. In the 1970s, we in Canada put in place the Nuclear Liability Act.

Government Orders

What this means is that Canada's existing act reflects the thinking of an earlier period. In the interim, the evolution of jurisprudence has contributed to substantial increases in the potential liability for nuclear incidents, and our approaches to dealing with industrial accidents have evolved. Accordingly, our liability legislation must be upgraded.

Bill C-15 would modernize the older Nuclear Liability Act. It would do so by bringing victim compensation into line with internationally accepted compensation levels. It would do so by expanding categories of compensable damage, improving compensation procedures and increasing the financial liability of nuclear operators.

Up-to-date liability rules are needed to encourage investment in nuclear facilities. They are needed to provide certainty regarding insurance and legal liability for suppliers and for operators. Without this certainty, insurers would not extend coverage to nuclear facilities and nuclear development in this country would be severely curtailed.

The Government of Canada has taken action to assist Canada's nuclear industry remain at the forefront of a highly competitive field. It is investing \$300 million in the operations of Atomic Energy of Canada Limited to try to help strengthen Canada's nuclear advantage.

Global nuclear needs are expanding. Nuclear energy is an important emission-free source of power and it is key to achieving Canada's objective of being a clean energy superpower. However, without certainty regarding insurance and liability, Canada would not be able to advance or attract leading international suppliers and technology firms in the development of our nuclear industry. Having a proper liability regime in place is mandatory if Canada's nuclear industry is to remain competitive.

Of course, it could be argued that Canada's current legislation more or less accomplishes these objectives. Why do we need new legislation when we have a serviceable act in place already? The simple answer is that the current act is outdated. The Nuclear Liability Act was passed in 1970. In terms of today's nuclear technology, that is the Middle Ages. Several lifetimes of nuclear and related technologies have come and gone since then.

In short, as I said before, Canada's existing Nuclear Liability Act reflects the thinking of an earlier period. Our liability legislation must be upgraded.

Nevertheless, there are certain fundamental principles of the 1970 act that must be retained. These are the principles of absolute liability, exclusive liability and mandatory insurance.

Absolute liability means that the operator would be held liable for compensating victims in the rare case of a nuclear incident. This means that victims would not have to negotiate a highly complex industry to determine who was at fault. There would be no question of where to take a claim for compensation.

A second and related principle, exclusive liability, means that no party other than the operator, for example, no supplier or subcontractor, would be held liable.

● (1700)

This removes a risk that would deter secondary enterprises from becoming involved in a nuclear project. Nevertheless to modernize our liability scheme we must have legislation that goes further, while retaining those fundamental principles. This is what Bill C-15 would do.

I would like to talk for a minute about the proposed changes. The proposed legislation would increase the limit of liability for nuclear operators. The current act sets the maximum at \$75 million, an amount that now stands as one of the lowest limits among the G8 group of nations.

The proposed legislation would reflect the conditions of today by raising that limit to \$650 million. This would allow operators to provide adequate compensation without burdening them with huge ongoing costs for unrealistic insurance amounts, amounts for events highly unlikely to occur in this country. Moreover this increase would put Canada on a par with most western nuclear countries.

Bill C-15 would also increase the mandatory insurance that operators must carry by almost ninefold. It would permit operators to cover half of their liability with forms of financial security other than insurance. For example, this could be letters of credit, self-insurance and provincial or, in the case of AECL, federal guarantees. All operators would be required to conform to strict guidelines in this area.

Bill C-15 would make Canada's legislation more consistent with international conventions. It would do so not only with respect to financial matters; it would also do so with clear definitions of nuclear damage reflecting today's jurisprudence and more closely aligned with international nuclear civil liability conventions.

These definitions include crucial matters such as what constitutes a nuclear accident, what damages do or do not qualify for compensation and so on. These enhancements will place Canadian nuclear firms on a level playing field with competitors in other countries.

Both the current liability framework and Bill C-15 contain limitation periods restricting the time period for making claims. Under the act passed in 1970, claims must be brought within 10 years of the incident. However since the passage of that earlier liability legislation, we have come to understand that some radiation-related injuries have long latency periods.

Accordingly, the proposed legislation would raise the time limit on compensation for claims related to injury or death from 10 to 30 years. Both the earlier Nuclear Liability Act and Bill C-15 provide for an administrative process that would operate faster than the courts in the adjudication of claims arising from a large nuclear incident.

However, the proposed legislation would clarify the procedural arrangements for a quasi-judicial tribunal that would hear these claims. This new process would ensure claims were handled both equitably and efficiently.

Government Orders

There has been previous debate about some of Bill C-15's proposed measures. For example, there has been discussion about how and why the government arrived at the \$650 million amount. Questions have been asked about the adequacy of \$650 million for compensation of victims: why the civil liability of a nuclear operator should be limited in amount when the civil liability of other industries is unlimited, why the civil liability of Canadian nuclear operators should be limited at \$650 million when operators in some other countries have unlimited liability and why the civil liability of Canadian nuclear operators should be limited at \$650 million when we are told U.S. operators have a liability in the order of \$10 billion Canadian.

The government's position is that the \$650 million liability would adequately address the public's need for compensation in the event of any foreseeable incident at a Canadian nuclear plant. Although the U.S. operator liability limit is cited as \$10 billion Canadian, in practice individual U.S. operators effectively carry \$300 million Canadian in insurance coverage.

A few countries, like Germany, Switzerland and Japan, do incorporate unlimited liability of the operator under the provisions of their nuclear civil liability legislation. However in practice their liability is always limited to the amount of coverage provided by existing insurance plus the net worth of the operator that is liable.

Questions have also been raised as to how victims would be compensated if damages from a nuclear incident exceeded the operator's \$650 million liability limit. Bill C-15 makes it clear that the minister would be required to assess the need for additional funds and report this information to Parliament. Parliament would then make the appropriate decision on providing funds for compensation.

There has been discussion on the provision in Bill C-15 that limits the ability of operators to carry more than 50% of the required financial security in forms other than insurance to cover their liability.

● (1705)

This provision was introduced in the bill to address operators' concerns regarding, first, the substantial increase in insurance premiums that they may face and, second, their perception of the monopoly held by nuclear insurers in providing the required financial security.

However, certain operators have said they would like more flexibility in negotiating the percentage of alternative securities which they could hold to cover their liability. This 50% limit may be changed by regulation.

Worldwide nuclear insurers have been providing nuclear civil liability insurance to operators for more than 50 years. They provide secure capacity. They are knowledgeable when it comes to assessing and pricing nuclear risks. They have experience handling claims.

Generally, a first tier compensation under national legislation or international conventions governing civil liability requires operators to cover their liability with private insurance or other forms of financial security. Worldwide private insurance continues to be the choice for nuclear operators over other forms of financial security.

The challenge the government faced in developing its legislation was to be fair to all stakeholders and to strike an effective balance in the public interest.

In developing Bill C-15, we consulted with nuclear operators, suppliers, insurance companies and provinces with nuclear installations. They generally support the changes I have described.

I should mention that this bill has also been the subject of a lot of consultation at committee. I think this will be maybe the fourth time that it has been before committee, and we have had extensive hearings each time. There has been widespread consultation on the bill.

While some nuclear operators may be concerned about cost implications for higher insurance premiums, they also recognize they have been sheltered from these costs for some time.

Suppliers welcome the changes as they provide more certainty for the industry. Nuclear insurers appreciate the clarity provided in the new legislation and the resolution of some long-standing issues. Provinces with nuclear facilities have been supportive of the proposed revisions to the current legislation. Municipalities that host nuclear facilities have been advocating revisions to the Nuclear Liability Act for some time. They are supportive of the increased levels of operator liability and the improved approaches to victim compensation.

In short, Bill C-15 was not developed in isolation. The evolution of policy was guided by consultation with the key stakeholders, with Canadians, and by experience gained in other countries.

The reality is that we have the general support of the nuclear industry and Canadians at large for Bill C-15. I would urge members of this House to join in that consensus.

To conclude, Bill C-15 would establish the compensation and civil liability regime to address damages resulting in the unlikely event of a radioactive release from a Canadian nuclear installation. It would ensure that a compensation scheme is in place for victims and would promote nuclear development by channelling civil liability to operators, effectively indemnifying contractors and suppliers.

The introduction of Bill C-15 adds to the government's track record of making responsible decisions on the safe, long-term future of nuclear power in Canada. It adds to the government's record of promoting a safer, more secure and cleaner world through the responsible development of nuclear energy for peaceful purposes.

Hon. Geoff Regan (Halifax West, Lib.): Madam Speaker, I had occasion to work with colleagues on the natural resources committee last fall on this bill and I am pleased that the government has adopted the amendments that were made at that time.

Government Orders

There is one thing I am curious about. The bill is basically the same, with a few small amendments, as it was when it came forward the first time four years ago. Over that time we have certainly seen inflation, but the government has not moved from \$650 million up to even a slightly higher number over that period. That, to me, is a bit surprising.

I would like my hon. colleague to comment on that.

• (1710)

Mr. David Anderson: Madam Speaker, there has been a lot of discussion at committee as the member opposite knows. Actually, the committee agreed to the amount of \$650 million as well, as recently as toward the end of the last session of Parliament. There are a number of reasons for this.

As I mentioned in my speech, one of the reasons is that this seems to be an adequate number to provide compensation that would be sufficient in the event of a nuclear incident or accident.

There has to be a balance between providing the compensation and being realistic in the compensation and the insurance limits that can be provided to the operators. The balance is there. What is best for Canadians? What do we need to have in place in order to protect Canadians? On the other side, what can we do that is realistic? There is no point in making unlimited liability where the operators cannot possibly get the insurance.

The amount of \$650 million has been accepted by the industry, by Canadians, and it was accepted by the committee as well, as a reasonable amount that would be appropriate for an insurance level for operators in Canada.

Ms. Chris Charlton (Hamilton Mountain, NDP): Madam Speaker, I listened with great interest to the member speak to the bill. I have had the privilege of speaking before in the House of Commons to that bill. I have also paid attention to the testimony that we got before committee on the bill.

I would like to start into a long speech, but let me just limit my comments today about what I think are false claims the member is making with respect to the liability standards that exist in other countries.

The government claims that the \$650 million limit is based on international standards, the capacity of the insurance industry and the likely cost of an accident. I think it is wrong on all three fronts.

Let me just remind members what we heard at committee with respect to international standards. Most countries of similar GDP have much higher limits. Germany has unlimited liability and a \$3.3 billion financial security requirement. The U.S. has \$10 billion in pooled insurance. Japan has \$1,300 million. Sweden, Austria and others are moving to unlimited liability. The limit of \$650 million is at the bottom of reasonable international standards.

When we talk about the insurance industry capacity, the Nuclear Insurance Association of Canada testified at the committee that it has increased its capacity and can now offer more than \$1 billion in coverage. If the coverage is available, our law should require it.

Last, with respect to the likely cost of an accident, the department based its cost estimate on a risk study that was restricted to a minor accident at a small plant far away from population centres. The

report author recommended repeating the analysis for serious accidents for larger plants near population centres, like Pickering and Darlington where, of course, we have a nuclear plant. The government failed to respond to this one simple and significant recommendation. As a result, the estimate of the cost of a nuclear accident is far too low, and I think undermines the \$650 million limit.

I would like the member to respond to those concerns, because they are not just concerns raised by us on this side of the House. As I said, those concerns arise out of the testimony that we heard at committee about this very bill the last time it was introduced, and I do not think in this new version the government has done its homework. I do not think it has addressed any of those issues.

Mr. David Anderson: Madam Speaker, I am glad the member has been following the committee, although she was not at it in terms of the discussion.

We need to point out that a number of the NDP amendments were accepted by the committee and they had to do with that. One of them involved reviewing the operator's liability limits.

The government was willing to work with the opposition to try to make the bill work. One of the amendments was that we would be willing to review operator liability limits. Actually there is a five year mandatory clause to do that. In terms of that, the government is certainly willing to take a look at the limit.

Again, as I pointed out, to say that there is unlimited liability in countries really becomes a concept that is meaningless, because at a particular point, insurance companies cannot provide insurance above a certain level. Clearly, insurance companies would provide insurance at any level as long as the premiums were paid, but at some point the premiums become unrealistic.

What we are trying to do, and we have heard a lot of testimony at committee about this, is to balance the interests of Canadians in the event of an incident. What would be the likely scenario if there was an incident? What kind of insurance compensation needs to be there? On the other hand, what is able to be achieved in terms of getting nuclear coverage at these installations?

I think that the limit of \$650 million seems to set that middle ground. We had a lot of discussion about this at the committee, but in the end it was generally agreed that this is adequate and is good enough.

• (1715)

Mr. Mike Allen (Tobique—Mactaquac, CPC): Madam Speaker, I want to thank the parliamentary secretary, my colleague on the natural resources committee, for his comments today. There was a lot of discussion at committee, and this will be my fourth time dealing with the bill as a member of that committee.

There was some discussion about the liability amounts. The member is right in that there is an amount the insurance companies will cover. We even had testimony at committee which indicated that if that insurance was set at too high a level, what it could mean for the operators is that there would be a shutdown of the unit, which would lead to a stranded investment, which would lead into the ratepayers' pockets. I am sure that is what the NDP was hoping for anyway.

Government Orders

I would also like to ask the parliamentary secretary to elaborate on some of the amendments that were adopted in committee, because the last time was the first time that we actually adopted amendments. There were some very good amendments and some good discussion on not only the liability amounts, but some other things as well. Would he talk about some of the other major issues and testimony that we heard?

Mr. David Anderson: Madam Speaker, this is important because the bill has come to the committee a number of times and actually passed without amendment a couple of times. The last time we really wanted to try to work with the opposition and there were some amendments made. We had a lot of discussion and the committee seemed to work very collegially through those amendments. I would be glad to go through the half dozen amendments that were made.

Clause 22, for example, was amended to require that the minister review operator liability limits. We touched on this a minute ago. Actually that also requires that the minister take into consideration the nuclear liability limits in other countries, so the concerns that the NDP member addressed a few minutes ago are taken into account with that amendment.

Clause 69, for example, was added to provide that the first review of financial liability limits had to be completed within 15 months of the act coming into force. The government was not interested in sitting on it for years. If something was not going to be working properly, we were ready to review it and to change it. We think that the limits are good the way they are, but we are certainly willing to take a look at that.

Clause 22(3) was added to the bill in order to stipulate that the minister had to consult before he or she could change the financial liability limits, so the minister would have to go to industry and non-industry stakeholders and also, which is interesting, refer the matter back to the parliamentary committee. Once again the committee could come back into the discussion as it has in the past. I think that some of the members of the committee probably know as much about this bill as anybody in the country.

Clause 26 requires that the minister table the reinsurance agreements. There were concerns about the insurance and reinsurance agreements that are going to be in place for a number of different types of facilities. Those will need to be tabled before the House. They will need to be tabled with an assessment study concerning those agreements. Again we are trying to make sure that the insurance is in place, that it is valid, that it is adequate, and that any reinsurance agreements that are made are publicly available, people can see them and the assessments that have been done on them.

Clause 37 was amended regarding the advertisement of the public tribunals. In case of a public incident, there will be tribunals set up in order to make the judgments about compensation and those kinds of things. We simply made it easier for people to know that this is going to be taking place. Newspapers were added as a media outlet. That is a small amendment but one that is important, because people get so much of their information from newspapers.

This government has shown quite a willingness to open up the bill and to allow the opposition members to have their input into it. We

look forward to working with them over the next few months as we move the bill to committee and hopefully on to completion.

Hon. Geoff Regan (Halifax West, Lib.): Madam Speaker, as Yogi Berra once said, "It's déjà vu all over again". We are back with this bill that the House has seen a few times.

I am a bit surprised in a sense to be speaking to this bill today. Six months ago I was under the impression, at least as far as the House was concerned, and I do not want to speak for the other place of course, that it was a *fait accompli*. Once the committee had worked out amendments to the bill and agreed to pass it in committee, I thought the chances were very good that it would come back and pass at report stage and third reading and then go off to the Senate.

However, we had something called prorogation as members may recall. For some reason the Prime Minister decided he was not that keen on too much democracy, that the House should not sit for a while and Parliament should be prorogued.

It is becoming clear that while the Conservatives want us to believe this bill is a priority, their actions make a mockery of that kind of assertion. After all this is the third time they have tried to update Canada's Nuclear Liability Act and they do not seem to be in that much of a hurry. The first time was a few years ago with Bill C-5, and we heard how important it was.

Mr. David Anderson: Be nice now.

Hon. Geoff Regan: My hon. friend is making some comment, but I cannot quite understand it. I guess it was humorous because his colleague from Tobique—Mactaquac enjoyed it. I am glad to see they are enjoying themselves.

We heard how important it was at that time when they brought this bill in as Bill C-5. Those comments were repeated last year with Bill C-20. Now we are dealing with Bill C-15, the latest incarnation of the government's nuclear liability legislation, and the same arguments are being echoed. It is almost as if there are ghosts in here, there are so many echoes. We will see how far it makes it this time.

Canadians will recall that two years ago it was politically convenient to jettison this legislation so Conservatives could break their own fixed date election law and force a vote before they had to admit how badly they had mismanaged the country's finances. As we learned, they had put the country into deficit before the recession even began by their decisions in terms of spending and tax cuts that they could not afford. We had a deficit last year of \$54 billion and who knows how much in the current year.

Government Orders

Last December the nuclear industry was quite excited when the bill was introduced, when it passed second reading, when it went to committee where it was approved and then reported back to the House. Industry stakeholders thought that after many years the bill would become law. Of course the Prime Minister panicked over the prospect of having to tell Canadians the truth about Afghan detainees and promptly prorogued Parliament to protect his political assets. Nuclear liability legislation became collateral damage to that decision in the government's ongoing battle to suppress the truth. It is really part of the government's ever-expanding Conservative culture of deceit.

However, now we start again from square one. We heard the parliamentary secretary tell the House how important the legislation was to the government and how significant it was to Canada's nuclear industry. That was quite a performance, deserving of some sort of Prairie Oyster award or something like that.

The bill would provide much needed update to industry standards to ensure stability and protection for Canadians. Hopefully this time the Conservatives can put the needs of the nation ahead of their party interests and actually enact the legislation, not prorogue the House, not break a fixed date election law, or whatever.

Bill C-15 would replace the 1976 Nuclear Liability and Compensation Act and establish a clear regime in the event of a nuclear accident. While we pray that never happens, the recent events in the Gulf of Mexico remind us we need to always be prepared, as my son the Boy Scout would say.

One of the key changes in Bill C-15 would be to increase operator liability from \$75 million to \$650 million. That is a significant increase but some ask if it is enough. The last time the legislation was before us the government claimed that \$650 million was all the Canadian insurance industry could bear. That is why it would not entertain going higher to \$1 billion, for example.

• (1720)

However, during a comprehensive study, which we heard about at the Standing Committee on Natural Resources, we learned that this was not quite the case. Hopefully, during this debate, we will hear some more about why the government feels that \$650 million is adequate. Hopefully this time we will get a clearer and stronger answer. We have had a bit of an answer today. We need to hear more about that.

When the former bill went to committee, before it was killed along with the government's talk tough on crime agenda and other bills that the government claimed were so important before it prorogued and killed them all, all parties at that time did agree on a number of amendments that strengthened the legislation. I look forward to the committee's further study in the weeks ahead. My party and I will be supporting sending Bill C-15 to committee.

While the bill would provide much needed changes, the basic principles of the nuclear liability and compensation act will remain the same. Operators are absolutely and exclusively liable for damage. That is one principle. Operators must carry insurance. An operator's liability is limited in time and amount. Suppliers and contractors are effectively indemnified. All those are important basic principles.

According to the Department of Natural Resources, the new liability limit reflects a balance of considerations. It is looking at the question of risk and if it address foreseeable rather than catastrophic accidents and if the insurance reflects insurance capacity that can be available at a reasonable cost. It puts Canada on par with the liability limits in many other countries. It responds to recommendations made by the Senate Standing Committee on Energy, the Environment and Natural Resources.

Since this is the third time the House has seen this legislation, there is little need to address all of its details. Instead, I would like to note that despite the fact that the Conservatives consistently lack the legislative fortitude to actually see nuclear legislation completely through this process, at least they have not been too afraid to bring it to the House for debate. They brought it back after they prorogued for other reasons.

That is not the case for another key aspect of the nuclear industry, the sale of AECL assets. The government continues to hide its highly suspect plans for the outright sale of our world-class CANDU technology. I find that very disconcerting. Like Bill C-15, this is critical for the industry, but the Conservatives believe they can move without consulting the people most impacted, people directly involved in the industry, the employees of AECL and the industry itself.

The Conservatives believe it is okay to hide what they are doing from the same Canadian taxpayers who have invested hundreds of millions in this industry in recent years. In fact, they put the terms of this in the budget bill. Why would the decision of whether one sells a Crown corporation be in the budget bill? What place could it possibly have there? It does not make much sense.

It is not like this is the sale of a surplus filing cabinet or a used prime ministerial limo. We are talking about an industry that supports about 70,000 jobs, after all. In fact, a lot of those jobs are in the ridings of Conservative MPs. Like Bill C-15, the sale of AECL will impact a lot of jobs in a lot of Conservative ridings.

In order to encourage investment in our nuclear industry and to protect this sector and the jobs it generates, we are debating Bill C-15 as a way to provide legal and insurance certainty for suppliers and operators. However, while it is good to debate Bill C-15, the government has dropped a cone of silence over its privatization plans for AECL. Conservative MPs have been muzzled once again by the Prime Minister's Office.

Private Members' Business

Maybe we should not blame them, though. When people are so immersed in the Conservative culture of deceit, they may not recognize what is actually happening. Maybe they feel it is safer to bow to the wishes of the Conservative upper echelons who consider this industry an embarrassment and just want to get rid of it. They want to unload the CANDU technology. They want to unload AECL after many years of Canada being a world leader in the development of nuclear technologies. Things like medical isotopes were developed right in Canada. Canadians can be very proud of that. It is a shame.

• (1725)

There is even a story going around that we are about to sell off AECL to foreign interests because of a tantrum the Prime Minister threw when his ministers repeatedly bungled the medical isotope crisis. It is a scary thought that this is his reasoning behind this decision.

If the government really believes in strengthening the industry with legislation like Bill C-15, why is it not prepared to openly debate the outright sale of AECL's commercial assets? I do not know what Conservative MPs are telling those families in their ridings who rely on jobs in this sector, but I hope they will come to their senses on this one and insist that the government open up debate on this question.

• (1730)

The Acting Speaker (Ms. Denise Savoie): The hon. member will have approximately nine minutes when the debate resumes.

[Translation]

It being 5:30 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]

HEALTH CARE SYSTEM

Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC) moved:

That, in the opinion of the House, the government should encourage and assist provincial and territorial governments, the medical community and other groups to lessen the burden on Canada's health care system through: (a) an increased adoption of technological developments; (b) a better recognition of the changing roles of health care professionals and the needs of Canadians; and (c) a greater focus on strategies for healthy living and injury prevention.

She said: Madam Speaker, I am very pleased to rise in the House to speak to my private member's motion. It is a lengthy motion but it is a very important motion.

The purpose of this motion is to continue a very important conversation regarding our health care system. I would like to focus this conversation on three areas which have significant potential to lessen the financial burden on government and, more important, to improve the health of Canadians. These areas include: an increased adoption of technological developments; a better recognition of the changing roles of health care professionals and the needs of

Canadians; and finally, a greater focus on strategies for health living and injury prevention.

Surveys currently indicate that Canada ranks health care as the second most important area of concern after the economy. They also take note when international benchmarking studies consistently report that our Canadian health care system's comparative performance is not ranked anywhere near the top in the OECD. I believe it is imperative for the government to reflect on what changes we can make while respecting our unique history and context.

This motion is about promoting a discussion on the appropriate role of the federal government as it relates to our health care system. It is about acknowledging that our needs have changed since the 1980s. It is about recognizing the worrisome, unsustainable, ever-increasing cost of our health care system on provincial and federal budgets, soon to be 50% and growing in most provinces and territories.

The Kirby report, the Health Council of Canada, the Canadian Medical Association and the Canadian Nurses Association, to name just a few, have scrutinized our system over the last few years and what has emerged is a remarkable consensus. An improved system is possible without compromising the founding principles of our Canada Health Act, such as universal access and sustainability. It will require transformational change with the patient's interests placed at the centre. It will require leadership, commitment and partnership from all stakeholders in the system.

I want to say unequivocally that this motion is not about two tier medicine or amending the principles of the Canada Health Act. It is not about interfering in the constitutional jurisdiction of the provinces and territories. It is about our responsibility under the Canada Health Act to encourage and to assist in providing the best system possible for Canadians.

As a brief aside, I personally believe that someday we should engage in a separate discussion regarding the Canada Health Act's very narrow definition of the continuum of care which currently focuses on physicians and medically necessary procedures in a hospital setting. Over time, as the amount of health services delivered outside these institutions and in the community has increased, the Canada Health Act has diminished with respect to ensuring coverage. This will result in an uneven system in terms of the continuum of care across the country. Perhaps we need to reflect on what basket of services should be included and excluded but that is a discussion for another day.

Health care needs are changing. The days of acute episodic care that typically required intervention by a physician or short-term support in hospital have changed forever. Young children with measles, ear infections and broken arms no longer predominate the practice of a physician. They are now faced with daily complex medical conditions requiring frequent long-term support, expensive medication and regular diagnostic monitoring.

Dr. Ross Reid, a prominent Kamloops physician, said:

We know the absolute number of patients is increasing as the population continues to grow and age. Elderly people need more surgery than young people. This holds true for all health services; persons 85 or older require 3 times the acute care, 12 times the community care, and 25 times the residential care of the rest of the population.

Chronic disease is now the principle cause of disability, the major reason for seeking health care and accounts for 70% of all health care expenditures. Although the aging population has contributed to these increases, the prevalence of chronic disease has risen in virtually every age group. Chronic diseases create large adverse, and underappreciated, economic effects on families, communities and countries. It is estimated that Canada stands to lose \$9 billion in national income over the next 10 years from premature deaths due to heart disease, stroke and diabetes.

• (1735)

Our expectations of our health system have risen dramatically. Again, using Dr. Ross's examples, I take the case of Terry and his grandfather. When Terry's grandfather developed arthritis in the hip in the 1960s, he bought a cane and spent a lot of time watching TV. When Terry developed the same condition last year, he was scheduled for a hip replacement operation so he could continue to downhill ski.

In another example in the 1970s, 60 years of age was pegged as the upper age for consideration of coronary artery bypass surgery. In the case of Lucas, he has a good quality of life and last year he was successfully operated on at the age of 89. This is not to say that Terry and Lucas should not have been treated, just that the treatment options that Canadians are pursuing today represent a significant and costly change in practice.

How do we deal with this emerging reality? As noted by the Canadian Medical Association, over the last number of years we have demonstrated improvements in quality and access to care without a dramatic change in costs. However, these stories often take the form of time limited pilot projects that have been applied in isolated programs and usually have not been adopted on a system-wide basis. We have yet to achieve the tipping point and this is especially true in the case of technological developments.

What could our health care system look like in 10 years with continued committed focus on an increased adoption of technological developments, better recognition of the changing rules of health care professionals and the needs of Canadians and, finally, a greater focus on strategies for healthy living and injury prevention?

The following are some examples of what health care might look like in a decade from now.

Jane is a 70-year-old patient with congestive heart failure. She has always lived in rural Canada and wants to continue to live near her family and friends. The nearest health facility is 100 kilometres away but the community now has broadband access. Each morning she connects to her small home monitoring machine that measures a number of her symptoms. The results are transmitted to her health care team and are monitored by a nurse with special expertise in congestive heart failure. Jane also receives direct feedback from the equipment on her results and understands the warning signs and the actions she must take. She has become increasingly comfortable

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managing her condition at home, deteriorations are dealt with rapidly and expertise is only a phone call away.

Since Jane started on this program, her hospital admissions have decreased dramatically and her quality of life has markedly improved. This scenario is not a fantasy but a current reality of care in the Kootenays. A recent evaluation of the program has shown significant improvement in both hospital stay and quality of life. This pilot initiative was funded by Health Infoway Canada and in the 2010 budget we have included \$500 million so we have continued support for the implementation of the e-health strategy in Canada. This will be part of the many keys to our future sustainability.

In another example, Jim was diagnosed with a mental health illness in his early 20s. Although usually well controlled by his medication, there are times when he neglects to take his pills and he can quickly spiral downward. His primary care team is well-coordinated and includes a mental health clinician, dietician and family practice physician. The team also recently formalized a shared care relationship with a psychiatrist. There is one health record which is electronic and shared among all the practitioners. Jim also has access to his own health record through a secured Internet connection. The mental health clinician routinely supports Jim and is able to quickly identify when his mental health status is slipping and respond accordingly. Jim, therefore, has been able to maintain his job and home which contrasts dramatically with others with the same condition who do not benefit from this coordinated care.

A strong primary health care system, as illustrated in these examples, has been consistently associated with improved health outcomes and system performance at a national level. Seminal research by Dr. Barbara Starfield from John Hopkins University has effectively proven this link and also provided very interesting international comparisons. Using a team concept for primary care provision, we can dramatically reduce the burden on primary care physicians and improve outcomes for patients.

• (1740)

In addition, electronic patient records are imperative for proactive care of chronic disease. Patients and their families can and should be more fully engaged through access to their personal health records. As patients become proficient at understanding their conditions, including interpreting lab results, the concept of self-managed care will start to become the norm. Work by Dr. Kate Lorig, professor at Stanford University, has demonstrated the importance of patients and their families developing skills to become a full partner in their own team.

Across Canada, we are taking important steps on an improved primary care system and that work was significantly kick-started by the federal government's primary health care transition fund, but again, we have not yet embedded this within our health care system. Work done to date is best described as tinkering at the edges.

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National Nursing Week is an opportune time to highlight one of the newest health care providers in our system, the nurse practitioner. Nurse practitioners are nurses who are able to provide a full range of primary care support. As increasing numbers of nurse practitioners enter our health care system, there are structural challenges around how to best integrate their skills into our system. A number of my own family members have a nurse practitioner supporting their health care delivery and have benefited from the unique approach to primary care service.

As everyone knows, many communities have a shortage of family physicians. In spite of this need, there is a limited mechanism to allow the nurse practitioner to provide additional support in these communities. Predominantly, this is provincial-territorial jurisdiction, but it must be noted that the evolution of the nurse practitioner is rooted in rural and remote aboriginal communities where we do have a responsibility. Canadians would benefit from a review of the role of nurse practitioners for groups we are responsible for, such as veterans, aboriginal communities, Correctional Service of Canada, and others.

Rooted in historical necessity, allied professionals have provided care where there have been limited resources. For example, in our military the physician assistant has assumed a very important role as a team member in the provision of care for our men and women in uniform. In another case, the community health representative provides essential culturally appropriate services on first nation reserves. Further, dental therapists provide a hybrid of hygienist service, basic dental care and community prevention interventions.

Clearly, our federal government has a long tradition of creative uses of para-professionals in order to meet their community needs. I believe that these lessons have some value for the provincial and territorial governments as we look at the looming health human resource shortage.

In addition, pharmacists, dieticians, respiratory therapists and physiotherapists all provide great value to patient care. We must continue to be creative and flexible using their skill sets to best meet the needs of the patients and the communities they serve.

It is interesting to note that the health committee has reviewed health human resources in great depth over the last year and we look forward to tabling a report prior to rising in June.

The final area but certainly not the least important is a greater focus on strategies for healthy living and injury prevention.

At least 80% of premature heart disease, stroke and type 2 diabetes and 40% of cancer could be prevented through healthy diet, regular exercise and avoidance of tobacco products. Cost-effective interventions exist. The most successful strategies have employed a range of population-wide approaches, combined with interventions for individuals.

As stated by Dr. Andrew Pipe from the University of Ottawa Heart Institute at the recent health committee meeting, we need to make healthy living the easy choice. This is important whether it relates to diet, exercise or choices around tobacco. Through regulatory mechanisms, transparency and public education, it must be easy to make the right choice. In Canada, we are making good progress but we are not there quite yet.

Turning to injury prevention, as included in our March 2010 Speech from the Throne, we have made the commitment as follows: to prevent accidents that harm our children and our youth, our government will work in partnership with non-governmental organizations to launch a national strategy on childhood injury prevention. This pledge was greeted positively by all who understand the tragedy and the cost of preventable injury.

In conclusion, I have discussed some important measures in progress and also provided the context and imperative for serious discussion regarding the future of health care in Canada. This general discussion in the House is particularly timely with the expiry in 2014 of the accord reached at the first ministers' meeting on health care in 2004.

I submit that my three areas of focus have an important role to play in the future of a sustainable health care system. Fifteen minutes is a very short time to give a full account of these issues that are pertinent to this complex discussion but, again, this is part of an important conversation for Canadians. I hope I have the support of all members in the House for this motion.

• (1745)

Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.): Mr. Speaker, I compliment the member on her speech.

As a health professional, I would like to ask her one thing. We have a massive problem in our country in terms of not having a national strategy for health care workers. I would like to ask the member whether or not she will ask her Minister of Health to put together a national strategy for health care professionals, so we know how many and where we need physicians, nurses and technicians in order to have the personnel to service our health system. Right now, one of the major problems we have is that as we get older, so too do our caregivers. We have a massive deficit and that deficit will grow as time passes.

Mrs. Cathy McLeod: Mr. Speaker, as the member might know, out of the accord and it has a very long name, but essentially it is a group that has been designed to look at the health human resources. We actually had the group at the health committee today. I was very impressed with how this group, in a collaborative way, of course acknowledging and recognizing the provincial-territorial jurisdictional issues, has started to share and work together. I think the very important work that the member talked about is being done by this particular group.

[*Translation*]

Mr. Nicolas Dufour (Repentigny, BQ): Mr. Speaker, I want to thank the hon. member. We have the privilege of sitting together in the Standing Committee on Health. I know that her work is very meticulous. Nonetheless, I have a problem with the motion as a whole, although its purpose is indeed commendable. The problem is political. This issue should be debated in the National Assembly of Quebec, the only assembly that represents the nation of Quebec.

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When the Conservatives, like the Liberals, only propose national strategies, I have a problem with that. I take issue with it because this Conservative government, which claims to want to limit government involvement as much as possible, has said in every election campaign that it would respect provincial jurisdictions. It is doing exactly the opposite. I find that rather surprising.

I would love to see these hon. members go back to their grassroots and explain that they want more federal government intervention. I would also like to hear what this government thinks of the Quebec clause in the federal-provincial agreement signed in 2004, which confirmed that Quebec's health system is different and different policies must apply. I want to remind the government that this is a provincial jurisdiction.

[English]

Mrs. Cathy McLeod: Mr. Speaker, I think I said very clearly at the beginning of my speech that it was absolutely about respecting provincial jurisdiction.

I do believe that we have lots of opportunity to learn from each other. We heard some very concrete examples about how Quebec had an observer role at our HHR table, and its representatives were sharing some of the very important things they do and the important learning from some of the things that happen elsewhere.

I would also like to talk about the role of Health Infoway Canada, which actually provides grants to all the provinces and territories. It speaks of that very important role regarding technological development and how technology will really be part of the sustainability of our future health care system.

Again, this has nothing to do with disrespect for provincial jurisdiction, but there are times when we need to learn from each other.

• (1750)

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, I want to ask a question about electronic health records. For at least 10 years now it has been recognized that because of the substantial amount of medical errors that occur in our system, the electronic health record is a very important thing to develop. Certainly, under the Liberals, under Reg Alcock, there was a lot of money spent on electronic health records. I would sure like to get an update from the government as to where the electronic health record process is with this government.

Mrs. Cathy McLeod: Absolutely, Mr. Speaker, the electronic health record is imperative. I can speak with regard to my own community of Kamloops. It is a bit of a process to select an appropriate record that will assist physicians. They have gone through that process now and I am really proud to say that they have joined together as a large group in our community and are implementing it. Across the country it is at various stages, but we need to continue our progress on this very important matter.

Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.): Mr. Speaker, I wish to compliment the member for introducing this motion. As a physician, it is a breath of fresh air to have health care finally discussed in this House.

I remember working in the emergency department and having to treat patients in the hallway. I remember having to airvac patients out

of the town I was working in just because we did not have a health care worker, a technologist, who could do a CT scan on the person to identify potential problems.

Canadian society is in the process of slamming into a brick wall on health care because the resources that we have to pay for, what we ask for and need, are not there. As time passes, as our population ages, that gap between the supply of resources and the demands that we have on our health care system is simply going to widen. What has happened is that those who are least able to afford it are falling through the cracks. They are the ones who are being hurt by inaction. They are the ones who are going to be hurt if all we do is talk about things and fail to act.

We understand full well that the responsibility for health care is in the purview of the provinces, but nothing prevents the federal government from using its convening powers to work with the provinces that want to work with us, to get things done that we need to have done.

The fact of the matter is that we are constrained by a Canada Health Act that was good in its time but needs to be modernized. It cannot function and it cannot do what needs to be done. Our provinces cannot do what they need to do, if we are going to be constrained by the situation we have today.

If we look at the top 20 health care systems in the world, 17 of those health care systems are in Europe. This ridiculous discussion that we have, that if it is not ours it must be in the U.S., is a nonsensical debate. The real debate we should be having, and the answers we should be pursuing, is who has the best health care system. We need to just peer out toward Europe and we will find that 17 of the 20 best health care systems in the world are there.

What are their characteristics? The member, quite rightly and wisely, put technological development as one of her three requirements. If we look at Europe, it uses IT tools much more effectively than we do. We absolutely must be able to use IT tools to reduce duplication, reduce waste, and improve efficiencies in the system. It is ludicrous that we are so far behind the times.

The second point in this area that Canadians might need to know is that while we discover all these remarkable things in medicine, Canadians have access to them in a limited way. The reason for this is because provincial governments have to withhold or ration care and they cannot afford to provide the best care that is available, so the scientific discoveries that we are making are not available to the Canadian public because governments do not have the money to pay for them. There is this gap and Canada ranks somewhere in the 20th to 25th range in terms of access to new technologies by our citizens.

The second part dealing with health care professionals, and the member was again right to put this in, is that we desperately need a national health care workforce strategy. As we get older, our health care professionals are getting older as well. The average age of a nurse is about 42. The average age in some specialties in medicine, as a physician in my profession, is somewhere in the fifties. We cannot train a doctor in four years. It takes 12 years or more to train certain types of specialists.

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We cannot easily reproduce them. We desperately need this strategy to be implemented with the provinces, not only for physicians and nurses but also for technicians and other health care professionals who are part of our team and who enable us to serve the public we treat.

The third area deals with healthy living and prevention. Last week I was privileged to attend the big Pediatric Academic Societies' conference in Vancouver. It is the largest of its kind in the world and 6,000 of the top pediatric scientists in the world were there. One of the big issues that was talked about, as the hon. member mentioned, is the epidemic of childhood obesity.

Dr. Tremblay from Montreal did a phenomenal study comparing Canadians from 1981 to today and his results were shocking. He found that from 1981 to today, the level of obesity has increased dramatically. Fitness levels have plummeted. Part of the reason is that the average Canadian child watches 40 hours of television per week or the child is in front of a screen playing video games. This is ridiculous. We were not designed to do this.

• (1755)

As a result, we are seeing chronic diseases that are now shifting lower and earlier in the demographics. Younger people are having higher incidences of type 2 diabetes and cardiovascular problems. The result of this is that it is putting a huge and increasing burden on our health care system, and that in combination with our aging population will essentially break the back of our health care system unless we act and act quickly.

One of the motions I introduced recently is very simple. Why do we not all advocate for parents to turn off the television sets and turn off the video games one night per week, just one night a week? Get kids out and active. If they are out and active, engaging in free play, they will be able to dramatically change not only their physical abilities but also their mental abilities.

We have found that we can now actually peer into the developing child's brain. We know that from the prenatal stage through the first five years of life we can have the most dramatic impact upon the trajectory of that child into adulthood.

Subject children to a loving, caring environment with proper nutrition, where they are subjected to being read to and actually reading books later on, and what happens is that the connections in the brain actually happen well. Conversely, subject children to violence and sexual abuse, where they are witnessing drug abuse and violence, and give them poor diets, the neural connections that take place happen very poorly.

As a result of that, because the frontal cortex and the lower parts of the brain are not connected well, we see a much higher incidence of drug use, juvenile crime, poor outcomes in school, more dependence on welfare, and poor social and economic outcomes.

It is essential that what we do in the first five years of life has a dramatic effect on the trajectory of that child. If the government wants to really do something in terms of reducing crime, for Heaven's sake, work with the provinces to enable them to have an early learning program for children, during the prenatal stage and through the first five years of the children. If we do that, it will have a dramatic and profound impact upon the life of those children.

Kids need free play. The other thing we can advocate in the public health aspect is to take kids to the library. Drop them off at the library, leave them there for an hour, let them roam the books, and let them use their imagination. If that is done, then they will have a chance to read. We know that literacy is one of the most powerful ways in which we can improve the trajectory of children later on in life.

These are simple things, inexpensive and easy to do. Also, kids who are plugged into TV sets and video games are not engaging in learning or having the imagination and the social skills they need to function well as adults.

That kind of free play and socialization may sound subtle in many ways, but it has to be done because those subtle interactions that take place enable the neuro connections and enable children to move forward and acquire the skills sets they need later on.

To summarize, in order to enable us to have a health care system that serves the public later on, which we must have, we have to work with like-minded provinces. We have to modernize the Canada Health Act. We have to bury our ideology. We have to pursue the facts and the science. The solutions are out there and we have to implement them. Talking is not going to save anybody's life. Only action will.

Second, we have to implement the national workforce strategy with the provinces. Again, let us ensure that we look at solutions that work. Let us look at Europe. Why does Europe have 17 of the top 20 systems? Let us look at their funding models, how they enable the governments and the private sector to work together, how they treat their health care workers, how they acquire and retain health care workers, and what they do in terms of prevention.

That package of solutions will enable us to ensure that our citizens, when they get sick, will have a health care system that will be there to treat them and will treat them well.

• (1800)

[*Translation*]

Mr. Nicolas Dufour (Repentigny, BQ): Mr. Speaker, I would like to thank the member for moving this motion. As I said earlier, she does wonderful work on the Standing Committee on Health. Unfortunately, this motion demonstrates that we do not share the same opinion on how Canada's health system should be managed.

What scares me is that we have the Conservatives on one side, and they are the first to say that they want to limit and structure the federal government's actions and respect exclusively provincial jurisdictions. On the other side we have the Liberal Party, whom we know very well, and they encroach on jurisdictions with so many national strategies in every area that they have no idea what to do anymore.

Private Members' Business

I am very surprised to see the Conservatives acting exactly like the Liberal Party. In committee, we see the Liberals propose national strategies on everything that may or may not exist. The Conservatives are starting to do exactly the same thing. It makes one wonder if being in power too long wears a party down and makes it lose sight of the objectives it originally sought. Of course I could list a number of files where the Conservatives have not followed their initial train of thought, but this example of health is particularly interesting.

The motion says:

That, in the opinion of the House, the government should encourage and assist provincial and territorial governments, the medical community and other groups to lessen the burden on Canada's health care system...

The words "assist provincial and territorial governments" frighten me. The federal government always starts with minimal assistance, which leads to regulations and then to a national strategy. And it ends with us losing our power. That is the sad part.

As I said at the outset, when I asked my colleague a question, I am not against the primary purpose of the motion. We all want better access to technological innovations. We all want to recognize that health professionals' roles are changing, as are people's needs. We all want to focus on injury prevention strategies. We are not against the purpose of the motion, but we do not support the plan for achieving that purpose.

Earlier, I talked about the Quebec clause in the federal-provincial agreement signed by the Liberals when Paul Martin was in power. The clause stated that Quebec's health care system is not like the other systems and that the Government of Quebec should have the power to make its own decisions and not have anything imposed on it by the rest of Canada.

There are several examples of encroachment. Bloc Québécois members oppose the member's motion for constitutional reasons. When the Bloc Québécois resorts to defending the Canadian Constitution and using it to ensure that its areas of jurisdiction are respected, that is serious.

Under sections 92(7) and 92(16) of the Constitution Act, 1867, health care and social services fall within the exclusive jurisdiction of Quebec and the provinces. Since 1919, Ottawa has encroached on those areas repeatedly.

I can see that my colleagues would really like me to give some examples. Here we go: the creation of the Department of Health in 1919 despite the fact that it was not a matter under federal jurisdiction; the adoption of the Hospital Insurance and Diagnostic Services Act in 1957; the adoption of the Medical Care Act in 1966; and the adoption of the Canada Health Act in 1987.

As we have seen, the federal government's good intentions can quickly take a turn for the worse and become problematic. Duplication is the fundamental reason I am a sovereignist. Duplication includes departments that should not exist, and the Conservatives should agree with me on that. The Conservatives and I are all in favour of limiting the federal government's power.

● (1805)

We support the idea that the federal government should spend less and less. Of course, ultimately, we hope to separate from Canada. We have nothing against them. It is for us. We have different outlooks, as seen in this issue, which demonstrates our difference of opinion on how the health care system should work. We have several other divergent opinions, including the AMF and defending our economic sector.

The Conservative government should listen to the provinces. That is what it promised us. It should agree with the fact that the provinces should have as much breathing room as possible in their own jurisdictions. Yet the Conservatives seem to have the same strategy as the Liberals.

I understand that the Liberals were in favour of more centralization, but the Conservatives promised us something different. They promised us openness. Unfortunately, they started out with good intentions, but they slowly and gradually began nibbling away at Quebec's powers. Our powers are becoming increasingly limited. At some point, this will be fatal for the Quebec nation.

I will give the member a few examples of Quebec's demands in terms of health care. If she had moved a motion addressing any of the demands I am about to mention, we would have gladly supported it.

Maurice Duplessis' second government asked that the following areas come under the exclusive jurisdiction of the provinces: natural resources; the establishment, funding and management of hospitals, asylums and charitable institutions; education at every level, including universities; regulation of the liberal professions, including admission criteria for the practice of medicine and relations between physicians and clients; social security; health; and public health.

The government of Daniel Johnson Sr. said that Quebec wanted to make its own decisions in certain areas, including "development of its human resources (i.e. every aspect of education, social security and health)". I could also mention economic affirmation, cultural expression and the influence of the Quebec community. These are the traditional requests of the Bloc Québécois. And the members opposite wonder why we are sovereignists.

The second government of Robert Bourassa, who was not a great sovereignist, said:

Under the Canadian Constitution, social affairs and health are irrefutably matters of exclusive provincial jurisdiction. Over the past 25 years [in Mr. Bourassa's day, of course], the Government of Quebec has carried out its responsibilities in a remarkable fashion and has provided quality administration in the sectors of health and social affairs. These successes are eloquent proof, and the people of Quebec are convinced of it, that Quebec society [back in the days of Meech Lake, it was called a society] would gain nothing from a new way of sharing jurisdiction in these sectors. Up to now, they have been under exclusive provincial jurisdiction and it is in the best interest of Quebecers for them to remain so.

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I was quoting Robert Bourassa, who was Quebec's premier from June 22, 1990, to January 11, 1994. These demands did not come from the sovereigntist movement. They came from Quebec. All we want is for the government to respect the areas of jurisdiction established when the founding fathers signed the Canadian Constitution. We are not asking much. Maybe sovereigntists are not so bad after all. I could mention others, but I do not have enough time.

I just want to say that Jean Charest's Liberal government wants the Government of Canada to respect the Government of Quebec with regard to health care. We just have a different vision. We see that every day in the Standing Committee on Health. Our problems are not the same as the rest of Canada's. We do not do things the same way as the rest of Canada. We just want to be respected.

● (1810)

[English]

Ms. Irene Mathysen (London—Fanshawe, NDP): Mr. Speaker, I appreciate the opportunity to speak to this private member's motion from the member for Kamloops—Thompson—Cariboo. It is my understanding that it is intended to give guidance to the federal legislature to encourage and assist better cost efficiency within provincial and territorial health regimes by focusing on three areas: technology, health human resources and healthy living promotion and injury prevention.

I would like to address each of these three areas. As it turns out, the New Democratic Party, the party of medicare, the party of Tommy Douglas, the father of medicare, has policy in these three areas.

We have policy on which we, as the NDP members of the House of Commons, are prepared to act. These are policies in which we believe because we know they are effective and will advance the medicare system we defend across the country, the system that we wish to see improved and advanced for the people of Canada.

The motion before us sets out guidance for the federal Parliament in technology, health human resources and illness prevention. Unfortunately, it does not contain any specific actions to be taken. I do wonder what value it has without action.

I think it is safe to say that health care is a priority for Canadians and our health care system is a source of great pride. As I have already said, New Democrats are dedicated to defend universal health coverage in Canada. It is among our top priorities.

The guidance the motion provides is in keeping with the NDP vision for health care in Canada. It encourages a stronger, more efficient health care system. However, it does not go far enough as it does not address the core issues respecting the health of Canadians, in particular the determinants of health.

If the government and members opposite were truly serious about improving the health of Canadians, they would take steps to alleviate poverty, particularly child poverty, and establish a national housing strategy to put all Canadians on an equal footing.

When we look at the face of poverty in the country, it is the face of women and children. In 1989 the House unanimously agreed to end child poverty by the year 2000. In order to end child poverty, we

must end the poverty of the families in which our children live. We have failed utterly.

The poverty rate among children is higher now than in 1989. One in six Canadian children is poor. One in six is under-housed, poorly nourished and lacking in the advantages that will help them make meaningful contributions, the contributions they would wish to make as members of our communities. Affordable housing would help these children and these families, in fact, all families.

If the Conservative government wanted to make a difference in the health of Canadians, it would improve the quality of our air, our water and our soil. Our environment plays a huge part in our health and quality of life.

Last December, in Copenhagen, the government demonstrated beyond a shadow of a doubt that the environment, the air, the water and the soil that sustains all life is second fiddle to its preoccupation with big oil and its determination to pander to that industry and those that contribute to pollution and climate change, no matter what the cost to our planet.

If the government truly wished to make health a priority, it would take significant steps to improve the health among first nations. It would sign the UN Declaration on the Rights of Indigenous People. It would respect and respond to the UN Convention to End Discrimination Against Women by addressing the poverty first nations women face. It would take real action to address violence against aboriginal and indeed all women. It would make the necessary changes to employment insurance and pension plans that would provide economic security for Canadians. None of this is addressed within the motion.

The Canada Health Act is an incredible tool to provide federal leadership on health issues. However, it is not once mentioned in the motion.

I want to refer to the three areas of focus within Motion No. 513. The first is an increased adoption of technological developments.

We must improve health care so no one is left behind and to do this we must be innovative. The current government has not taken the initiatives necessary to develop research and innovation in Canada. We have the human resources and the scientific know-how to make significant improvements to our health care system, but more federal leadership is necessary in promoting and developing technology in health care.

● (1815)

There is immense potential in technological advancements to link rural and isolated communities to experts in larger centres and give better tools to local health professionals to assist with diagnoses and treatment. This requires investment and, as we know, the most recent federal budget actually reduced investment in the kind of research that could have made a profound contribution to the technology of the 21st century, the technology we need to enhance and streamline our health care system.

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The next part of the motion makes reference to better recognition of the changing roles of health care professionals. We need to train substantially more health care professionals, including more doctors, nurses, nurse practitioners and midwives to ease staffing shortages and cut wait times. To do this, we need to better fund post-secondary education and relieve student debt.

Finally, the motion calls for greater focus on strategies for healthy living and injury prevention. The promotion of healthy living and the promotion of injury prevention are essential elements of the leadership role that the federal government can take. New Democrats do have something to offer this discussion by way of our policy platform. We absolutely agree that federal leadership on healthy living is essential.

This is what it should look like. The federal government should assist the provinces to develop long-term strategies to better manage chronic diseases such as diabetes and lifelong medical disabilities and conditions such as autism. It should dedicate 1% of the health care budget to physical fitness and amateur sports promotion, including investing in the development of more community centres, seniors centres, recreational facilities and playing fields.

It should launch a federal determinants of health initiative with emphasis on clean air, safe water, reducing poverty and improving children's health and nutrition. The feds should ban trans fats and expand other initiatives to promote healthy foods and healthy eating, including addressing the crisis of childhood obesity by implementing a pan-Canadian strategy and limiting the exposure of children to junk food.

It should ensure that all infants in Canada have access to hearing testing in co-operation with the provinces and territories, increase support for provincial and territorial health initiatives, including cancer control systems, and invest in trails associations across the country, joining forces with Canadians who are blazing new trails by walking, cycling, wheeling, skiing and running their way to healthier, more active lifestyles.

These are all important steps the government should take. These are the steps New Democrats are committed to take. These policies should be combined with other NDP policies related to the determinants of health, such as well-paid jobs, green jobs, pension reform, employment insurance reform, affordable housing, national child care and environmental protection. We are committed to training more doctors, nurses, midwives, nurse practitioners and health care technicians to ensure they have the scope of practice that allows them to contribute all their considerable expertise. The expertise they have to give will indeed make medicare stronger and better.

I think this is an important debate and an important discussion, but I am waiting for action. We have been waiting for action on some of these issues for many years. The time to act is now. The time to set aside differences is now. We can and must improve our health care system.

Mrs. Patricia Davidson (Sarnia—Lambton, CPC): Mr. Speaker, I would like to take this time to make the House aware of some of the work being done by our government that will be useful to all members when deciding to support Motion No. 513 made by the hon. member for Kamloops—Thompson—Cariboo.

This motion touches on one of the principles necessary for our health care system, the need for collaboration. Our government works with the provinces and territories to maintain and improve the health system in which Canadians have invested for generations.

The management of health care is a sacred trust that we have always shared. That is why our government is transferring an all-time high of \$25.4 billion in transfer payment support to the provinces and territories to ensure they have the tools they need to protect and promote the health of Canadians.

As the motion asserts, we can see that demand for health services will only grow. This is our opportunity to take action. The cost of health care will keep growing, but there are several things we can and should do to mitigate the impact. By fostering innovation, we can make Canada's health system more efficient and encourage Canadians to make healthier choices that will keep them out of doctors' offices and hospitals.

I do not think I need to remind the House that, while provincial and territorial governments administer and deliver most of the country's health services, the Government of Canada is the health policy leader for the nation. This government works with the provinces and the territories to make sure that policy turns into action, and of course we work together to deliver health services to first nations communities that are located far from major centres.

This motion encourages a rapid adoption of technological advancements to ease the burden on our health care system. I am pleased to say that our government has a long-standing commitment to the development of a pan-Canadian system of electronic health records and electronic medical records through Infoway. Budget 2009 committed \$500 million to further that effort, and the government has not wavered from that commitment.

In support of our role as policy leader for the country, the Government of Canada has established and supported organizations like the Canadian Institute for Health Information. It gives all governments insight into the health needs of Canadians so that programs can be tailored to those needs, and that is an essential element to making the delivery of health services more efficient.

Similarly, the government supports organizations like the Mental Health Commission of Canada and the Canadian Partnership Against Cancer. This enables all 13 provincial and territorial governments to have access to the same information, regardless of the size of their health care system.

This motion encourages us to continue to adopt new technologies to help relieve the burden on the health care system. When it comes to health care, technology can mean many things. It can, as I mentioned, include electronic health and medical records, but new technology can mean diagnostic equipment, surgical tools and even leading edge drug therapies.

Adjournment Proceedings

Technological innovation has always pushed the frontiers of medicine. Every medical tool we have today was new to medicine at some point. The machines that are commonplace today, defibrillators, ultrasound and X-ray machines and even stethoscopes, are technological advancements that we now take for granted.

The advancement of medical technology continues on, and as this motion says, we must continue to introduce it where it is needed to ease the financial strain on health care.

The Government of Canada funds health care broadly through the Canada health transfer, but it also funds the purchase of new technology through targeted transfers such as the medical and diagnostic equipment fund.

It is worth noting that in the last 10 years Canada has tripled its MRI capacity and increased its CT scanner capacity by 71%. Technology improves the quality of health care, especially with regard to safety. Bringing in new diagnostic equipment can help detect health problems sooner and speed up the treatment of a disease. In other cases, new treatments can be developed for patients for whom there had been no treatment before. New diagnostic equipment and new treatments, together, are improving lives and increasing the number of people who survive an illness.

Nevertheless, we must be cautious. New technology must be evaluated, not just from the point of view of medical science but also from the perspective of the management of medicine.

• (1820)

The development of new technology is always linked to research and the Government of Canada invests directly in Canadian research and is guided by the science and technology strategy. Much of the health research done in Canada is done through the Canadian Institutes of Health Research. For the last decade, the role of the CIHR has been growing and, in budget 2010, an additional \$16 million were added to its research budget. Its total annual investment in research in this country is now close to \$1 billion.

There is also privately funded medical research going on in this country that the government supports through incentives for private sector research and development. Motion No. 513 also calls upon the government to promote injury prevention and healthier lifestyles. Those are issues that this government has already taken head on. For example, we have committed significant funding for participation, the food and consumer safety action plan and other programs designed to foster healthier and safer lives for Canadians.

In addition, we know that Canadians are aware of the need to have a healthier lifestyle in order to maintain health but we need to keep encouraging them to take action. It is estimated that physical inactivity costs the health system \$5.3 billion every year. Obesity is believed to cost the system another \$4.3 billion. Together they present nearly a \$10 billion strain on health care. These are conditions, not illnesses, but they foster illness, many of which could be prevented through proper diet and physical activity.

This government has high profile programs, such as the children's fitness tax credit, Canada's physical activity guides, Canada's food guide and participation, but there are equally important programs that take aim at the underlying causes of preventable chronic disease.

Through the integrated strategy on healthy living and disease, the federal government looks at the common risk factors, measures their impact and promotes effective prevention programs. Our government not only works on preventing illness, but also preventing injury. If we prevent injuries we keep more people out of doctors' offices and hospitals.

It is worth keeping in mind that injuries are the leading cause of death for Canadians under age 45. Overall, they are the fifth leading cause of death for people of all age groups. Injuries are a particular concern for people who are 65 or older. In fact, injuries that are the result of a fall are responsible for 80% of all injury-related hospitalizations for that age group.

We have identified several other high risk groups so that our investments in injury prevention can be used most effectively. In the Speech from the Throne, our government committed to develop a national strategy of childhood injury prevention in partnership with non-governmental organizations. In a broader way, we have invested in preventing injuries from dangerous consumer products by developing the food and consumer safety action plan.

Finally, Motion No. 513 calls for better recognition of the changing roles of health care workers. As we all know, health care is not one profession, it is many professions working toward the same purpose. The roles and responsibilities of health care professionals have evolved to meet the needs of Canadians. For example, the nurse practitioner has expanded the role of nurses so that in many isolated communities they are now providing some services that in the past a nurse could not have done.

There are many other examples of how the roles of health care professionals have evolved to meet the needs of Canadians. This motion calls for better recognition of that reality and I expect that fact will be taken into account when the members of the House are deciding whether to give their support.

I sincerely hope I have provided hon. members of the House with information that will assist them in making their decision with reference to Motion No. 513. I certainly encourage everyone to support the motion of my colleague, the member for Kamloops—Thompson—Cariboo.

• (1825)

The Acting Speaker (Mr. Barry Devolin): The time provided for the consideration of private members' 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.

*Adjournment Proceedings**[English]*

CHILE

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, I am pleased to rise today to speak about this very important issue. I have been involved with the Chilean community in Manitoba now for quite a number of years.

Back in 1985, there was a devastating earthquake in Chile and the community got together. As a matter of fact, I recall Canadian airlines providing an airplane to airlift food, medicines and equipment to Chile.

We now find ourselves in a similar situation with a devastating earthquake. I have been presenting petitions for the last several months, since February 27, calling on the government to match funds personally donated by the citizens of Canada for the victims of the earthquake in Chile.

We have seen this happen with the earthquake in Haiti. Perhaps the government could have gotten away without dealing with the issue had the earthquakes been a year or two apart. However, the people involved in the earthquake in Chile are quite aware of the way the government did such an admirable job in dealing with the earthquake in Haiti. It was in January and the government responded immediately. In addition to responding immediately, it also matched funds donated by Canadians to the earthquake victims. That was well received and I think people in this country supported the government for that.

In terms of the cost to the government, I am not certain exactly what the cost to the government is, but it is considerable. Perhaps the parliamentary secretary will know. It may be \$200 million or it may be \$100 million. I am not sure just what it will be. I do not know that we really will know until the end of the contribution cycle what it has cost the government treasury. The fact of the matter is that it was a very popular program.

Members of the Chilean Canadian community, at all of the social events I have attended, and there have been several now in Winnipeg, ask me, because they know that the government is matching the funds to Haiti, why would the government not do the same thing for Chile?

In terms of whether the cost to the treasury would be as much as for Haiti, I would have to say to the parliamentary secretary that I do not anticipate that would be the case. There are roughly 40,000 Chilean Canadians living in Canada. Based on the amount of money that we raised at the social events so far, I would think the matching funds would be far less. Perhaps we are only looking at \$100,000 or \$200,000. I really cannot say. However, it would not be in the magnitude of the earthquake in Haiti.

I really feel that this would be a positive thing for the government to do. It would make the Chilean Canadian community feel that they are being treated on an equal basis with the Haitian Canadian community. I also think it would actually spur fundraising because many people would be more than happy to maybe increase their donations or make donations if they knew that their government was behind them, and their government was participating in a very direct manner in the earthquake relief.

Arguments have been made, and the parliamentary secretary has said this, that Chile is a stronger country than Haiti. However, the fact of the matter is that it has been a very devastating experience. As a matter of fact, I have an article here from May 11. The headline reads, "Chile struggles to rebuild after earthquake", and the article states:

Immediately following the 8.8 magnitude earthquake Feb. 27, Chile was ravaged by tsunamis, sustained billions of dollars in damages and suffered 528 deaths. Two weeks after the catastrophe, the nation watched its new president, Sebastian Pinera, take his oath surrounded by swaying buildings during a 6.9 magnitude aftershock.

So, we can see that the earthquake's aftershocks spread all the way to the capital of Chile.

• (1830)

Hon. Jim Abbott (Parliamentary Secretary to the Minister of International Cooperation, CPC): Mr. Speaker, I want to thank the hon. member for the opportunity to elaborate on the quick response by our government for the people of Chile.

As the hon. member knows, not only was the earthquake on February 27 and the aftershocks near Concepcion, Chile very different from Haiti but the context and the capacity of Chile to respond to the humanitarian needs was also very different.

His original question asked when the Government of Canada was going to create a matching fund program for Chile and what measures the government was putting in place to deal with this tragedy. As the member should know, matching fund programs are the exception and not the rule when it comes to providing immediate humanitarian assistance. In all cases, CIDA operates on the advice of the affected government. We also take into consideration what our international partners and the international community as a whole are doing in response to the crisis.

In order to be effective when delivering aid, we must work in conjunction with our partners. We also have to respect the other nation's sovereignty. We respond to its requests. We do not tell it how it should be responding or what it should be asking for.

In the case of Chile, its government assessed the situation and its capacity to respond, and then made a targeted appeal to the international community for assistance. We responded to its appeal quickly and appropriately.

In Haiti, the earthquake decimated the very core of the nation, and as we would know from media reports, it eradicated much of Haiti's infrastructure. It took the Haitian government quite some time to re-establish working order, submit a plan, and work with the international community. The world responded overwhelmingly to this tragic but unique response.

Thankfully, in the Chilean nation, by contrast, the government structure was not critically damaged in the February 27th quake. In Chile, approximately 800 people were reported dead and 1.5 million homes were damaged by the earthquake, which also caused damage to key infrastructure, including water, telecommunications, power, ports, health facilities, roads and bridges.

Adjournment Proceedings

Naturally, our hearts and prayers went out to the Chilean people, yet our response to the smaller scale disaster would reflect the fact that this was not as devastating as the earthquake in Haiti. This was the largest earthquake in Chile in 25 years and it generated a small tsunami. It would be entirely misleading to compare Chile to Haiti.

On March 1, the Chilean president appealed for international aid and the Chilean embassy requested targeted assistance from Canada for the humanitarian effort there. Chile's president had indicated that the priorities included providing assistance to those affected, ensuring that water, electricity and energy supplies were functional, and maintaining public security.

On the next day, March 2, the Minister of International Cooperation announced that up to \$2 million would be allocated in urgent humanitarian assistance to those affected by the earthquake. This support, provided through the Canadian International Development Agency, was targeted toward addressing the priority gaps identified by the Chilean government and our humanitarian partners.

As a leader on the world stage, the Government of Canada stands ready to offer any necessary assistance to the people of Chile and continues to monitor the situation there to ensure our assistance is delivered according to the priorities established by the Chilean government. We will continue to work with the Chilean government.

● (1835)

Mr. Jim Maloway: Mr. Speaker, I understand that hundreds of people are listening to the debate this evening. I know we certainly had word from the embassy that it is very supportive of what we are doing with our petitions. We have had petitions submitted in Parliament almost every day since the earthquake, asking for the government to treat the victims of the earthquake in Chile on an equal basis with the people of Haiti.

What the government and the parliamentary secretary should understand is that victims are victims. Whether the earthquake occurs in Haiti or Chile or anywhere else in the world, there are people who are suffering and who need help. The government should provide the same treatment. If it matches funds for one, it should match funds for the other.

Hon. Jim Abbott: Mr. Speaker, if I heard the member correctly this evening, he was saying that maybe \$100,000 to \$200,000 would be a good figure for the Canadian government to look at.

In fact, we have contributed \$2 million this way: \$750,000 to the Red Cross and Red Crescent Societies for the provision of essential non-food items and emergency shelter materials; \$500,000 to the Pan American Health Organization toward re-establishing health and medical services, and replenishing emergency stocks of medicines; \$500,000 to World Vision for emergency shelter materials and hygiene supplies, improved access to clean water and provision of child protection services; and \$250,000 to Oxfam Canada to help improve access to safe water and ensure safe reconstruction of houses and livelihoods.

I think the people of Canada and, upon reflection, I am sure our Chilean Canadians will be very proud of the response that the Canadian government made to this tragedy in Chile.

● (1840)

VETERANS AFFAIRS

Ms. Irene Mathysen (London—Fanshawe, NDP): Mr. Speaker, over the last century, hundreds of thousands of Canadians have served our country with distinction and valour as members of Canada's armed forces. Many of these brave Canadians made the ultimate sacrifice, laying down their lives in the service of our nation. Many more returned home with physical or emotional scars that last a lifetime.

When a decision is made to deploy our troops abroad, whether in a combat or a peacekeeping role, we as politicians must always be mindful of the somber reality that any mission comes at the cost of Canadian lives and casualties. Fatalities or injuries will inevitably occur.

Members of this House sometimes confuse supporting our troops with supporting a particular mission. I want to be clear for the record that there is a definitive difference between supporting the ideology of any mission and the matter of supporting our troops and I would hope that supporting our troops is one matter on which members of this House, regardless of political stripe, can agree.

It is in relation to supporting our troops that I rise today to speak to what is happening at veterans hospitals in Canada, and specifically Parkwood Hospital in my riding. Parkwood Hospital has 269 in-patient beds under the veterans care program for use as long-term residency or short-term respite beds. However, as I learned last month, 72 of these beds are slated for closure. The reason cited for this closure is the dwindling number of World War II and Korean War veterans. The problem rests with who is deemed eligible for admission to the veterans care program at Parkwood.

The hospital's mandate is to serve veterans and members of certain civilian groups who have overseas service in World War II, the Korean War or receive a Veterans Affairs pension for an illness or injury incurred during one of these wars.

I must take issue with these admission guidelines. In my view, a veteran is a veteran regardless of when or where he or she served. I know this is a view shared by many of my constituents and, indeed, by many Canadians. It is certainly a view shared by Ken Knisley. Ken's son, Andrew, served recently in Afghanistan where he lost his right leg and had significant damage to his right arm. Andrew is currently undergoing rehabilitation for his injuries but he is not eligible to receive this treatment from Parkwood Hospital. His father wonders what will happen to his son and the other injured soldiers returning home from Afghanistan. What happens when they need specialized veterans services?

History has shown time and again that once beds are closed and services are cut, those cuts are permanent. We will never see them restored.

Adjournment Proceedings

I want to be clear that the slated closure of these beds is not the fault of the hospital administration which operates within its mandate. The problem can be resolved by the government. It is well within the purview of the government to modernize the criteria of Veterans Affairs Canada and ensure that modern-day veterans are eligible for the same services and programs that veterans of earlier generations currently have.

On April 23, I asked the Minister of Veterans Affairs to demonstrate the wisdom to undertake the changes needed to keep beds at Parkwood Hospital open. The minister's response was:

...since our veterans are dwindling in number because of their advanced age, some beds are no longer occupied. It is in these circumstances that we would talk to the hospital or organization about reducing the number of beds. Of course there is always room for our veterans, and other people can use the space when it is available.

That response was wholly unsatisfactory. The hospital administration spoke to local media about this matter and indicated that it would be happy to speak to the minister about expanding the mandate to keep beds open. Unfortunately, that discussion has not happened.

So I return to where I began and I would suspect that the majority of Canadians agree with me: a veteran is a veteran. It does not matter where or when he or she served. Canadian Forces members who have served in deployments abroad should all be treated equally, with fairness and respect.

Mr. Greg Kerr (Parliamentary Secretary to the Minister of Veterans Affairs, CPC): Mr. Speaker, I thank the member for London—Fanshawe for raising this issue. She makes the point that we all support our veterans, and that is a given. It is not a matter of political stripe. Whether it was the first world war, the second world war, Korean War, we have provided terrific service over the years in recognizing their injuries, providing occupational therapy, retraining and re-establishing them back in their communities and so, and that continues.

There is a reality, though, that as these veterans have aged, the needs have changed along with that. The conditions under which these beds were made available was contractual with provincial health authorities or provincial health delivery.

Today as the modern vets come out, many of the new needs are very clear. People want that service as close to home as they can get it. They do not want to get into the old established facilities where they have to travel long distances and live away from their communities. This has become a real challenge.

Therefore, this service tries to make these beds available to other Canadians who are in need of long-term care. These beds are not simply disappearing. They will be used more and more by civilians, or that will be the intent after the transfer takes place. It is a sad reality that the aging process does continue.

We have to continue to look at the needs of modern vets. A lot of the program changes recognize there are many new needs and new conditions as they come home. However, the general consensus we get from modern day vets is they want to be treated as close to home as they possibly can. They want to be near their families and near their communities.

That has been the focus. There is always room to continue the review, just as we are doing right now with the Veterans Charter because it is a living document. Part of what we hear is the long-term need for them.

Although this issue will not go away quickly, we need to recognize that in many cases the beds are empty because of the aging process. These beds have been made available to the general population for needs in that way. As we look at the legacy these veterans have left us, we will continue to look at the new needs and respond to them. It does not mean things will not change in the future as the needs become apparent down the road. However, for the time being, we felt this was an appropriate response to the needs of the veterans.

• (1845)

Ms. Irene Mathyssen: Mr. Speaker, we are currently undertaking the beautification of the Veterans Memorial Parkway, the eastern gateway to London, which runs through my riding.

On April 9, at the 93rd anniversary of the Victory at Vimy Ridge, I joined with the mayor of London and my provincial and federal colleagues to unveil the Veterans Memorial Granite marker along the Parkway. Three bus loads of veterans, who reside at Parkwood Hospital, were on hand to witness the unveiling. I know from talking with them afterward how much it meant to them to be recognized with this tribute. Yet it seems the government is doing everything it can to distance itself from veteran care and that is shameful.

The minister said that new veterans from Afghanistan are young and may not need long-term beds yet, but what about the veterans of earlier deployments? We all remember the terrible circumstances of our peacekeepers in Rwanda. Does the minister truly believe that Afghan, Rwanda and Somali veterans will never need care? Psychological wounds can be just as painful and damaging as physical ones.

It is time for the government to support all of our troops and support them close to home.

Mr. Greg Kerr: Mr. Speaker, on the last point I agree. We are trying to support them as much as we can close to their own communities.

Once again, the new veterans have many challenges that perhaps were not recognized years ago and it has become more apparent. The response has become quite obvious, as I said, with the charter review and all that goes with it.

We are listening to those concerns. We are listening to the advice and recommendations coming from the review process. It is probably fair to say, because the government does care and puts a lot of resources into it, that the appropriate responses will be made.

*Adjournment Proceedings**[Translation]*

The Acting Speaker (Mr. Barry Devolin): The motion to adjourn the House is now deemed to have been adopted.

Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6:49 p.m.)

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