



CANADA

# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Tuesday, February 24, 2004**

—

**Speaker: The Honourable Peter Milliken**

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# HOUSE OF COMMONS

Tuesday, February 24, 2004

The House met at 10 a.m.

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*Prayers*

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•(1000)

[*English*]

## PRIVILEGE

DOCUMENT TABLED BY THE PRESIDENT OF THE TREASURY BOARD

**Hon. Reg Alcock (President of the Treasury Board, Lib.):** Mr. Speaker, I rise in response to a question of privilege that was raised yesterday. I did say yesterday that I would get back to you in a timely fashion to respond to the concern.

As I understand it, the concern of the member for Calgary Southeast was that in a response to a question I made a comment about a grant that had gone to an organization in his riding. I said “You've got a grant for Spruce Meadows”.

He challenged me at the end of question period. He raised a point of order and asked that I clarify the statement, saying that he had not done that. I got up and said, “No, it is true,” that the member had not done it, that it had gone to his riding is the point I made.

He then raised a point of order the next day saying that I had provided incorrect information to the House. He specifically noted two things, my response stating that the organization in question was not in his riding. He then went on to say that I had also not responded to a request to table a set of documents.

I will table today the following information. I have here from the website of the organization in question, which is known as Spruce Meadows, the address. I have the Conservative Party of Canada website which has an electoral district look-up. When the postal code for Spruce Meadows is typed in, the Conservative Party of Canada website returns which shows that this organization is located in Calgary Southeast. I would like to table that as one part of my response.

The second thing is to correct the error that was made. Spruce Meadows received, through the Government of Canada sponsorship program, \$100,000 in 2001, \$115,000 in 2001-02, \$57,500 in 2002-03 and \$54,455 in 2003-04, totalling \$326,955.

The point I was making at the time was simply that we should not consider everyone who has had these funds in his or her area to be corrupt. It is a foolish allegation. That was the allegation the member was making, that simply because someone had received a grant in

his or her area that he or she was somehow corrupt. It is guilt by association and that is simply wrong.

I would like the member to correct the record.

The second thing I would say is that the member then challenged me to table a set of documents. He was concerned that I had not tabled them in an efficient manner or a timely manner. The documents I had were documents that had already been tabled in the House in response to Question No. 238. What the member asked me to do was re-table information that was already available to the House, which I did. However I did not do it at the exact moment because it was already in the House. When the request was made I came back and re-tabled it.

I do not wish to and I never wished to slur members of the House personally. If there was any sense that I had done so, I would fulsomely apologize for that because that is never my issue. My issue here is that if we are to have debates, let us have them in a competent and fact based fashion. That is all.

•(1005)

**Mr. Loyola Hearn (St. John's West, CPC):** Mr. Speaker, this is a continuation of complete and utter buffoonery. The member was asked to clarify remarks that he made about the member for Calgary Southeast. First was that he got a grant. He did not get a grant. Then that there was an association in his riding that got a grant. It is not in his riding. The member says it is in his riding. It is semantics. It is not in his riding.

Consequently, all he is doing is perpetrating false information that he gave before.

**The Speaker:** The Chair will review the submissions that we have now heard. We have heard from the hon. member for St. John's West, the member for Calgary Southeast and we have had a response from the President of the Treasury Board that we have waited for since the matter was originally raised on Thursday last week. It was raised again yesterday.

We now have the material. The Chair will review that and get back to the House in due course. However it seems to me that the President of the Treasury Board has at least tabled some evidence to suggest where the grant went. We will have to review all that and make a decision.

Hon. members I am sure will await the decision of the Chair with anxious enthusiasm.

*Routine Proceedings***ROUTINE PROCEEDINGS**

●(1010)

*[English]***MAIN ESTIMATES, 2004-05**

A message from Her Excellency the Governor General transmitting estimates for the financial year ending March 31, 2005 was presented by the President of the Treasury Board and read by the Speaker to the House.

**Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.):** Mr. Speaker, I have a copy of the main estimates to be laid at the table, and I have copies for the appropriate critics and leaders of the opposition parties in the House.

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*[Translation]***CUSTOMS TARIFF**

**Hon. Reg Alcock (for the Minister of Finance)** moved for leave to introduce Bill C-21, an act to amend the Customs Tariff.

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

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**CANADA LABOUR CODE**

**Ms. Monique Guay (Laurentides, BQ)** moved for leave to introduce Bill C-487, an act to amend the Canada Labour Code (replacement workers).

She said: Mr. Speaker, I am pleased to introduce this bill once again. This is the fourth time I have done so, and the tenth time that the Bloc Quebecois has introduced an anti-scab bill.

This is an extremely important cause and the House will acknowledge our perseverance. We are convinced that the next time will be the lucky one, since the last time we were very close to seeing the bill passed. This time we are hopeful of victory.

I remind the government that anti-scab legislation will not cost them a penny; all that is needed is political will.

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

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*[English]***COMMITTEES OF THE HOUSE****SCRUTINY OF REGULATIONS**

**Mr. Paul Harold Macklin (Northumberland, Lib.):** Mr. Speaker, on February 19, 2004, the Standing Joint Committee for the Scrutiny of Regulations presented its first report. As is traditional, this report sets out the committee's order of reference and the criteria by which it conducts its reviews and fixes its quorum.

Now that members have had an opportunity to acquaint themselves with the report, I believe that if you should ask, you will find that there is unanimous consent to concur in the first report of the Standing Joint Committee for the Scrutiny of Regulations.

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

**Some hon. members:** Agreed.

(Motion agreed to)

\* \* \*

●(1015)

**PETITIONS****MARRIAGE**

**Mrs. Elsie Wayne (Saint John, CPC):** Mr. Speaker, I rise today to present a petition with 376 names from all across the country. The petition says that: whereas protecting the moral good of society is a natural and serious obligation of elected officials and cannot be left only to religious leaders and institutions; whereas the defence of traditional marriage as the bond between one man and one woman is a serious moral good; whereas marriage as the lasting union of a man and a woman to the exclusion of all others cannot and should not be modified by a legislative act or a court of law; and whereas the recent rulings of the appeal courts of Ontario and B.C. redefining marriage to include same sex partners destroys traditional marriage in law and endangers Canada's social stability and future vitality and health, we request that Parliament take whatever action is required to maintain the current definition of marriage in law, in perpetuity and to prevent any court from overturning or amending that definition.

**Mr. Janko Perić (Cambridge, Lib.):** Mr. Speaker, pursuant to Standing Order 36, I have the privilege to present to the House a petition dealing with marriage, signed by close to 400 Canadians.

The petitioners wish to draw to the attention of the House that the traditional understanding of marriage has deep historical and philosophical roots in our society, and that it should not be modified by legislation or by the courts. The petitioners pray and request that the Parliament of Canada take every possible action to maintain and protect the current understanding of marriage as the union of one man and one woman to the exclusion of all others.

*[Translation]***CANADA LABOUR CODE**

**Ms. Monique Guay (Laurentides, BQ):** Mr. Speaker, I have the pleasure of presenting 5,500 signatures of petitioners stating that they wish to obtain real negotiating power; that anti-scab legislation is a necessity in today's work environment, in order to level the playing field for employers and employees; and that prohibiting the use of scabs contributes to establishing and maintaining civilized negotiations during labour conflicts.

These 5,500 names are in addition to the 46,000 I have already presented to the House, for a total of 51,500 signatures in favour of anti-scab legislation. I hope their voices will be heard.

*[English]***CHILD PORNOGRAPHY**

**Mr. Gary Lunn (Saanich—Gulf Islands, CPC):** Mr. Speaker, I am honoured to rise to present three petitions at the request of my constituents of Saanich—Gulf Islands.

The first petition, which has been endorsed by almost 200 constituents, calls upon Parliament to protect our children by making sure that we take all necessary steps to outlaw any type of child pornography or pedophilia and any activities of this type involving children. I will reiterate my statement of last year when tabling petitions regarding the same issue. We as legislators and fathers have a duty and an obligation to protect our most vulnerable in society, that is, children.

## MARRIAGE

**Mr. Gary Lunn (Saanich—Gulf Islands, CPC):** Mr. Speaker, the second petition, signed by 130 constituents, prays that Parliament passes legislation to recognize the institution of marriage in federal law as being the lifelong union of one man and one woman to the exclusion of all others.

## MISSING PERSONS

**Mr. Gary Lunn (Saanich—Gulf Islands, CPC):** Mr. Speaker, the third petition is signed by 506 constituents who call upon Parliament to enact legislation to create a missing persons DNA database which would help identify missing family members through the use of DNA and can be cross-referenced with the unidentified human remains index and other databases which exist in current authorities.

## CHILD PORNOGRAPHY

**Mr. Grant McNally (Dewdney—Alouette, CPC):** Mr. Speaker, I have two petitions to table on behalf of my constituents.

One has to do with child pornography and is signed by 135 members of my community who are opposed to child pornography and ask the House to take all necessary steps to put an end to child pornography in our country.

• (1020)

## STEM CELL RESEARCH

**Mr. Grant McNally (Dewdney—Alouette, CPC):** Mr. Speaker, the second petition has to do with stem cell research. The petitioners call on this place to put in place stem cell research which is ethical. They support the idea of adult stem cell research to find the cures and therapies necessary to treat the illnesses and diseases of suffering Canadians.

\* \* \*

## QUESTIONS ON THE ORDER PAPER

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

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

**Some hon. members:** Agreed.

## Supply

## GOVERNMENT ORDERS

[English]

## SUPPLY

ALLOTTED DAY—CANADA PENSION PLAN INVESTMENT BOARD

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

That, in the opinion of this House, the Canada Pension Plan Investment Review Board should be guided by ethical investment policies which would ensure that our pension investments are socially responsible and do not support companies or enterprises that manufacture or trade in military arms and weapons, have records of poor labour practices, contribute to environmental degradation, or whose conduct, practices or activities are similarly contrary to Canadian values.

He said: Mr. Speaker, I thank the House for the opportunity to raise what my party believes to be a pressing national issue, an issue that is very much top of the mind with many Canadians, especially at this time of year when they are making their choices about where to invest their RRSPs.

I believe that many Canadians take the time to ensure that the money they put away for their retirement is used ethically, through investments, for instance, that do not harm people or the environment. However, the Canadian government has no such scruples.

This year, \$2.5 billion in Canada pension plan funds were invested in corporations that manufacture the world's deadliest weapons, including missile launchers, incendiary bombs, battle tanks, high tech fighter aircraft, anti-personnel cluster munitions, warships, and even landmines. Many of these were used in the U.S.-led war in Iraq. The Canadian government has conscripted us into war profiteering whether we like it or not by investing in what we call the merchants of death.

In order for this to change, the mandate of the Canada Pension Plan Investment Board must also change. Profit is currently the sole criteria for determining investments. It is our goal as the NDP caucus to inject an ethical screen and socially responsible requirements into that pattern.

I should point out by way of introduction what the current policy is for the Canada Pension Plan Investment Board. It speaks specifically to the call for ethical investments. The board's website states:

Our legislation specifically prohibits us from engaging in any investment activities other than maximizing investment returns without undue risk of loss.

This policy—and I should point out that it is a policy rather than legislation—further states that the board, and I quote:

will not accept or reject investments based on non-investment criteria.

I will go through the point that we are raising, which is that we do not have to sacrifice profitability to introduce ethics into our investment strategy. The empirical evidence is clear that having an ethical investment screen on our investment strategy does not in and of itself compromise profitability. In fact, I will point out examples where ethical investment plans and funds outperform conventional free and open indexes on the open equities stock market.

### *Supply*

Let us talk about what we mean by ethical investment, because I believe there is a great deal of misunderstanding about this. What we are talking about is socially responsible investing. Ethical investment funds can be implemented using either positive or negative screens. A positive screen would seek out companies that fulfill certain environmental, ethical or social objectives. A negative screen would exclude companies that violate these same standards. Some common negative screens that are mentioned in many of the ethical investment plans include barring the purchase of shares involving tobacco, the creation of pornography, which I feel particularly strongly about, and military production.

Some of the negative screens we are asking to have introduced would prohibit investment in tobacco, military production, any activities which violate human rights, or those that involve environmental degradation.

Key and paramount among what we believe to be these practices that Canadians would object to our investing in is the production of pornography. There is no limit or restriction on the current Canada pension plan investing in the legal creation of adult pornography even though most Canadians would not want their Canada pension plan money invested in this, no matter how profitable it may be.

• (1025)

An ethical investment plan rewards companies that operate in a certain way and provides a carrot to firms that do not meet these criteria and urges them to improve their behaviour to the highest standard.

As a result, society benefits from firms acting, for example, in an environmentally friendly way. We would not advocate that our investment strategy avoids industry sectors all together, such as logging, on the basis that it may not be environmentally friendly. We would argue that we should selectively invest in companies that have environmental practices so that we invest in those companies that have the best practices in that sector and therefore urge other companies to also adopt that high standard of ethical and environmental accountability.

In comparing rates of return, the most common and frequently used argument when we raise this issue is that we will be sacrificing rate of return and therefore somehow compromising the retirement security of pensioners.

There is no clear cut evidence that funds invested ethically always perform better or worse than funds invested according to normal market principles. The results depend on the index or the fund that is being looked at and the time period in question.

I have examples both ways that I would like to go through. One example in the United States is the Domini 400 Social Index which was created in 1989. It has qualitative screens on the Standard & Poor's 500 index of companies and then added certain other companies.

Since 1989 the Domini 400 ethical investment fund has generally outperformed the Standard and Poor's 500 by a small margin. In recent years it has lagged slightly in back of the Standard and Poor's index, but over a 10 year study it has in fact ended up 1.1% higher in performance than an index that has no other governing objectives in its investment strategy.

A similar trend can be seen in a like-minded Canadian index, the Jantzi Social Index. This index invokes different screens than the Domini index and uses as its starting point the Standard & Poor's TSE 60. Using recent data the Jantzi outperformed throughout the mid and late 1990s and since June 2001 it has generally underperformed the wider market. However, on a 10 year average it ends up approximately 1% higher than the other indexes.

What seems clear from these two examples is that ethical funds do not chronically underperform more market oriented funds. In fact, we can have our cake and eat it too. We can invest ethically in a way that does not compromise the values of Canadians and does not offend Canadians, and still receive a good rate of return to our investment.

The current record has not been all that sterling with the Canada Pension Plan Investment Board since it was created in 1997. It hemorrhaged money. Even with its generous guidelines that have no limits on it whatsoever, it lost billions of dollars. We could have done better by playing pin the tail on the donkey in choosing stocks to invest our hard earned pension money. It rolled the dice and gambled, and it did it badly.

I do not think we should hear too much high flown talk about the downfall of ethical investment when the experience without any ethical guidelines has been abysmal, frankly. We said "Here's \$20 billion. Don't lose it", and it went out and lost about \$4 billion. We would have been better off digging a hole and putting that money in the ground. At least we would still have the principal. We would not have lost it.

Our arguments for ethical investment could not have done worse than the current experience with the 12 person Canada Pension Plan Investment Board.

Let us talk about the fiduciary obligations of trustees of any pension plan. I was a trustee of a union health and welfare benefit plan. I know the limitations. However, we could craft the trust document to allow as many ethical investment funds and allow for other considerations to be factored into the investment strategy other than simply maximizing the rate of return.

• (1030)

If we only wanted the maximum possible profit, we could be making porn movies because one can make a 60% and 70% profit making pornography. We could be selling landmines more than any other activity because landmines and armaments are very profitable. We argue that there are better things that can be done with our money.

We believe that the fiduciary obligations, as contemplated in the trust document of the Canada Pension Plan Investment Board, could be amended or modified to allow that an investment in a positive rate of return does not have to compete with the best rate of return. In other words, an adequate or reasonable rate of return should be the language that we should be using in order to take into consideration other issues.

*Supply*

The Ontario public service employees union, OPSEU, pension trust fund is a large jointly trustee pension plan. It stipulates that a reasonable rate of return is the target. That gives it the latitude in its plan to either achieve other secondary goals for which it may wish to use some of its investment strategy or to ensure that it is investing in a selective way that does not offend the sensibilities or the values of the participants in its plan.

Another major investment house dealing with pension plans is the hospitals of Ontario pension plan, HOOPP, which has invested according to four major ethical screens. The president of that plan, Mr. Ed Baker, noted that in order to meet the actuarial assumptions, the plan did not need the biggest returns. He stated that what was needed was a return that was reasonable and invested in a socially responsible manner. Socially responsible are the operative words here.

There is little support for the theory that ethical investments necessarily yield a lower rate of return. I have a list of some 120 ethical investment funds that I can cite that are outperforming on the open market other plans that have no such ethical guidelines attached to them.

In Canada the only evidence about social investment and the rate of return is anecdotal at best. In the United States there is some systematic research related to social investment strategies. In a comprehensive review of the U.S. literature on pension fund activism, there is no substantial effect to having ethical guidelines or ethical screens compared to having none at all.

In Canada the anecdotal evidence states that ethical investments are above average performers compared to mutual funds. For example, the social investment organization has reported that the ethical growth fund with a screened portfolio has performed as well or better than non-screened mutual funds, with an average annual compounded rate of return over 10 years of 12.5%. Over the same period, the ethical growth fund outstripped the TSE 300 by 1.1%. However, given the interest in the issue, there is little systematic research. Much of this is anecdotal.

The issue has been treated completely unfairly by the media of late. There have been two editorials, one in the *Ottawa Citizen* and one in the *Vancouver Province*, that hastily did away with any idea that we should have any ethical guidelines involved in our investment strategy at all. They were not only badly researched, but they were out and out rude toward those who felt strongly about this issue, calling people who believed in ethical investment silly socialists.

I represent a large group of Mennonites in my riding. They feel strongly about the fact that they do not like to have part of their income tax used to invest in the military. Some of them withhold a certain percentage of their income taxes per year, about 2%, because they believe 2% of the GDP or tax revenue goes toward the military. That is how strongly they feel about it. For these newspaper articles to accuse those well-meaning Christians of being silly socialists because they do not want their investment dollars being spent on landmines is ignorant on the part of the newspapers. They would not even entertain the general argument in any realistic way.

●(1035)

We should look at other ethical investment funds for direction because many are doing it very well. The Caisse de dépôt et placement du Québec invests over \$120 billion for a number of Quebec pension plans and the Quebec pension plan. It uses its investments for other strategic secondary goals other than simply the maximum rate of return. Again, a reasonable and acceptable rate of return is language that is used in many of these plans, but they are not bound by a trust document that so clearly limits the use of this massive fund.

People would question whether we should be investing our Canada pension plan in the equities market at all. We now have \$30.6 billion in equities and real estate and about \$34 billion invested in bonds and other secure investments.

Should we be rolling the dice with our pension plan? We believe that there are other secondary goals for which we could use this pot of money. For instance, lending money to municipalities for infrastructure programs or rapid transit at a stable but lower rate of return would achieve other secondary goals with our investment strategy.

The parliamentary leader for the NDP wrote a letter to the Minister of Finance on December 15 of last year, just three days after he was sworn in, to raise this very issue with him. He wrote that Lockheed Martin, along with Raytheon, General Electric, General Dynamic, Carlisle and two other American corporations that benefit from significant Canada pension plan investments were all complicit in the production of anti-personnel landmines for the U.S. military.

He said that Canada pension plan investments in these corporations contravened the convention on the prohibition of use, stockpiling, transfer and production of anti-personnel landmines and section 1 of that convention, which was ratified by Canada. It started here with the then Minister of Foreign Affairs, Lloyd Axworthy, and others on the Liberal benches who initiated this laudable international goal to eradicate the world from landmines.

Our leader further stated that subsection 1(c) of article 1 of this treaty signed by Canada in Ottawa on December 3, 1997, the very same year that the Canada Pension Plan Investment Board started investing in landmines, stated that, "each state party undertakes never under any circumstances to assist, encourage or induce in any way anyone to engage in any activity prohibited to a state party under this convention".

This is strong language. No wiggle room whatsoever; it was ratified by Canada on December 3, 1997, the very same year that the Canada Pension Plan Investment Board began investing in these obnoxious anti-personnel landmines. He went on:

### Supply

He went on to say that they were not allowed to develop, produce or otherwise acquire anti-personnel landmines. The Canada pension plan investments, our parliamentary leader argued, were therefore made in companies engaged in business that was unlawful in this country and these contraventions were unacceptable. He therefore urged the Minister of Finance to halt the investment of CPP funds in any corporations that developed or produced anti-personnel landmines.

My motion today goes farther than that. Obviously, this turns heads because it is so reprehensible to even think it. The motion that I introduced today on behalf of the New Democratic Party goes further than just barring investment in merchants of death. It states that:

...the Canada Pension Plan Investment Review Board should be guided by ethical investment policies which would ensure that our pension investments are socially responsible and do not support companies or enterprises that manufacture or trade in military arms and weapons, have records of poor labour practices, contribute to environmental degradation, or whose conduct, practices or activities are similarly contrary to Canadian values.

● (1040)

I believe there is broad cross-party support and national support for such ethical guidelines for our Canada pension plan.

**Mrs. Bev Desjarlais (Churchill, NDP):** Mr. Speaker, I want to thank my colleague for bringing forth a number of issues. I know he could have used a lot more time to discuss the issue of ethical investments with Canada pension funds.

He touched on the landmine issue. I think every person in the House should take a good look at themselves and really think about what has been mentioned. Canada had a foreign affairs minister who thought it was important enough to partake in a worldwide effort to have a treaty in place to ban the use of landmines. Why ban the use of landmines? Without question, most of people who have suffered from the use of landmines are innocent civilians who have not taken part in the war effort. Children and people who walk the streets after a war is done suffer the most from landmines. Because of the way landmines are made, their limbs are torn off. It is a huge issue throughout the world.

We are a great, wonderful nation and we make the statement that Canada will not partake in this. As a nation, how do we justify that we are not part of this when we have taken our pension funds and invested in companies that make the landmines?

I will put this into a context that maybe people will understand. As far as I am concerned, this is like taking our pension funds and investing in al-Qaeda or any other group that is out there to destroy humankind. It is not acceptable. Either we are principled and have some values or we do not. Let us not try to pretend anymore. As Canadians we take a stand and say that we believe in ethical funds and that we should not support those issues, or we let the world know that it is really all just for show.

The same issue would apply to investing in tobacco companies. We realize the serious risk of tobacco smoking, the effects it has on our health care system and the costs. Therefore, why would we use our pension funds to invest in tobacco companies, even though we put rules in place, such as if someone is under a certain age, they should not be smoking and vendors cannot sell to people under a certain age? We have huge taxes on it. What are we doing? We are

investing in tobacco companies so they can sell to other countries. That is not acceptable.

I would like to think that everyone of us has more principles than that, that we will not use the rest of the world as our ground to make a few bucks off someone else's poverty and misfortune.

**Mr. Pat Martin:** Mr. Speaker, I thank my colleague, the member for Churchill, for raising that very valid point. She may be interested, as others may be, that it is not just landmines. Canada pension plan investments are currently supporting these following weapons that are in use in the Iraq war: the AC-130H Spectre aircraft, the F-14 Tomcat fighter jet, the Nighthawk stealth jet, the BGM-109 Tomahawk missile, the M109A6 Paladin tank, the Dragonlady aircraft and the list goes on. Therefore, even though we are technically not in the war in Iraq, we are inadvertently active in the war in Iraq by investing in these specific products. Some of these weapons are in use that war.

Canada officially stayed out of the war for reasons that most Canadians understood, but not our pension premiums. The fact is that Canada is very much present on the bloody battlefields of Iraq and it still is. Our Canada pension plan investment policies have made warmongers of us all.

At the very least, even those who disagree with me, it is entirely appropriate to ask whether we want one instrument of government actively undermining the work of another instrument of government. Do we want, in the case of landmines for instance, to be financing weapons that Canada is committed to eliminating from the face of the earth? Aside from the obvious hypocrisy, it is inefficient. It is a stupid thing for government to be doing; for the right hand not to know what the left hand is doing, and to be contradicting ourselves.

For all the moral and ethical arguments I can muster, I urge anybody who cares about these issues to support this motion and send a clear, specific direction to the Canada Pension Plan Investment Review Board to introduce ethical guidelines so that our investments are socially responsible.

● (1045)

**Mr. Howard Hilstrom (Selkirk—Interlake, CPC):** Mr. Speaker, I am also against people being killed in wars and disputes. I am against crime on the streets where people get killed. Landmines of course are meant to kill people, so I am against them too.

However, let us take the case of Afghanistan. There was a regime in Afghanistan which was killing people and putting women and female children in the position of being unable to get an education. Firms built the necessary weaponry to liberate the women and children of Afghanistan. Those weapons, not landmines, had to be used. Right now the Canadian armed forces are over in Afghanistan carrying on with the effort made there through the use of these weapons.

I ask the member if in fact there is not a place in the world, seeing as how mankind has not risen to the ideal heights of not hurting each other, where it is necessary to use weaponry for the ultimate good of the people of that country.

**Mr. Pat Martin:** Mr. Speaker, one could argue that our Canadian military uses bullets, tanks and guns. Be that as it may, we have made investments in Raytheon, General Dynamics, General Electric and other, what I call, merchants of death. They are not just selling these products to the Canadian military. They are involved in the international armament trade. I believe we should let somebody else be involved in that business. Canadian people do not want their pension fund involved.

As I have said, keeping in mind that the Canada pension plan must remain actuarially sound, who says that we may not use our resources to further other important secondary policy goals? Who says that we might not want to fund social housing and collect our return through mortgages, or lend money to municipalities for public transit or other green infrastructure or fund energy retrofits of government buildings and recoup our investment through the energy saving? As long as the plan remains actuarially sound and we get the pensions we were promised, why do we not use our money to best advantage Canadians, not to blow the legs off children in some far off land?

**Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC):** Mr. Speaker, I do not recall the member making reference to the situation in Sudan. We had a situation where a large major Calgary oil company, Talisman by name, was in Sudan for too long. Finally it has backed out of that situation. The profits went into the war. Oil revenues were used to the hurt of the southerners in that country. The Khartoum government was using it in a very bloody, brutal and awful way in genocide of the people of the south.

For a long time I had great concern and consternation because of the fact that our pension funds were actually invested with Talisman, which in turn was then used to fuel this genocidal war in Sudan.

I would appreciate the member's comments with respect to that.

**Mr. Pat Martin:** Mr. Speaker, the hon. member raised a recent and graphic demonstration of exactly the point I have been trying to make.

In my view what we consider bad behaviour on the part of a corporation should not be rewarded by investments from our Canada pension plan. This is the type of thing, were an ethical screen put in place, that the investment probably would have been screened out. Again, we would not screen out every oil company on the basis of that bad actor.

We would have what we call the best of sector strategy. We would look at the oil and gas sector, an area in which we may want to invest and should perhaps as the Canada pension plan, and invest only in the actors in that sector that were practising best practices, the highest ethical standard possible in that sector.

Hopefully this would be the carrot approach that other industry players would seek to elevate their standards so they could also attract the massive investment. We are talking about \$100 billion in the near future. The only people to gain so far have been the

### *Supply*

stockbrokers who have yielded \$500 million worth of brokerage fees for moving our money around.

I thank the member for his question. It is a legitimate recent example that I believe helps to make our case that we can and should be more selective and more careful in our strategy. I hope I have demonstrated by example that we do not have to compromise profitability in doing so. The empirical evidence is to the contrary. We can match or even in many cases surpass standard indexes through ethical investment strategies.

● (1050)

**Hon. Denis Paradis (Minister of State (Financial Institutions), Lib.):** Mr. Speaker, it is my pleasure today to speak to a motion introduced by the hon. member for Winnipeg Centre, which deals with the investment policies of the Canada Pension Plan Investment Board.

First, I would like to provide all hon. members with some background on the Canada Pension Plan Investment Board and explain some of the measures it has taken to protect the sustainability of our pension system while promoting the values of Canadians.

The Canada Pension Plan Investment Board is the product of the need to ensure that the Canada pension plan will continue to provide the vital benefits that allow our seniors to enjoy a comfortable, indemnified retirement.

[*Translation*]

The Canada pension plan was created in 1966. The then government realized that Canadians needed a public pension plan that could be carried from job to job, and from province to province.

The answer was the Canada pension plan, a compulsory earnings based national plan set up jointly by the federal and provincial governments to which nearly all working Canadians contribute.

The CPP provides all wage earners who paid into the plan with retirement income. It also provides financial assistance to their families in the event of death or disability. The Canada pension plan was designed to complement, not replace, personal savings and employment pension plans.

The Chief Actuary of Canada predicted that the assets of the Canada pension plan, the equivalent of two years of benefits at the time, would be depleted by 2015 and contribution rates would have to be increased to more than 14% by 2030, for the plan to remain viable.

The federal and provincial governments subsequently released a discussion paper and held Canada-wide consultations on the CPP in the mid-1990s.

In joint public hearings from coast to coast, Canadians sent governments a clear message. They wanted them to preserve the Canada pension plan by strengthening its financing, improving its investment practices and moderating the growth costs of benefits.

### *Supply*

Canadians expressed their desire to see the necessary changes made to the Canada pension plan. During these hearings, governments heard not only from one or two interest groups, but from Canadians who truly represented the public. They heard from seniors, young people, social planning groups, pension experts, actuaries, chambers of commerce, and from a great many ordinary Canadians interested in and concerned about the CPP.

Following these consultations, the federal and provincial governments in 1997 adopted a balanced approach to CPP reform so that the plan could meet the demand in the coming years when the baby boomers would be retiring.

All changes to this federal-provincial program must be approved by at least two-thirds of the provinces representing at least two-thirds of the population.

Those reforms included a rapid increase in CPP contribution rates, a buildup of a larger asset pool while baby boomers were still in the workplace, its investment in the markets at arm's length from government for the best possible rates of return, and administrative and expenditure measures to slow the growing costs of benefits.

All together, those measures ensured that a contribution rate of 9.9% could be expected to maintain the sustainability of the plan. The federal and provincial ministers concluded, in their most recent study in December 2002, that the plan was financially sustainable and would be able to pay benefits to future retirees.

The new market investment policy was a key element of CPP reform in 1997. The Canada Pension Plan Investment Board, which is the subject of today's debate, was set up in 1998 to implement this new investment policy.

Created as a professional and independent investment board, its mandate is to invest on behalf of contributors and beneficiaries and to maximize the return by reducing the risks of unjustified losses.

Before the board was created, the CPP's investment policy was for funds not immediately required to pay benefits to be invested in provincial government bonds at the federal government's interest rate. This represented an undiversified portfolio and an interest rate subsidy to the provinces.

Now, under the new policy, funds that are not needed to pay benefits and expenses are transferred to the CPPIB and are prudently invested in a diversified portfolio of market securities in the best interests of contributors and beneficiaries.

I would like all of my colleagues to know that the new investment policy is consistent with the investment policies of most other public sector pension plans, including the Ontario teachers' pension plan—which is a major pension plan—and the Ontario municipal employees' retirement system. The CPP Investment Board operates under investment rules similar to those of other public sector pension plans in Canada.

●(1055)

These rules require the plan's assets to be prudently administered in the interest of plan contributors and beneficiaries. As well, like all other public plans, it is subject to the foreign property rule restricting investment in non-Canadian companies to 30% of the portfolio.

I would now like to address the content of the motion presented by the hon. member for Winnipeg Centre. Our position on this has always been clear. Canadians are entitled to know why, how and where their CPP contributions are invested, who makes the investment decisions, what assets are held on their behalf, and what the yield is on their investments.

It is essential that the board be fully accountable to Canadians and to federal and provincial governments, and this is indeed the case. It is also essential that Canadians' retirement funds be managed to the highest professional standards and at arm's length from government, with highly qualified, professional managers making investment decisions. And this too is the case.

As many of my colleagues are aware, the framework of governance established for the investment board is designed to ensure total transparency and accountability. I will go into detail on that if I may.

The CPP investment board keeps Canadians well informed of its policies, operations and investments through quarterly financial reports, an annual report tabled here in parliament, regular public meetings in each participating province, and of course its website, where its financial results and investment policies are posted.

A robust process with strong checks and balances that is in place for identifying and appointing CPPIB directors also assures full accountability of the CPPIB. Directors are chosen from a list of candidates recommended by a joint federal-provincial nominating committee after consultation with provincial finance ministers. As a result, the board includes individuals with strong business, financial and investment expertise.

Independence from governments in making investment decisions is critical to the CPPIB's success and public confidence in the CPP investment policy. I should point out that the independence and the quality of the CPPIB board of directors have received strong support from the public and pension management experts.

Some Canadians, including the hon. member for Winnipeg Centre, are concerned that the CPP's assets are being invested in companies or countries whose activities or policies are contrary to their own convictions. In the context of promoting socially responsible investments, they feel that we should take advantage of the power represented by our investment portfolio to influence factors that do not relate to investments.

*Supply*

However, there are other Canadians, some of whom use socially responsible criteria to make their personal investment decisions, who feel that we should focus on the return of the investments, since the financial security of the pension plan is in itself a major social policy goal.

It may be easy for an individual or a group of people who share the same ideals to make investments that pursue social goals. However, it is rather difficult if not impossible to do so for an institutional investor who represents over 16 million CPP contributors and beneficiaries whose personal convictions are extremely varied.

The legislation that regulates the board's activities specifically prohibits it from engaging in any investment activities other than maximizing investment returns without undue risk of loss. Consequently, the board does not select or exclude investments through the application of positive or negative screens based upon religious, social, economic, political, or personal criteria, or any other non-investment criteria.

The board's social investment policy, approved in March 2002, considers as eligible for investment securities of issuers engaged in a business that is lawful in Canada; and securities of issuers in any country with which Canada maintains normal financial, trade and investment relations.

The policy further states that the board will not accept or reject investments based on non-investment criteria. However, it will generally support corporate policies and practices and shareholder resolutions that would result in the disclosure of information that could enable investors to evaluate whether a corporation's behaviour will enhance or hinder long-term investment returns.

The board has also established mechanisms to promote sound corporate management and proper accountability on the part of corporations whose securities are part of its portfolio.

• (1100)

Under these instructions for proxy voting, the board uses its right to vote as a mechanism for encouraging corporations to provide information on their corporate code of conduct and ethics. This can help investors determine whether the corporation's conduct is a gauge for good long-term results or a risk to their return.

[*English*]

As a rule, the board believes that companies that respect the environment, human rights, fair employee practices, community relations and otherwise act in an ethical manner tend to perform better over the long run. We as government wholeheartedly agree with that principle, but in recent months the board has shown that it is prepared to go further on these issues relating to public concern over its investment practices.

When allegations were raised that companies currently being helped with the CPPIB's investment portfolio were involved in the manufacture of anti-personnel mines, the board undertook its own investigation in the matter. After consulting the specific companies directly and conducting its own investigation through third party sources, the board has reported that it has not found any evidence to support these claims.

[*Translation*]

Moreover, the board told my colleague, the Minister of Finance, that, if one of these corporations it invests in were found to be conducting such activities in Canada or abroad, the board would sell its shares in this or any other corporation conducting this type of activity, pursuant to its policy on the social aspect of its investments.

The results of the board's investment strategy speak for themselves. In 1997, the Canada pension plan had a deficit of over \$6 billion and many believed the CPP would not satisfy the needs of the next generation of Canadian workers. For the hundreds of thousands of Canadians reaching retirement age, this was hardly good news.

A little less than seven years later, the plan has undergone nothing short of a spectacular turnaround. The plan's reserve fund is currently worth more than \$64.4 billion. What is behind this turnaround? Without a doubt, the decision to increase the contribution rate to 9.9% has a lot to do with it.

However, we must not underestimate the role of investment income from the board's activities in explaining the dramatic improvement of the plan's finances. Retired Canadians will be able to count on the CPP for many years to come. Despite equity and bond market fluctuations, the board's prudent investment strategy will continue to pay dividends to Canadians of all ages.

If current estimates prove correct, the reserve fund will reach \$80 billion in 2007, and nearly \$160 billion ten years from now. These figures support the statements of the Chief Actuary of Canada, who said publicly that the CPP is sound for at least the next 75 years.

This means that all the members, their children and even grandchildren can expect to receive the CPP benefits to which they will be entitled. In this uncertain world, this is a very remarkable achievement.

In conclusion, I want to quote the President and CEO of the Canada Pension Plan Investment Board, John MacNaughton, in a speech he recently gave to the Calgary Chamber of Commerce.

He said that no investment strategy is—or should be—written in stone, and undoubtedly further adjustments will take place over time in line with shifting market conditions and portfolio needs. For now, we are proud of what we have accomplished, and we are confident we can meet Canadians' expectations, fulfill our mandate, and keep our promise.

• (1105)

[*English*]

The promise is nothing less than the right of all working Canadians to collect pension benefits to which they are entitled, and to enjoy a comfortable and dignified retirement. They deserve nothing less.

### Supply

For these reasons, I cannot support the motion of the member for Winnipeg Centre as written. However, I thank the hon. member for having raised this important question.

**Mr. Gary Lunn (Saanich—Gulf Islands, CPC):** Mr. Speaker, I am very pleased to stand as the critic for the Conservative Party and deal with today's NDP motion:

That, in the opinion of this House, the Canada Pension Plan Investment Review Board should be guided by ethical investment policies which would ensure that our pension investments are socially responsible and do not support companies or enterprises that manufacture or trade in military arms and weapons, have records of poor labour practices, contribute to environmental degradation, or whose conduct, practices or activities are similarly contrary to Canadian values.

It is a nice warm motherhood statement. It has lots of fuzzy language but it does raise a number of concerns. First and foremost it would create another administration, another level of bureaucracy that would make it very difficult for the Canada Pension Plan Investment Board to actually operate.

When it makes investments, its first and foremost concern is to ensure a fund is there that is going to grow and meet the needs of the demands that are going to be placed upon it. We will get into those details a little more but I am not too sure the motion is practical. Again, it is nice, warm, fuzzy language and something they may want to think about in some cases but to put this forward I am not sure is the right approach.

If members of the NDP really want to target corporate corruption, if they really want to improve some of these labour and environmental standards, they should be going after companies like Canada Steamship Lines that refuses to fly the Canadian flag and flies a flag of convenience to circumvent these issues. One would have to ask if they believe that the current Liberal government has any interest in actually doing this when the Liberals see the Prime Minister, the leader of their party has actively engaged in this through CSL.

In any event, since we are going to be talking about the Canada pension plan, it would be helpful to discuss some of the historical problems with the CPP. There is no question there are problems inherent in the CPP investment system and certainly the Liberals have not helped them. The Liberal solution to the problems has been merely to bilk Canadian workers and employers out of billions of dollars. This is well documented. The facts are pretty straightforward.

The Canada pension plan began to founder in the 1990s. In 1996, 30 years after its inception, the plan was going bust. More than 10 million Canadians were paying \$11 billion into the plan but three million were being paid \$17 billion in benefits. The \$6 billion difference obviously had to be made up out of general revenues.

Of course, at that time it was the Chrétien government and the Liberal solution, the member for LaSalle—Émard, the current Prime Minister, was the minister of finance. Their solution was nothing more than the largest tax grab in Canadian history.

Beginning in 1998 they raised Canada pension plan premiums. They were jacked up from 5.6% for an average industrial wage to 9.9%. It was almost double. It represented a 73% increase. Again it was the largest tax grab in Canadian history. The 9.9% was matched

by the employers. For the self-employed it was even worse because they had to pay both contributions. It was terrible.

Every Canadian can expect to get an average benefit of \$5,500 a year at age 65. The highest payout available under the Canada pension plan is \$9,000.

● (1110)

However the worst injustice by the Liberal government and its CPP was the tax grab. It did not look at the real problems of the Canada pension plan. It saw that it was not sustainable and that it would go broke but Canadians had come to expect this pension. They had been paying in for all those years. Of course when they were paying into it, it was to fund the people who were receiving the benefits at that time. Unfortunately, our younger generation, those just graduating from university and heading out to work, will, without question, be hit the hardest.

Let us look at the realities of the plan. Every worker who was born after 1980, people who are in their early twenties today, will only ever receive a 2% return on their retirement investment. Those who retired in 1995 are receiving a 9% return on their investment. There is a huge inequity.

We are absolutely committed to ensuring that retirees receive their benefits but the government of the day, I would argue, should have looked into other possibilities, other opportunities, other structures where there may have been greater opportunities for young Canadians to have some input into the decisions made on their investment plan because it looks very bleak for them.

One of the issues that convinced me to run for Parliament was the so-called brain drain where our best and brightest were leaving the country to seek employment elsewhere. I would argue that it is still a huge problem.

The Liberal government has often said that we have a brain gain. The raw numbers may show we have a brain gain but the very best and brightest, the future CEOs and entrepreneurs, are the ones who are leaving. They are the ones who should be creating the jobs and the economic wealth so that we have a large tax base and so we can fund social programs like health care and CPP.

Without that strong economic base, all these programs are put into serious question. Yet the government absolutely ignored this generation 100% when it became apparent that the Canada pension plan was not sustainable. All it did was double the premiums, which was another big tax grab, as opposed to looking at the real problems. Of course, we have seen this too often from the government.

This painful and expensive Liberal solution has left the Canada pension plan with an unfunded liability of half a trillion dollars. It is the same as the national debt which has an unfunded liability of some \$500 billion, a half a trillion dollars. How can anyone comprehend a number like that? Even worse, this unfunded liability is not shrinking. It is growing at a rate of 6% per year.

I come back again to the NDP motion. This is a serious problem. However, in its warm and fuzzy latent left way, it has completely ignored any kind of reality and has come up with a warm and fuzzy statement without addressing the real problems that need to be looked at.

The Canada Pension Plan Investment Board invests funds. It is delivering right now roughly 2.6% annualized performance, slightly better than TSE for the same period. However there is absolutely nothing being done to address the growing unfunded liability. Quite simply, it is not making enough money on the investments to cover the liabilities.

If we were to put further restrictions on the investment board of the Canada pension plan it would really tie its hands. I am sure there are times when we would say no, that this is not be a good place to invest, but we should leave that to the responsibility of the investment board.

● (1115)

The additional cost and burden of creating another bureaucracy, another administration, another level of all these approvals would not be reasonable. Furthermore, opportunities would be lost because of the extra administrative burden of having to do reviews to ensure the investments meet all of the guidelines when in many cases they would be acceptable investments.

The NDP motion would also place further limits on the investment board. One question I would have to ask is whether the NDP has done an economic study to determine what impact it would actually have and whether there is even a problem where they are suggesting there is one.

There is no question that some investments would be made. However some people might argue that a company, such as a forest product company engaged in harvesting the forest, would not qualify because of the environmental consequences. Others might argue that for proper forest management one has to harvest the timber when it matures because it is susceptible to the pine beetle which goes into different areas.

The point I am making is that all this administration and all this hand tying would not be a wise decision.

The other issue is that by the time the baby boomers begin to retire in 2012 the fund will have in excess of \$140 billion, a very large amount to invest. The Canada Pension Plan Investment Board would be unable to trade freely and smaller funds will delight in playing off the investment board's positions. It would only be to the detriment of Canadians. The more restrictions we put on the Canada Pension Plan Investment Board, the less it would be able to do its job, and it obviously would get a smaller return on its investments. I do not think the extra administration, the extra bureaucracy that it would have to go through would be healthy at all.

As I mentioned earlier, how the Canada pension plan scheme basically operates is that those who are working today pay into the fund and obviously they do not have the investments built up to a point where it can cover those who have retired. In other words, what they are paying today only covers those who are retired now.

### *Supply*

The problem is compounded because people are living longer. The pension eligibility age is 65 and life expectancy, because of recent advances in medical technology and because of health trends, is almost 80. Therefore people will be collecting their pensions for around 14 years but nothing has been built into the system for this. The bottom line is that we will end up with an enormously underfunded Canada pension plan. It is not sustainable when it is underfunded by a rate of a half a trillion dollars, not unlike our health care system. Under the current government's policies, both those programs will collapse under their own weight in the coming years because they are not sustainable. Those are the programs on which we should be focusing our energies right now.

We should be looking at other things as well. We should be looking at doing away with mandatory retirement ages. Mandatory retirement ages merely encourage people to walk away from the workforce which has a serious negative effect. It stops CPP payments from coming in and it puts more pressure on people to draw on the account.

● (1120)

We should also be looking at reforms but, first and foremost, we should be looking at reforming the Canada pension plan so our younger generation will have a fair and equitable pension plan. The older generation, which has paid into the plan for many years, has planned their retirement on it and are expecting a certain pension. We are committed to supporting that pension. However it is the younger generation, the 20 and 30 year olds, who are paying the large premiums and yet the government is doing nothing to ensure they will have a pension when they retire.

The plan will be crushed under its own weight. We should be looking at structures where individuals would have more input into investment decisions. The first step would be to give them the opportunity to be more active in developing their own pensions and watching them grow. The second step would be to ensure the sustainability of the plan. Any actuary looking at this plan would say that it is not sustainable, not unlike our health care system.

The NDP motion has nothing to do with the sustainability of the plan. It has nothing to do with individuals having any kind of input and it has nothing to do with young people having a say in their investment decisions. The motion is silent on all that. It just makes warm, fuzzy statements. I call them the Layton left statements. That is not a healthy thing to do.

I want to switch gears here and talk about the present. We put a great deal of faith in the Canada Pension Plan Investment Board. The Conservative Party believes that the people on the board, as far as we know, are doing a good job with the resources they have. However we should try to institute reforms and looking at the sustainability of the plan would be the most important part.

The NDP motion is the latest in a string of misguided attempts to force CPP investments into the NDP's societal values. It should be voluntary from the board. We have to trust its judgment. Micromanaging the board would only be asking for more problems.

### Supply

If the NDP is really serious about dealing with some of these issues, I encourage it to start at the top of the list and go after companies like Canada Steamship Lines. CSL flies flags of convenience so it can avoid any type of environmental regulations and avoid employment regulations here in Canada. It is no wonder we have problems on all these fronts when Canadian companies, such as the one the Prime Minister owned in the past, have a direct involvement in the plan. The record speaks for itself.

I cannot support the motion because it would do nothing for the sustainability of the Canada pension plan, which is an important issue that needs to be addressed. The motion is a nice, warm, fuzzy, motherhood statement, but it should look at the harsh realities.

• (1125)

**Mr. Howard Hilstrom (Selkirk—Interlake, CPC):** Mr. Speaker, I am concerned, of course, with the sponsorship scandal that is going on around here, with the government giving out contracts for little or no work being done and in particular with the crown corporation allegations, the latest allegations that came out of the Auditor General's report. I remember when the legislation went through in regard to the Canada pension plan being set up, as to actually having the money in the bank to invest as opposed to the government just dumping it into general revenues.

I wonder if the member could tell us if there is any concern about Liberal appointees being put onto this Canada pension plan investment team and about the direction of it. Could he tell us if the Auditor General has the authority to look at the Canada pension plan, how it is handled, where it invests the money and its operation? Who does it report to? Does the member know that offhand?

**Mr. Gary Lunn:** Mr. Speaker, the member has raised a very good question in light of these recent scandals and the level they have risen to. We have seen this scandal rise to a level such that it is the darkest day in Canadian political history. We have never seen this level before. It is a very, very sad day for the Canadian taxpayer.

Unfortunately, this is a Liberal Party problem. This was brought on by the Liberal Party of Canada, with money laundering schemes and absolutely the most unbelievable acts. People should go to jail for what has happened.

There is a tragedy in all of this scandal that the member referred to and, of course, he brings it back to the Canada Pension Plan Investment Board. I have no idea if the investment board is involved or not. I suspect it is not. The simple fact is that in this government it would seem that four crown corporations, such as the RCMP, have been involved. The simple fact is that the government has brought the reputation of all these agencies into disrepute, and unfairly. I have no doubt in my mind that there are tens of thousands of the hardest-working civil servants, the most honest people. Unfortunately, the political masters of the day are not, and now Canadian taxpayers are left to wonder who in the public service they can trust.

I will emphasize this. I am sure that tens of thousands, the vast majority, virtually all of them, are the most honest, hard-working people. It is absolutely shameful that this government has put their reputation in question or on the line. People just do not know. People are very cynical right now about sending any tax money to Ottawa as they hear on the news that spouses of people in very senior political positions, elected or not, would go on a shopping spree with an

executive from an ad agency. The ad agency's credit card would pay for everything and then the bill would be turned back to this government to have the bill paid. It is outright theft, not a scandal.

We must have some confidence in the people. I have no doubt that the people at the Canada Pension Plan Investment Board are very qualified and very good people, but there is no question about the anger and mistrust. This recent scandal has left a very foul taste in virtually every Canadian taxpayer's mouth. They just do not know. The Canadian people deserve better than these people who put those people in charge. It is simply not okay for them to wash their hands and say, "It is not our problem. It was the previous administration". It is the very same people.

• (1130)

[*Translation*]

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, I wish to inform you that I will be sharing my time with the hon. member for Verchères—Les-Patriotes.

We have before us a motion that is worth reading again. The motion, which has been put forward by the NDP, reads as follows:

That, in the opinion of this House, the Canada Pension Plan Investment Review Board should be guided by ethical investment policies which would ensure that our pension investments are socially responsible and do not support companies or enterprises that manufacture or trade in military arms and weapons, have records of poor labour practices, contribute to environmental degradation, or whose conduct, practices or activities are similarly contrary to Canadian values.

Generally speaking, we are in agreement with the spirit of this motion. We know it is not votable. Still, it opens up a subject of debate we think is very important, especially when are discussing the savings of thousands of Canadians. We know that Quebec has a different system, the Caisse de dépôt et placement, which manages the collective savings of Quebecers.

I find it interesting that the NDP has introduced this motion, since it asks a fundamental question: should a public system or money managed in a pension fund have financial profitability as a goal, or should it not also aim for social, environmental and ethical benefits?

In my opinion, the question ought to be debated and the answer is that it is of no benefit to the people of Canada—nor of Quebec—to have a vision for their invested savings that focuses strictly on short-term profit.

What use would it be to have a satisfactory pension fund but live in a completely polluted environment where the rights of workers are ignored, and where we are indirectly supporting child labour in many Southeast Asian countries? The Canada Pension Plan Investment Board, like the Caisse de dépôt et placement and all pension funds, has a very important example to set in this respect.

We know that half of the money going through the Canadian system comes from the workers' pension funds. In Canada alone, this means \$600 billion: that is not insignificant.

As a result, as soon as the Canada Pension Plan Investment Board adopted an ethical position on its investments, with a certain number of guidelines to be discussed by its members and then made public, it seems to me that this would generate the necessary pressure to ensure that the investment strategies of our public funds and our pension funds strike that balance between short term profitability—for we must not delude ourselves, it is short term—and social conscience.

I emphasize the words short term because, when there is pollution, it costs money sooner or later, to clean up that pollution. Overall, the net return for society can quickly become negative. Even in the throne speech, the new Prime Minister mentioned that it was important for the federal government to assume its responsibilities and decontaminate the lands it had itself contaminated over the years.

Had that been our view at the time—granted, environmental awareness was less developed than it is now—we would not be having to spend that money now and it could have been used to meet social objectives to meet immediate needs: health, post-secondary education, social housing, and the like.

Another thing—and the reason why I have already said that all guidelines for this investment and this ethical investment policy must be made public—is that the investment policy or strategy of many pension funds these days is not known to the contributors.

Workers are not informed of these strategies. They are not involved in making the decisions. So the board has a responsibility to show the way on this. It is absolutely essential that all of our pension funds have transparent investment policies and that the contributors be aware of those policies.

This is even more the case for Quebecers, because often, very often, too often, pension funds are administered out of Toronto and reflect Canadian values, which are not necessarily always values Quebec society shares.

I believe it is also important to point out that, with the NDP motion, we would be showing how important it is to pay attention to the positive achievements of companies, to show that economic performance and social performance are not mutually exclusive. Far from it; they often go hand in hand.

• (1135)

We know that, in the past, investment strategy decisions based on ethical values have had an impact. For example, an international campaign was conducted in South Africa to disinvest the money from the pension plans of workers in Canada, Quebec and many other western countries. The international community agreed that the apartheid regime should not be supported through foreign investments. The campaign produced excellent results. As we know, the apartheid regime is now history, largely because of that campaign, which promoted an ethical form of investment by boycotting investments in South Africa. I remember that a large number of Quebecers participated in that boycott.

### *Supply*

Still, I want to take this opportunity to point out a danger. With investment protection clauses such as those found in the North American Free Trade Agreement, particularly in chapter 11, a campaign such as the one that was conducted by the international community against investments in South Africa would not be possible.

It is important that, at the international level, pension plans, savers and investors must clearly be allowed to choose where they want to invest, not only on the basis of revenue generation, but also on the basis of socially or ethically acceptable values. We must keep this in mind. We should make sure that investment protection clauses do not include criteria that prevent the introduction of an ethical investment policy.

I gave the example of South Africa. I could also mention Nike, a shoe manufacturer. In fact, Nike does not manufacture shoes; it sells sport shoes and all sorts of other products. That company does not manufacture anything at all: it uses 736 subcontractors in 51 countries. It indirectly employs over half a million people, mostly in Asia.

In 1998, there was a campaign to protest the fact that several of these subcontractors were using solvents extremely harmful to the health of their workers, particularly women. There were also children working for these subcontractors, several of whom were resorting to anti-union practices, with the company's blessing. This situation resulted in a boycott of Nike's products.

In one year, the company's profits went down by half, which meant that it had no choice but to agree to a certain number of things, particularly involving child labour, health and safety and the freedom to unionize. At the same time, the company engaged external auditors, PricewaterhouseCoopers, to verify the changes. Obviously, it is not yet perfect, far from it in fact, but we can say that in comparison to its competitors, such as Adidas, the company has made a great deal of progress.

So we see that ethical investment and making savers and consumers more responsible can yield results in terms of changes in corporate behaviour, encouraging them to adopt responsible behaviour.

It is not only true in southern nations. In the United States there have been many violations of workers' rights, especially in the agricultural sector in California. Here in Canada, we know that there are still companies that resort to hiring scabs during legal strikes, and that they do so with the Liberal government's blessing.

I think this motion not only has the merit of provoking debate, but ought to be supported by every member of this House.

I will close by saying that the Bloc Québécois shares exactly those worries. One of our colleagues, Stéphan Tremblay, introduced a bill to oblige pension fund administrators to be more transparent, so that savers could have some input into investment strategies, to make investment more responsible. We will have no problem supporting this motion.

*Supply*

•(1140)

**Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ):** Mr. Speaker, it is a pleasure to speak on the motion by our colleague from Winnipeg Centre. Perhaps you would permit me to read it one more time because I think that each word is important:

That, in the opinion of this House, the Canada Pension Plan Investment Review Board should be guided by ethical investment policies which would ensure that our pension investments are socially responsible and do not support companies or enterprises that manufacture or trade in military arms and weapons, have records of poor labour practices, contribute to environmental degradation, or whose conduct, practices or activities are similarly contrary to Canadian values.

First, I want to thank our colleague from Joliette, not only for the brilliant speech he just gave, but also for having agreed to share his time with me. I also want to mention this colleague's tireless work on issues related to globalization.

For many years the Bloc Québécois has considered the humanization of globalization a fundamental goal. It is not about being for or against globalization. The Bloc leader has repeatedly said that asking ourselves this question is a bit like asking if we want the earth to stop turning. It is not about being for or against globalization, it is about benefiting from it while simultaneously trying to limit the negative impacts of a phenomenon that seems totally inevitable.

What does the humanization of globalization mean? Obviously, it means a globalization where the decisions would be made by people representing the public. Currently, many decisions made at the international level are beyond the democratic control of elected representatives. Decisions are made by a small conclave that meets behind closed doors. These decisions affect the daily lives of people around the world.

It is important for us to be able to participate in such decisions. We want a globalization that would respect certain parameters. The absence of parameters means that many things happening on international markets are totally beyond our control.

That is the very purpose of the motion presented by our colleague from Winnipeg Centre, in other words, to allow us, at least at the Canadian level, with respect to retirement funds, to establish a certain number of parameters for Canadian investments abroad.

I was listening carefully to the speech by our colleague, the Secretary of State for Financial Institutions, a few moments ago. I was not very surprised at what he said, but I was somewhat troubled by it. I have taken another look at the dogmatic position the government has taken since 1993 with respect to any measure or proposal coming from the opposition.

The current Prime Minister told us during his swearing in ceremony that he intended to listen more carefully to what is said or proposed here, in this House. Yet, we continue to encounter the same attitude, which seems to say that if it comes from the opposition, automatically it must be suspect and should be opposed, which is a little surprising.

My colleague from Joliette made reference to an initiative by one of our former Bloc Québécois colleagues, now a member in the National Assembly, Mr. Stéphane Tremblay. In his numerous speeches on the subject, he asked the then finance minister, who is

now the Prime Minister of Canada, about the issue of ethical investments. It is surprising that the finance minister at the time, the current Prime Minister, seemed to be very much receptive to the arguments presented by my former colleague, Stéphan Tremblay. He said he fully agreed with the basic principle behind what the member said. It is surprising today to see the government oppose the same principle by using a number of fallacious arguments that I will come back to in a moment.

It is even more surprising to see the government continue to oppose the motion put forward by my colleague from Winnipeg Centre, a motion that makes sense. This motion did not come out of nowhere. It did not just spring out of his imagination.

•(1145)

This motion is based on practices in effect in a number of other industrialized countries with the same kind of values as Canada, and above all with important trade relations with us, such countries as the United Kingdom, France, Australia and Germany.

As a result we must acknowledge that, despite the arguments used by our colleague, the Minister of State for Financial Institutions, it would appear that there are other industrialized countries that have chosen not to buy into such arguments, but are instead of the same opinion as my colleagues from Winnipeg Centre and Joliette, who have just spoken.

In the arguments just given by our colleague, the Minister of State for Financial Institutions, he stressed the plan's viability. I must, in passing, congratulate his speech writers, as he has managed to say virtually nothing with this torrent of words. He stressed the plan's administrative mechanisms, the mechanisms for appointing the board members.

It was quite an amazing speech. We would have liked to have seen him devote more time to speaking to the substance of the motion, the values he claims to be Canadian values, and to ethics, but no—although hearing anything about ethics from this government at this time might be a bit annoying anyway.

Nevertheless, we would have preferred that he spend more time in his speech addressing the fundamental principles of this motion rather than talking about mechanics.

He also insisted on performance, saying that the board had to keep this in mind, so that the benefits to which our children and grandchildren are entitled will be there.

Has he considered the kind of world our children and grandchildren will want to live in? The hon. member for Joliette has reminded us that young people today have an increasingly well-developed environmental and social conscience. In my opinion, we should take that into account when we claim we are acting for their needs and their future expectations. We must consider the world in which they will want to live tomorrow and the day after. We must also take that into account.

*Supply*

The Minister of State for Financial Institutions also emphasized the fact that the code of ethics now being applied by the board will adequately guarantee that investments will respect the spirit of the motion made by the hon. member for Winnipeg Centre. He also emphasized the independence of the board—and it is odd to hear him talk of independence here in the House.

Since when has the government worried about setting guidelines? This is not a government that typically worries about setting guidelines, or later ignoring them.

What about so-called Canadian values, the values we share, democratic values, good governance, respect for human rights, sustainable development and peacekeeping? What about those values?

Like my colleague from Joliette, I believe that we can combine profit and respect for such values, an idea that seems to elude our colleague, the Minister of State for Financial Institutions.

Since my time is almost up, I want to say that at one time investments depended on trade. Increasingly, trade depends on investments. As a result, the focus needs to be on what will become the centrepiece of international trade in the future, meaning investments.

Given that half of the funds invested in international money markets come from retirement funds, it is important that Canada, in keeping with the values it claims to uphold, set an example and join those countries, such as the United Kingdom, Germany, France and Australia, that have already implemented such measures.

It is unfortunate that this is not a votable motion. This is all the more surprising given that this government is holding to its position of opposing for the sake of opposing.

• (1150)

[*English*]

**Mr. Roy Bailey (Souris—Moose Mountain, CPC):** Mr. Speaker, although the motion deals with the ethics of the investment of the CPP, for most Canadians and most members of the House when we think of the CPP we think of constituents coming to our offices. These constituents feel they are qualified to reap some of the benefits of the CPP, but then there is the long paper trail that follows after that. I would like to believe that the decisions made as to those who qualify are the same regardless of what province they may reside in.

I have personally experienced this on many occasions. Someone who comes in at 62 years of age is likely to be accepted because they are only three years away from getting the OAS, and then they are disqualified. However, if they are younger people who are totally disabled, at 51 or 52, let us say, I find myself saying to these people, out of pity, that I cannot believe it: they cannot qualify because they are unemployable, but then it starts with papers and doctors, and doctors and papers, and finally there are hearings and so on. It is the most un-Canadian thing that I know of.

I know this is not really the topic, but I would say to my colleague, and to other colleagues in the House too, that maybe this is the time for us to say, number one, we want uniformity and, number two, we want some consistency that has nothing to do with age. When

someone is a beneficiary of this program, he or she should be allowed to receive it.

I have insurance on my house. If something happens through a storm or something, I know I am going to get something. People who pay into the CPP and then become disabled do not know, and in many cases they will not receive any assistance.

Perhaps this does not deal directly with the investment part of the CPP. However, as far as Canadians are concerned, what I am speaking about right now is the most important part of this plan.

[*Translation*]

**Mr. Stéphane Bergeron:** Mr. Speaker, I thank my colleague for his question. As he said himself, this question does not deal directly with the motion being debated today. That said, I will nonetheless take a few moments to answer it because I think this is a very important question.

I understand that what my colleague is saying is based on a sense of generosity, compassion, and of course a desire for uniformity and a desire to avoid the downside that comes with a plan of this breadth. I sense that he too is driven by generosity and compassion. It is this same generosity and compassion that I want to invoke in order to encourage this House, if possible, to support a motion such as the one put forward by our colleague from Winnipeg Centre.

Naturally we should be concerned about the daily lives of our fellow citizens in Quebec and in Canada. Yet, we must also realize that in a world of globalization we are increasingly less foreign to citizens of Gabon, the Central African Republic, or Argentina.

We also have to be concerned about their well-being since, as I am so fond of pointing out, one job in four in Canada depends directly on foreign trade. It is therefore important for us to worry about the well-being of people outside of Canada because sooner or later they might be consumers of products we make.

We have to be concerned about this, especially since, as we have seen in Quebec, the tendency is to think that giving companies more freedom will improve matters. We have to realize that someone earning \$7 an hour pays less income tax than someone earning \$11. Consequently, the state is unable to intervene effectively to ensure the best redistribution of wealth and the betterment of its citizens.

*Supply*

• (1155)

[English]

**Ms. Sarmite Bulte (Parkdale—High Park, Lib.):** Mr. Speaker, in his motion the hon. member for Winnipeg Centre argues that the Canada Pension Plan Investment Review Board should not be “contrary to Canadian values”. We on this side of the House also agree. If the hon. member even took a furtive glance at the Canada pension plan of today and the investment board which manages an increasing portion of its portfolio, he would quickly discover a program that fully meets the values of an aging Canadian population.

The first value is security. On this priority we have come a very long way from the uncertainty of over a decade ago. In the early 1990s the chief actuary of Canada warned that the CPP's assets, the equivalent of two years of benefits, would be depleted by the year 2015 and that contribution rates would have to increase to more than 14% by 2030 if the plan remained exactly as it was.

Those concerns needed to be addressed. Future generations of Canadians, including our children and grandchildren, needed assurance that the plan would be there for them at a cost that would not overwhelm them as well.

Indeed, the government responded. In February 1996 the federal and provincial governments announced that joint cross-country public consultations would be held on the Canada pension plan to find out what Canadians, the Canadians the hon. member refers to in his motion, wanted to see done.

What did Canadians want? They wanted their governments to preserve the Canada pension plan by strengthening its financing, improving its investment practices and addressing the growing cost of its benefits. As a result, in 1997 the federal and provincial governments adopted a balanced approach to CPP reform so that the plan could meet the demand of the coming years and when the baby boomers would be retiring.

Changes to the plan included limited changes to benefits and their administration, a moderate increase in CPP contribution rates and the building up of a larger asset pool while baby boomers were still in the workplace. The asset pool would be invested in financial markets and managed at arm's length from the government for the best possible rate of return.

All together these measures ensured that a contribution rate of 9.9% would be sufficient to maintain sustainability of the plan indefinitely. These reforms, which were endorsed by federal and provincial finance ministers seven years ago, will help ensure that Canadians have a pension plan on which that they can rely.

I am pleased to say they certainly can. The Chief Actuary has repeatedly confirmed the long term viability and financial sustainability of the CPP. Last year in fact he estimated the CPP, in its current form, was sound for at least 75 years.

I should stress that this long term sustainability comes at a time when other nations now face the harsh reality of significant pension reform. The World Bank in fact has offered high praise on Canada's current CPP system as a model for other countries to adopt. I trust the hon. member for Winnipeg Centre can take great comfort in this international recognition.

However, there is another Canadian value that the government has addressed in its commitment to creating a durable pension plan. That value is independence. Canadians must be assured that their retirement savings will be managed prudently and responsibly and not subject to the changing political winds of the day. The government has ensured that this will not happen.

A new market investment policy to be implemented by an independent organization, the Canada Pension Plan Investment Board, was a vital element of the CPP reform. The Canada Pension Plan Investment Board was set up in 1998 and began operations the following year.

Before the CPP Investment Board was established, the CPP's investment policy dictated that all funds not immediately required to pay benefits and administrative costs had to be reinvested in provincial government bonds at the federal government's interest rate. This represented an undiversified portfolio of securities and an interest rate subsidy to the provinces. In other words, the retirement nest egg of Canadians was not working for them so the government once again responded with the CPP Investment Board mandate to invest in the best interests of CPP contributors and beneficiaries and to maximize investment returns with undue risk of loss.

• (1200)

The CPP Investment Board reflects a fundamental policy change in investing CPP funds. Today CPP funds that are not needed to pay benefits and expenses are transferred to the CPP Investment Board and prudently invested in a diversified portfolio of market securities in the best interest of Canadian contributors and beneficiaries and not governments.

For example, it operates under similar investment rules requiring the prudent management of pension plan assets in the interests of plan contributors and beneficiaries. It is free to hire its own independent professional managers. It is subject to foreign property rules just like other pension funds.

This brings up another value. Canadians have made it clear that this value is accountability. For a moment I would like the hon. member to consider the diverse ways the CPP Investment Board informs Canadians of its operations, investments and its policies.

First and foremost, it makes all of its investment policies and financial results public. Second, it releases quarterly financial statements. Third, it publishes an annual report which is tabled in Parliament. Fourth, it holds regular public meetings in each participating province at least every two years to allow for public discussion and input. Fifth, it communicates all of this on a very informative website. It is a very useful site and I would encourage the hon. member to visit it and to visit it often.

Full accountability is also assured through a robust process with strong checks and balances that is in place for identifying and appointing CPP Investment Board directors. Individuals who sit as directors have extensive business, financial and investment expertise. I am pleased to say that the independence and quality of the CPP Investment Board of directors has received strong support from both public and pension management experts.

Federal and provincial governments are currently completing the final steps of the CPP reform launched in 1997, transferring all the remaining CPP assets managed by the federal government to the CPP Investment Board over a three year period. This consolidation will put the CPP on the same footing as other major public pension plans, providing fund managers with the flexibility to determine the best asset mix and investment strategies to manage risk and optimize returns.

Analysis undertaken by the Chief Actuary of Canada indicates the CPP assets fully invested in the market will be expected to earn a greater return and grow more rapidly for the benefit of present and future CPP contributors.

Now this brings up another value that I believe all Canadians hold dear. It is one I certainly demand, and that is results.

Let us look at how CPP assets in fact are performing. As a future recipient of CPP benefits, I think the hon. member for Winnipeg Centre will be pleased with its performance.

During the nine months ending December 31, 2003, assets available to the Canada pension plan earned \$8 billion, producing a rate of return of 13.9%. That is all CPP assets, including the \$35 billion in fixed income securities currently administered by the government. During the same period, the portfolio managed by the CPP Investment Board earned a return of 26%.

In light of these results, I would like the hon. member to consider two things. First and foremost is the solid performance produced in this year and in previous years by the CPP Investment Board during one of the most turbulent markets in recent history. The other is what Canadians would have sacrificed had their retirement savings been held completely and exclusively in low return government bonds at a time of historically low interest rates.

In a recent speech to the Calgary Chamber of Commerce, CPP Investment Board president and CEO, John McNaughton, referred to a Canadian proverb that says simply, "The path to success is paved with good intentions that were carried out".

• (1205)

For the 16 million Canadians who contribute to and benefit from the Canada pension plan, their retirement program today is exactly that. For those who cherish the Canadian values of security, independence, accountability and performance, the reforms made to the CPP leave them with much of which they can be proud.

I believe that hon. members on all sides of the House and Canadians who work a lifetime to ensure a brighter future for themselves and their families can take great satisfaction in that.

**Mrs. Bev Desjarlais (Churchill, NDP):** Mr. Speaker, I acknowledge my colleague's comments about the Canada pension plan. I do not think there is any question that it is an excellent pension plan. It

### *Supply*

evolved over the course of the social movement over the years, wanting to ensure that Canadians had some pension benefits. We do get great acclaim throughout the world on our pension plan.

There are some criticisms of course. What has happened is there have been restrictions on pension benefits that go to individuals. I think most of us would like to see that when there are extra dollars in a pension plan, benefits would be expanded instead of restricted, making it somewhat impossible sometimes for people who may access those pension plans.

The specific motion talks about the ethical investment of funds. I know the phrase ethical investments might be a tough phrase for some on the other side to get their heads around, but certainly not for my colleague. The bottom line is I think Canadians actually support ethical investments. They are not totally open to this belief that it should be this open freedom of making money at any cost with the pension funds. I think Canadians have more credibility, values and principles than that.

When she talked about members of the board of the Canada pension plan investment fund, I noticed she did not mention principles or values or the fact that they would take those things into consideration. Therefore, it was just going to be done on the basis of making money at any cost. I do not think that is acceptable to Canadians. That is why we brought this motion forward. We want to see a change. We in the NDP consider the investment in Canada, in Canadian municipalities and cities.

Infrastructure within Canada is a very ethical investment and it will be cost effective. We are not saying give the money away. We are saying allow municipalities and cities to access those funds as investments, the same way private companies can access those funds and use them as investments into their companies. They can pay it back with interest. We are not talking about investment in municipal bonds as such. We are talking about an investment in Canada, and that is what we would like to see.

I would like the member's comments as to whether she thinks the investment of Canada pension funds into Canadian communities is a good investment.

• (1210)

**Ms. Sarmite Bulte:** Mr. Speaker, as the hon. member knows, the Speech from the Throne is quite clear that the government and members on this side of the House are ready and willing to invest in our cities and have a new deal for our communities. As of February 1, we announced that the GST would not be payable by communities, and that was a beginning.

If we also look at the Speech from the Throne, we also said that we would look at other options. One of those options is the gas tax, which we have talked about. I should actually add that the mayor of my city, David Miller who happens to also be a constituent of mine, actually welcomed the Speech from the Throne and praised the government.

### *Supply*

With respect to investments, let us make it absolutely clear that the Canada Pension Plan Investment Board has the same federal investment rules that apply to all pension plans. It is also important that there is no explicit requirement in federal law that prohibits any pension fund, including the Canada Pension Plan Investment Board, from investing in specific sectors or companies, provided they operate legally of course.

I also would like to draw the member's attention to the fact that the Canada pension plan has developed a social investing policy, and I would urge the hon. member to check the website where the policy is outlined.

**Mrs. Bev Desjarlais:** Mr. Speaker, in response to that reply from my colleague, I would then ask, why is it that the Canada pension plan is investing in companies that make landmines when Canada is a signatory to the treaty getting rid of landmines?

Are we somehow accepting the fact that we will give those companies money, but they will not use that money for landmines, that they will just make fighter jets or tanks or whatever with that money, and they will use our money for something else? That is not okay.

The rules state that we should not be investing in those companies. Our being a signatory to the treaty for the abolition of landmines is legal. If we accept that as law, why has the government not ensured that the Canada Pension Plan Investment Board is doing that? We know it should not be doing it. Why is it doing it?

Furthermore, should we feel ashamed that our Canada pension plan funds cannot be invested in certain things? I do not think there is anything wrong with that. I do not think we should be ashamed that we will not invest funds in tobacco companies that will go to third world countries and encourage four-year-old kids to smoke, because that is what is happening.

There is proof of those things happening now. Those companies rooked-in Canadians and Americans for years by not telling them they were increasing nicotine rates so people would become addicted. They are doing the same thing. We should be able to say that there will be no investment in tobacco for the purpose of smoking because it is not beneficial to the welfare of humankind.

**Ms. Sarmite Bulte:** Mr. Speaker, I appreciate the member's comments. I am glad she mentioned the landmines convention because that was truly one of the proudest achievements that this country has undertaken.

With respect to smoking, I could not agree with the member more. It is important that we ensure that our children stop smoking. I smoked for 30 years and quitting was one of the hardest things I ever did. I quit two years ago and it is important that we teach our children never to start.

What is important for Canadians to know, and I did say this in my address to the House, is that the Canada Pension Plan Investment Board operates at arm's length from the government. It is independent from the government. It was specifically set up to ensure that it was not subject to changes in political will. It is subject to investing in only legitimate companies and that is very important to understand. It was what Canadians wanted at that time.

**Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP):** Mr. Speaker, it is a pleasure to speak on the important issue of pensions for Canadians in the House today. I am pleased that my colleagues in the NDP caucus have chosen to bring this matter forward as a matter of considerable urgency and a matter warranting the attention of all members in the House.

As members know, it is not often that we get a chance to talk at some length on one particular public policy matter. It has certainly been the case that we have devoted little time in the House to the future of our public pension system. Today we have that opportunity and the motion before us is intended to raise those general issues of concern as well as to focus specifically on the issues of investing in unethical or less than desirable activities for our society.

We are discussing one of the most important issues facing Canadians, and that is the issue of security for their retirement years. To say it is one of the most important issues facing us all is an understatement.

Our approach to this universal question, just like our focus on public health care, cuts right to the core of our values as a caring society. It pertains directly to our values as Canadians for caring and sharing the wealth. It pertains to cooperation and compassion as a predominant theme and approach in any civilized society. The issue of adequate retirement income is critical to all of us. This is literally our bread and butter after the age of 65.

Today 4 million Canadians receive old age security payments on a regular basis, with more than a quarter of these, 1.15 million, relying to some degree on guaranteed income supplements just to help them get by. Since any other income is deducted from the GIS, we are speaking about bare-bone core income support.

Nowhere is this more critical than when we speak about over half the population in Canada. Women in particular are dependent upon these programs. They are dependent on these programs because many have worked in the home or at part time or irregular employment, and have been unable to contribute to either a Canada pension plan, workplace plan or an RRSP. About 12% of senior women are living with their families and 35% are out on their own. Many senior women are not making it and remain mired in deplorable poverty conditions.

A Statistics Canada survey from last fall showed that fully one-third of Canadians in their forties and fifties felt that they had not made adequate financial arrangements for their retirements, and were even unsure about when they would be able to retire.

What is key to all of this is that Canadians are not reassured that the government's plan will serve them well, or that the government has the wherewithal, the vision, or the motive to address these critical problems to ensure that all people, regardless of their life circumstances and where they live in this country, have access to retirement income and income security in their old age.

*Supply*

●(1215)

Obviously, some Canadians, through their unions, have negotiated workplace pensions. About 79% of unionized workers have workplace pensions as opposed to only 30% of those who are non-unionized. We are talking about fewer than 4 out of 10 workers in this instance. Many more are covered by the public workplace Canada pension plan.

Almost three million Canadians currently receive CPP retirement benefits. Constructed over the years as a pay-as-you-go, self-supporting, publicly administered plan, it has been an example to the world of how to provide a stable, dependable income for our elderly. This plan has not been vulnerable to the whims of the marketplace or to the market's highs and lows. It is this strong base that has limited the impact on the CPP of the overall recent market decline that has had serious consequences for economies around the world. It was not pouring money into corporate banking profits either.

That was a source of considerable aggravation for the present Prime Minister and his corporate buddies. That is, until 1997 when, as finance minister, he caved in to the corporate media hysteria and paved the way for private access to our public funds as the answer to questions about CPP sustainability.

The Liberals did not go quite as far as the present Conservatives would have liked which would have been to scrap the CPP altogether and have it replaced with a public RRSP scheme. Let us not forget that the change was significant nonetheless.

That brings me to the essence of the motion before us today which is about the Canada Pension Plan Investment Board. The board was set up amid considerable controversy. It was set up to oversee what we would call a gambling initiative. In true fashion of the present Prime Minister, the Canada Pension Plan Investment Board has taken the most rigidly conservative of paths.

I may sound cynical about what has transpired vis-à-vis our public pension system and how money was being invested to ensure security for all of us in old age, but I am still optimistic. I still have great hope for the future. I have that optimism in part because of the ever growing capacity of young people, whom I meet, to learn and to grow.

When I was a child, I had a friend who firmly believed that milk came from the refrigerator. To this person it was obvious and beyond dispute. Today my son, who is 15 years of age, knows exactly where every item of his clothing is manufactured and under what labour conditions and environmental standards.

Our knowledge base is much more sophisticated and extensive, and our awareness is growing in leaps and bounds through debates that we have been having around trade, social justice, globalization, and sovereignty. The labour movement has played a particularly active role in raising awareness of these matters and in raising awareness from its international solidarity contacts. As a result of these debates and these educational programs from trade unions, Canadians now know about interlocking corporate ownership, manufacturing zones set up to bypass regulations, and child labour.

●(1220)

We have seen the TV footage reporting on a garment factory fire in which dozens of women perished because of abominable labour standards and locked doors. We know that someone owned that factory and almost certainly financed it through investment.

We now know more about our world and how we fit in as producers and consumers than ever before. Just as compelling is our desire to apply this knowledge to action to improve these negative conditions. A growing number of us, when we learn about huge multinational coffee corporations exploiting farmers and workers, choose fair trade options over free trade exploitation.

My colleague from Winnipeg Centre has just outlined our \$2.5 billion investment in the arms industry. Most Canadians want no part of that. If we gave them the choice, they would not invest in the arms industry.

Similarly, tobacco each year results in the deaths of 45,000 Canadians. That is roughly five times the number of deaths caused by car accidents, suicides, drug abuse, murder and AIDS combined. Even smokers are against it. We have responded with measures to discourage tobacco use and limit its damage.

However, we may still be unwittingly supporting the tobacco industry in its aggressive quest for new markets in places like China through our public pension plan investments. This is truly unacceptable and is what has given birth to a growing list of socially responsible investment funds now totalling an estimated \$50 billion in 2002, of which \$10 billion was in positively or negatively screened investment.

The CPP, a long time pay as you go plan, got into the investment business in the late 1990s. Its investment arm, the Canada Pension Plan Investment Board, currently controls over \$30 billion of the CPP's \$66 billion total. Together with other large public sector pension funds, it wields considerable influence and clout.

There is a downside. In addition to its active role in the arms trade, it has other questionable investments on the go. Many Canadians were appalled to learn that the Canada Pension Plan Investment Board was involved in the financing of new triple p hospitals in Ontario. Our national public pension money is being used to determine our most cherished social program when it is fighting for its very survival.

Of course, Canadians' immediate reaction would be to pull out, but what is the response from the CPP Investment Board? The board has taken a rigid position against ethical investment. Why? According to the board chair, maximizing profits should be the one and only goal of our national public pension plan. My goodness, what a high moral standard Canada has today. What an incredibly high standard set by the chair of the pension investment board.

That segment of the corporate community that resists regulation at all costs tends to hide behind these myths. According to them the sky will fall as soon as rules are added. This is not the case. The sky will not fall, and neither need profits, according to many studies that have actually examined the performance of ethical funds.

### *Supply*

According to one Canadian study, for example, the ethical growth fund performed as well or better than non-screened mutual funds over a 10 year period, even slightly outperforming the TSE 300. There will be variations along the way, but in the great tradition of pension funding, in the long term, performance is relatively even.

New Democrats recognize the fiduciary responsibilities of the CPP Investment Board. However, other progressive pension funds have managed to define that responsibility to allow for other responsible social behaviour as well.

• (1225)

To suggest we cannot possibly reach a consensus about what constitutes ethical is a line of morality that is outdated. It shortchanges Canadians' sense of common values and our impulse for decency.

No one is saying that a process will be easy; I do not know of any ethical issue that is, but that does not mean we surrender to the highest bidder without even trying. We need national leadership to set in motion the national dialogue necessary to accomplish this task.

This is an issue that affects all Canada pension plan contributors. It has an impact on all of their lives. They have a right to take part in a full discussion on this issue. They should have been full participants from the beginning.

This is no magic bullet. No one on these benches believes this guidance alone is sufficient without the active promotion of better ethical labour and environmental practices where our investment dollars take root, but it is clearly a vital element in 21st century financial management that is long overdue.

We look to labels for information. What we are saying today is that we want labels on our pension investment. Milk does not come from the refrigerator.

• (1230)

**Ms. Wendy Lill (Dartmouth, NDP):** Mr. Speaker, I was very interested by the comments that my colleague has made.

I just returned from Nova Scotia where there was an enormous blizzard. They refer to it as white Juan, in parallel to the hurricane Nova Scotia experienced in September. It was very clear that what was required during the last five days was that people work together. There was very much a sense that the public good, the welfare of everyone would only be increased and improved if people worked together, planned together and dug out together.

It is very interesting to hear that the Canada pension plan was put in place for that very purpose, to raise the horizons and the quality of life certainly for persons with disabilities, but also for people who reach an age where they need a pension plan. In the late 1990s there were cuts to the Canada pension plan.

As the critic for persons with disabilities, I spend a lot of time trying to figure out how we can get money back into the plan for the people it was meant for. What we are hearing now is not only is the plan not working, that it is broken at the operational level, but the money that should be going to vulnerable Canadians is going into some very unethical investments offshore, with tobacco, with arms and with privatization of hospitals.

What is the process that allowed this incredible reversal, this distortion of what the plan was all about to begin with?

**Ms. Judy Wasylcia-Leis:** Mr. Speaker, let me at the outset indicate to the member for Dartmouth that we in the House share the concerns that she raised about yet another horrific storm in Halifax. We send our best wishes to the people of Halifax who have had to endure a horrible year in terms of hurricanes, huge rainstorms and now an incredible snowstorm.

The question the member posed is very important as we struggle with an appropriate mechanism for ensuring investment of our pension funds for future generations. The member asked how in the world did it ever happen that we ended up with a process where not only is our money being gambled, but risks are being taken on the open market. The money is being invested in questionable activities where there is no ethical screening in place.

We have to go back to the agenda of the Prime Minister over the last decade. We have to understand that the changes in the Canada pension plan and the establishment of the investment board were a direct result of the present Prime Minister's agenda and his leadership, if we want to call it that. If we want to trace the origins of this questionable path in our history, we have to go right back to that individual.

Today, the Prime Minister continues to condone and encourage a revolving door of corporate lobbyists through his office. This raises the spectre of equally disconcerting programs and developments to occur in the future, as if we have learned nothing from the past.

The present Prime Minister and his Liberal colleagues are so determined to address the wishes of their corporate buddies and to cater to the business community that they have put profit at the top of the agenda. Profit is way ahead of anything to do with respect for people who need security in old age, people living with disabilities and women struggling just to survive. This is an indication of how far overboard the government has gone in terms of its commitment and its responsibilities to the people of Canada. The government puts corporate interests ahead of the public good.

The purpose of our debate today is to try to refocus the agenda, to try to convince the government to put some balance back in the equation. We may now have an investment board we are stuck with, despite our attempts to amend it and improve it and insert an ethical screening process, despite the NDP's efforts to broaden the representation on the investment board to include representatives from the labour movement and other experts in the Canadian community. We are stuck with this mechanism, but we have the opportunity to change it and improve it.

*Supply*

One way we can improve the investment board today is to say together with one voice that there shall be no investment in questionable activities, particularly pertaining to arms production, landmines or tobacco. That is where we can start. Let us instead invest in Canada, in communities, in the infrastructure requirements of this country and receive the double benefit of investing ethically and reaping the rewards of having invested in Canadian communities. In that way we could address the huge deficit in the infrastructure, the needs of our cities, the concerns of the farmers and the rural communities and the growing array of issues pertaining to families everywhere.

The government has a choice today. Let us in fact double our investment. Let us reap the rewards of investing in Canada on an ethical basis.

• (1235)

**Mr. Randy White (Langley—Abbotsford, CPC):** Mr. Speaker, as a person who has invested throughout many years and who knows the market fairly well, I would suggest, I did think that I would like to talk to this. This motion is actually laughable in a way. I will speak to that in a moment.

What really bothers me is that we have found the Liberals in this nation stealing money, virtually, from the taxpayer and handing it out to their buddies and back to the Liberal Party. The country is in chaos over it and the NDP brings up a motion to talk about investing in values in terms of the Canada pension plan: some days I wonder where these guys come from. I guess that is why we threw them out in British Columbia and do not want them back. That kind of philosophy pervades their investment strategy as well as their management style. That is one of the things that gets them into trouble every time they get into government for a very short period.

I do want to talk about this motion. I have to read it for those people who are listening because it really is hard to believe that somebody would present this in the House of Commons.

It states that the NDP wants the House to have the Canada pension plan, and I quote:

...guided by...investment policies which would ensure that...[the] investments are socially responsible and do not support companies or enterprises that manufacture or trade in military arms and weapons, have records of poor labour practices, contribute to environmental degradation, or whose conduct, practices or activities are similarly contrary to Canadian values.

Has anyone in their life ever heard such convoluted logic in regard to an investment? I do not think I have ever heard it before and I have been investing, as I said, for years. I will give some examples of this.

Some time ago, I invested in a company that makes cigarettes. Somebody tried to talk me out of investing in that company just because of a moral value, as these folks are. I actually waffled on investing in that one. I do not know how many thousands I lost on it, but this company had done very well in the market; those people who buy cigarettes, smoke cigarettes. The company had made a great deal of money. Those people who invested in that company did well, and better luck to them.

There are other companies I have invested in and I have done reasonably well. They are companies that have had strikes. The NDP would not invest in companies like that. It wants social values

entwined into the mix of economic values when investing in the marketplace.

For instance, for a company whose CEO believes in the traditional definition of marriage, the NDP members would probably see that as coming under “contrary to Canadian values” in their minds if they were to form a government. Could we imagine such a financial decision on the Canada pension plan, on which all of our seniors depend for growth, being made by somebody who said to never invest in that company because the CEO believes in the traditional definition of marriage? Or, heaven forbid, for a company whose CEO is pro-life, it is not within the certain mix that they would consider a social value they like as a government. They would not go with that either. It goes on and on.

This is the party that brought in Bill C-250, if members will recall, that basically was going to outlaw the Bible as a document of valueless means, in its members' minds. With regard to a company run by a Christian or a very successful company that was run on Christian values, would they say no, they could not invest in it because that would be contrary to their “Canadian values”, as they would see them? We cannot mix those kinds of things in this package of investments. The thought process that goes on with the NDP is really something to listen to.

• (1240)

The fact is that the Canada pension plan is the basis upon which people work in this country and retire to at the end of their days. The investment people who are managing the portfolio have to be able to look at companies as to how best they can earn income, make profit and supply that portion of profit to the value that they invest in the plan itself. They cannot look at the values of a particular political party or the labour practices of a company. In whose value is the labour practice perpetrated? A company that is non-union? Is that a bad labour practice in the NDP's mind? Would we not invest—

**Mrs. Bev Desjarlais:** If they're employing four year olds.

**Mr. Randy White:** There we go. That is from the NDP. Basically she says yes. There we go. If it is a non-union company then that would be out of the investment portfolio of the CPP.

Could we imagine those kinds of values being brought in on behalf of our seniors who are waiting to retire and waiting for a certain amount of money to come to them at age 60 or age 65? I just cannot believe that we are facing this kind of logic here in the House today when we have so many better things to do. Quite frankly, this is going nowhere. There is little interest in it.

### Supply

What we have today is a major catastrophe facing this nation on the ethical values of a government. Yes, we have concern over the funding of the Canada pension plan, yet these people across the way in the Liberal government have basically stolen \$100 million or better and thrown it out the door. If we wanted to really do something for the Canada pension plan, we would go over across the way and say to them that if they would just put a little more ethics in their own activities, we would have a lot of money for seniors and could put it in the right direction. To stand here today in the House and to speak to some kind of value process perceived by the NDP in the investment portfolio of the Canada pension plan, I just cannot believe it.

Mr. Speaker, I am splitting my time with the member for Red Deer.

I want to speak about a couple of other things. The greater choice of the future of individuals lies in their ability to invest on the way through life. I would like to say that our party is in favour of looking at better options for investment, not just CPP, but options that perhaps would give better tax options to those who have RRSPs, greater flexibility to an RRSP style of fund, greater potential for increased income in their later years as opposed to reliance on just the Canada pension plan.

As we move into the next decade when we are going to see the Liberals replaced, I think we are going to see more of government potentially looking at seniors and how best they can be treated in terms of the maximization of their income at a fixed income level. I can assure the House and all those who are listening that it does not include a Canada pension plan that is based on investing in companies that have labour practices suitable to the government, contribute to environmental degradation, or whose conduct, practices or activities are similarly contradictory to Canadian values.

I also have invested in a number of environmental organizations over the years. Yes, I think that was my choice because I liked the kinds of products and the kinds of things they were doing in the environment, but also because I looked at the future growth and potential for myself and my family. It was not solely based on the fact that "it is a green plan, therefore I will invest". There are many companies that are environmentally friendly that could not make a buck if they were in business for 40 years.

• (1245)

I can only say that I am disappointed that this kind of motion has been put forward to the House with such a crisis facing this country. I am also disappointed that some NDP members, if not all of them, are out there saying that this is the kind of logic they would put forward for all of the people retiring in Canada and this is what they would do for them. This program would be broke in a week.

**Mrs. Bev Desjarlais (Churchill, NDP):** Mr. Speaker, we see today why we have two opposing views and two different parties representing different values within the House of Commons. I will comment specifically on what my colleague from the Conservative Party said. Actually, I am really pleased that there is such a difference between our views on things.

He says it is important that we deal with the ethical issues of what the government is doing because of the unethical things it is doing, but if we are going to make a buck it is okay to take Canada pension

dollars and invest in unethical practices. Let us take, for example, one of the companies that is being accused or that we are pretty sure received some dollars in an underhanded manner from the taxpayers of Canada. Does he think it is okay that pension fund dollars should then be invested in those companies? How ethical is that? Maybe that is what his principles and values are built on. Mine are a whole lot stronger.

He suggested that it is wrong to believe in investing in ethical funds. I would suggest that if we put this to a vote of Canadians, they would tell him wholeheartedly that they do not want to be part of that, that they do not invest in companies that use four year olds to make rugs. That is reality. This is not something the NDP has made up.

International labour groups around the world have specific guidelines that they work with. If the Conservatives could get their heads out of the sand and stop wanting profit at any cost, they could look at ways that we believe should happen where one can get the profit. We are not suggesting not making dollars off the pension plans. We just think there are better ways of doing it than ripping off young children, than ripping off women and children in the world who are abused and used just because of who they are, so that we have some values. I would suggest—

• (1250)

**The Acting Speaker (Mr. Bélair):** The hon. member for Langley—Abbotsford.

**Mr. Randy White:** Mr. Speaker, I must be missing something here. Is there any company in Canada that uses four year olds to make rugs? I am not aware of it. This kind of standard for investment in the Canada pension plan, if that the basis on which the NDP is working, I do not know. I do not know of any company in Canada that uses four year olds as child labour.

The fact of the matter is that the NDP has a disastrous record of investment in this country when it has briefly formed government. Its management style is based on issues like this, where the end result is that not only can it not make money, but it loses disastrous amounts of money and its spending efforts are usually worse than that.

Like I say, it can put this kind of motion to the House today, but there are big things facing this country right now and I wish the NDP would get along with the program and stop with this kind of philosophy where it thinks it is going to change the whole world of investment based on its values, because its values, quite frankly, within the operations and the investment portfolios of this nation, just do not fit.

**Mrs. Bev Desjarlais:** Mr. Speaker, there is no question that we would not fit under those types of guidelines, because we do believe that values and ethics count.

*Supply*

For the record, the Conservative member may not realize this. I was not talking just about Canada, because our pension plan invests outside of Canada. He may not have realized that. It does possibly invest in companies that would use four year olds. It does possibly do that and, quite frankly, there is nothing to stop it from doing that. Under his way of doing things, there should not be.

I use this as an analogy. Let us say that Canada has a law against cloning. However, our pension plan funds can then be invested in firms that are cloning somewhere else. What kinds of values or principles are those? Those are the values of the Conservative Party. They were the values of the Alliance Party. They were the values of the Reform Party. And it is time things changed, because they are not the values of Canadians.

**Mr. Randy White:** Mr. Speaker, as long as we do not clone the NDP, I guess we are okay here.

When I talk about investing, I do so on the a basis of knowledge. My concern is with this kind of irrational process that is being presented here today. I do believe I am right when I say, for instance, the CEO and executive staff of a company believe in the traditional definition of marriage, then in their mind the company should not really invest in something that is contrary to their values, if they were a government, that is an absurd point of view.

There we go again. They are acknowledging that I am right, basically. The investment portfolio business is a complex one and a needy one. All I could ask is that the government try to spend its money a lot more wisely than it has in the past and perhaps it could put a few of these dollars into the Canada pension plan.

**Mr. Bob Mills (Red Deer, CPC):** Mr. Speaker, I, like the previous member, wonder why we are debating a motion like this when families are going bankrupt because of the agriculture crisis and when we have so many international problems with which we could be dealing.

I would like to put a different tone on this and talk about what we might do with the Canada pension plan as opposed to the motion itself.

We get kind of tired of the NDP's rhetoric that business is bad, Americans are bad, banks are bad, everybody is bad except them. It is interesting that it talks the line but basically it wants to share everybody else's wealth except for itself. It is sort of like the leader of that party coming for a free lunch every day when he has not even been elected to this place. The NDP members are on this gravy train and want the free lunch, which to me seems to be NDP philosophy.

They pride themselves on being the representatives who care about everything but let us look at their examples in B.C., in Saskatchewan and in Ontario for four years. Fortunately, however, Ontario was smart enough not to re-elect them ever again. It has been a disaster. I myself am a refugee from Saskatchewan. I graduated from university and got out under the wire at night to get away from that sort of socialist sharing of someone else's wealth by a party that has no concept of how to run a government or anything about it.

We have a culture of corruption going on across the way and one would think that would be what we would be talking about today.

CPP, as we all know, started in 1966. That was the period of time when all of us were told that government would take care of us from birth until death, that it would take care of everything: health care, pensions, jobs, funerals, everything. Much of society bought into that.

When the Canada pension plan was designed in 1966 we were told that the government would only have to collect about 5.5% of our income to take care of our pensions for the rest of our lives. The demographics of 1966 would have worked but in 1967 the two designers of the plan said that it would not work. They said that the government had made a mistake, that its calculations were wrong and that its modelling was wrong. They said that it had a demographic problem coming and that in 30 years this thing would go bankrupt.

Does anyone know what happened to those two economists? They were both fired. One of them now lives in Winnipeg and is quite willing to testify before the House and its committees at any time about what a horrible mistake the government made in the design of the Canada pension plan.

By 1988, exactly what the economists said would happen, happened and it was bankrupt. At that point we had to raise it over the next five years to 9.9%. In another 10 or 15 years, by 2015, we will have to raise it to 14.5% to make it sustainable. We are talking about taking 14.5% of every young person's salary and putting it into a pension for them many years down the road. The reason we have to do that is because of our demographics and because of all those seniors.

I put to the House that at that point in time young people will be saying "Whoa, we are not going to keep paying like this. If it is 14.5% now, where are you going and will there be anything there for us?" The whole question becomes whether there will be.

If we were to talk to businesses we would find out that they cannot afford to put in that kind of money and still hire staff. Ninety per cent of this country is run by small businesses. A small business cannot afford to put aside that much extra for payroll deductions so it just does not expand. It does not hire those extra people because it cannot afford those payroll deductions.

●(1255)

As a result, not only are our young people threatened with a 15% deduction but we threaten them with the potential of fewer and fewer jobs because businesses just cannot make it with those deductions.

It was interesting when I went out at about five in the morning to talk to about 150 oil guys who had just come off their rig. Their boss had set up coffee and donuts for them so they could listen to a politician for 15 minutes. I told them all that I knew they had just got paid and that I wanted them to look at the deductions on their pay stubs. I then asked them to ask themselves what they were receiving for each of the deductions.

I then asked them to stop at the CPP deduction so we could talk about it. Most of the men in the room were under 30 so I ask them if they thought the CPP would be there for them at 65. I also asked them if they were prepared to pay all that money. I told them that if they were to invest that money privately they could have a lot of money down the road in some 35 years from now.

### Supply

Following up on that, I decided to take a trip to Chile and take a look at its pension plan. I started in Santiago and visited its bureaucracy which privatized, I think, in 1967 or 1968. It offered its people the option of a government run plan or a private plan. Everybody under 45 at that time opted for the private plan and everybody over 45 stayed on the government plan. That makes sense because obviously the people at 45 did not have time enough to invest and so they stayed on the government plan.

I spent three weeks looking at that but I do not have time to give all the details. However today over 90% of Chileans are on the private plan. The government plan still exists and is still administered and regulated by government but it is also a private plan.

It was compulsory that 10% of one's salary went into the pension plan. About six or seven years ago people were given the option of putting another 10% into the plan, which was 20% of their salary, and it was tax deductible. It was a way of saving money for retirement and the people themselves did it.

Under the plan they have plans A, B, C or D. It is set up by the government and each one contains a portfolio of investments. Plan A is very conservative. It is all of the blue chip stocks. Plan D is much more adventuresome and has a much greater chance of winning or losing. People choose either plan A, B, C or D and every three months they receive a statement.

I thought it sounded pretty good. I did a rather unscientific poll. I brought along a translator and decided to find out what people thought of their pension plan. I went to markets, to wealthy segments of Santiago, to a poor section and to a slum section. I told the people that I was a member of Parliament from Canada and that I wanted to know about their pension plan. They looked at me as if I were crazy but it was interesting to hear what they had to say. It did not matter their socio-economic position, people told me to wait a minute and ran into their houses. They came back out with their cards. I learned pretty quickly what the card was. It was their investment card. Every three months they received a statement showing that they had invested  $x$  number of dollars in shares under whichever category they had chosen and then it shows how their stock is doing. One guy told me that he bought his groceries at such and such a chain because he had those shares.

That has provided a \$25 billion capital fund within the country that is invested in Chilean businesses and it prevents them from having to borrow money externally. It helps the country and the people. They are proud of it. They have a pension plan that is secure and it is theirs.

With the Canada pension plan we throw money into the well and it is for people who are retiring today. What about the young people sitting here? Where is their money going? Will it be there for them?

• (1300)

**Mrs. Bev Desjarlais (Churchill, NDP):** Mr. Speaker, I do not know, but maybe grey matter does not work the same way in people.

I was in Chile as well. When I was there, people asked us about our public pension plan because their plan was not working. Money was being invested through private companies and those companies

made the money. There was not enough money to provide pension plans for Chilean workers.

Who should Canadians believe? Should they believe the Conservatives, Alliance, Reformers who have had their heads in the sand and will not accept that an investment into Canadian infrastructure and Canadian municipalities is a sound investment that can be profitable and support a pension plan and that an investment into values, principles and companies is a sound investment? The Alliance, Reform, Conservatives, for the life of them, cannot accept the public working together to support the public and their fellow Canadians, and it is something that is wrong. I leave it to Canadians.

• (1305)

**Mr. Bob Mills:** Mr. Speaker, obviously there is a philosophical gap here. I guess what the member does not understand is fact that competition makes things happen. She does not understand the fact that free enterprise makes things happen. She does not understand that having healthy competition and free enterprise keeps the culture of corruption from taking over, where bureaucracy upon bureaucracy is running things. I do not know what she is talking about.

When a business hires someone, it must match that pension contribution. If the individual puts 10% into the pension plan, the business puts in 10%. That 20% is under the control of the individuals. It is their money to be invested. However, they cannot take it out until they are 65. I have no idea what she is talking about.

Obviously, if we only talk to union heads in Chile, we may well get that message, but we certainly do not get it from the people on the street, and they are really the ones who matter.

**Hon. John Harvard (Parliamentary Secretary to the Minister of International Trade, Lib.):** Mr. Speaker, I have a question for the member for Red Deer, the home of women's curling this week. I saw the good member on television trying to raise money for the Sandra Schmirler Foundation, and I hope all went well.

Maybe I was not listening too closely to the member. He seemed to suggest, coming out of the conversation he had with some of the oil workers in his province of Alberta, that business, regardless of its size I suppose, really had no responsibility when it came to providing pensions for its employees. I just want to make sure because I would have thought there could be competitive questions, and it may be difficult for a lot of companies. I think he implied that if businesses do not want to provide pension benefits for whatever reason, it should be their business.

We do not take that attitude with respect to safety standards or pollution control standards. We ask businesses to provide and meet certain standards. I would have thought the same thing would apply to the question of pension benefits. People who have worked with companies for a good many years deserve some kind of standard of living in retirement. Is the member suggesting no responsibility at all when it comes to pensions?

**Mr. Bob Mills:** Mr. Speaker, I thank the member for allowing me to clarify this. I also want to let him know that we raised over \$100,000 for the Sandra Schmirler Foundation for sick children. It went extremely well. Those five hours were probably the best five hours I spent on the weekend.

In answer to his question, companies must and should want to provide pensions for their employees. That should not be an option. I did not in any way suggest it should be optional. It must be there. Companies should always provide encouragement to individuals to do that. I certainly did not want to leave that impression.

People should have the right to control that money. The government can run it if it wants to, but if we find out it can be done better and in a different way, we should at least examine that. I suggested Chile, Great Britain and the U.S. as examples. We should encourage pensions even more than we do.

[*Translation*]

**Mr. Clifford Lincoln (Lac-Saint-Louis, Lib.):** Mr. Speaker, I would like to begin by congratulating the hon. member for Winnipeg Centre. I believe the motion he has introduced will enable us to have a healthy debate, because it deals with issues we absolutely must discuss, as objectively as possible. It is a matter of great importance for each of us. One day, we ourselves and our children and grandchildren will all benefit from the Canada pension plan.

At the same time, it needs to be pointed out that not everything is bleak; not everything is negative. In fact, before the Canada Pension Plan Investment Board was established in 1998, the investment policy stated that all available funds after the payment of pensions to beneficiaries and of the system's administrative costs had to be invested in provincial bonds, at the prevailing federal interest rate.

The legislation that created the board in 1998 certainly changed things for the better. At the same time, many other steps were taken and it is vital that they be pointed out. As I said, not everything is negative; we are not starting from scratch.

Legislation on corporate responsibility was enacted on June 12, 2003 and a corporate ethics code was also adopted. We created a national contact point for Canada, an interdepartmental federal committee comprised of representatives of Foreign Affairs and International Trade, Industry, Human Resources Development, Environment, Natural Resources, Finance and the Canadian International Development Agency, mandated to raise awareness of the OECD guidelines for multinational enterprises and to ensure their implementation.

We developed an information kit on the production of reports on sustainable development. This was a joint effort of Industry, Environment and Foreign Affairs and International Trade with a view to providing information and guidelines for the production of these reports.

What the government attempted to do with the 1998 reform was to make the Canadian pension system self-sustaining, which it had ceased to be. This became a government priority. In fact, a whole series of well thought out changes were introduced with a view to bolstering the plan's financing, improve its investment practices, and reining in the increase in its costs.

The changes effected in 1997 brought in the following changes: better performing investments; changes to the calculation of certain benefits in order to control spiralling costs; regular reports on the CPP for Canadians; and contribution rates limited to no more than 10% for future generations.

### *Supply*

In 1997, the chief actuary of the plan informed us that, if changes were not made to the plan and the way it was financed, our children and grandchildren would be paying over 14.2% of all pensionable earnings by 2030, divided 50-50 between employer and employee, for pensions. Today the figure is only 9.9%.

So there have been some salutary and positive reforms. The Canada pension plan of today is certainly far better balanced and far more stable than the one in place prior to the reform of 1997 and the legislation of 1998.

• (1310)

[*English*]

However, much needs to be looked at again. I believe it is really worthy of my colleague from Winnipeg Centre to have brought this subject forward.

As we look at the objectives of the Canada Pension Plan Investment Board under the act, we see that its objective No. 2 is to invest its assets with a view to achieving a maximum rate of return without undue risk or loss. If we look at the principles, the CPP Investment Board statutory mandate and fiduciary duty are based exclusively on investment considerations.

The CPP Investment Board believes that responsible corporate behaviour in such matters as the environment, employee practices, stakeholder relations, human rights, respect for domestic and international laws and ethical conduct generally contribute to enhanced long term investment returns. This is where I agree with my colleague from Winnipeg Centre that the objectives and the principles have to be looked at again. It has to be seen in a far more proactive and precise way than it is today.

To rely on the basic principle that we need to achieve a maximum rate of return without undue risk to loss and that our statutory mandate is based exclusively on investment considerations, belies the intention of using our corporate behaviour to decide on the criteria of the investment. Corporate behaviour can be very elastic and subjective. To say that responsible corporate behaviour in such matters as the environment, employee practices, stakeholder relations, human rights, respect for domestic and international laws and ethical conduct should be our reliance to decide on investment is very deficient.

I really believe the government should look at the whole aspect of both the principles and the objectives to ensure that at least the objectives and principles fit in with the gist of our policies and values as a government and as a country.

### Supply

I could give examples. We have endorsed, with a large majority, the Kyoto protocol after much debate. The Kyoto protocol has certain obligations for us internationally to reduce our gas emissions. Yet, I would think that any company in the fossil fuel industry could say that it respects complete and utter corporate behaviour in matters of the environment, employee practices, stakeholder relations, human rights, respect for domestic and international laws and ethical conduct. It is just a matter of degree. It is a matter of really deciding what our basic value system is.

It would seem to me that it would not be asking too much for the principles of the CPP Investment Board and its objectives to make sure that whatever basic policies and criteria the government adopts—I think of examples such as the landmines convention—that certainly language can be found to match those objectives and principles to what the government believes fundamentally to be its paramount policies and values.

In its principle No. 3, the CPP Investment Board believes that social investing means different things to different people and that the CPP Investment Board cannot reflect the divergent religious, economic, political, social and personal views of millions of Canadians in its investment decisions.

● (1315)

The same argument could be made about a government, that a government cannot reflect the divergent religious, economic, political, social and personal views of millions of Canadians in its legislation.

This is a cop-out. It is an excuse for complete paralysis in action. It seems to me that the government, through its agencies, must go forward and establish clear criteria so that the board of the CPP is well aware of the criteria that we set as a government and as a country. It should respect the basic policies, ideals and values that this country and this government represent.

Surely there is a possibility of broadening the objectives, making them far more precise and far tighter than they are today. Surely there is a possibility to add criteria that not only do not offend the various segments of the population, but at the same time reflect values that we all share as Canadians regardless of religion, class or creed.

I welcome the idea of the member for Winnipeg Centre who brought forward the motion to force this debate along. To say that what we have today is the perfect solution and can never be changed, amended or improved is to say that the government must be static regardless of the evolution of society.

When members of the official opposition say that it is impossible to qualify investments in terms of values, I think that is totally wrong. Society is evolving today in whatever sector to reflect the common values that we hold as a democratic society. Surely among the members here there is enough talent, conviction and commitment to arrive at wording which the Canada pension plan board could use to make our investments far more in tune with those same common values that we share.

Right now I believe the principles and objectives are too loose. They are far too open to subjectivity. They are far too open to the

possibility that we should invest in corporations that do not reflect our policies and values.

I welcome this debate. I hope that instead of pouring cold water on the idea of the member for Winnipeg Centre that we will use it as a stepping stone for a constructive debate. This debate will help all the beneficiaries of the Canada pension plan now and in the future.

● (1320)

[*Translation*]

**Mr. Bernard Bigras (Rosemont—Petite-Patrie, BQ):** Mr. Speaker, I must say, first, that I greatly appreciated the speech by my hon. colleague from Lac-Saint-Louis. I would like to say that I share his point of view, particularly with respect to the importance we should attach to the fact that the pension and retirement funds, and the associated investments, must meet certain criteria of responsibility and require more socially acceptable behaviour from the businesses that benefit from them.

Additionally, I believe there should be selection criteria based on social responsibility. This could even go so far as to exclude certain companies automatically if they do not meet certain standards.

The hon. member for Lac-Saint-Louis touched on an important issue, the Kyoto protocol. The Parliament of Canada has ratified this protocol.

I would like to ask my colleague a question. In the criteria for managers of pension funds, should we not, in fact, place a high value on this environmental responsibility? For example, to the extent that a company decided to respect the Kyoto protocol, it could receive some benefit in terms of investments by these managers. Conversely, if businesses refused to comply with the Kyoto requirements, they could be automatically excluded from the investments and decisions of the pension fund managers.

**Mr. Clifford Lincoln:** Mr. Speaker, I am convinced that, in today's world where so many people know so much about investments, there are ways to reconcile the issue of maximum rate of return with very specific social responsibility criteria.

In fact, I fully agree with my colleague that it would be completely paradoxical for us, on the one hand, to implement certain environmental or health care policies, such as anti-smoking measures, while investing in companies trying in fact to avoid their national and international responsibilities or get around government policies.

I look at today's criteria and objectives and I wonder if these objectives are specific enough, for example, to prevent a major cigarette manufacturer from being selected as an investor by the Canada Pension Plan Investment Board. I am not too sure about this.

Consequently, I fully agree with my colleague that, at all costs, we must establish precise criteria to avoid falling into a paradoxical situation, such as supporting certain policies, as a Parliament and a democracy and, at the same time, trampling on these same principles in the CPP. That would be illogical.

It seems to me there are ways to amplify, identify and improve the current objectives and principles so they are much more restrictive and specific.

• (1325)

[English]

**Mr. Howard Hilstrom (Selkirk—Interlake, CPC):** Mr. Speaker, my question for the member involves his statement that he believes Liberal values are synonymous with Canadian values. Nothing could be further from the truth. Some of the things the Liberals believe in are what some Canadians believe in. However, Canadians are not a group that believes everything the Liberals say are Canadian values are actually that.

The issues we have before the House, everything from the scandal to environmental issues, the member certainly cannot agree with. In the area of the investments by the Canada pension plan, he does not agree that the money should be going there. He seemed to be quite clear on that.

With all the wrong things and the bad judgment that is being used on the Canada pension plan by the Liberal government, how can he remain a member of the Liberal caucus?

**Mr. Clifford Lincoln:** Mr. Speaker, first of all, I never equated Liberal values to Canadian values. That is nonsense; I never said that at all. I do not believe that the Liberal Party has the monopoly on virtue or Canadian values or that it is the purest of the pure.

Surely the government has made mistakes. It has admitted to them. There are many mistakes but to say that this is exclusive to the Liberals and that everybody else in the land is pure is just demagoguery as it is to say that I should leave the Liberal caucus because of one issue or another where the government has made mistakes. There would not be any democracy left; we would all have to leave at one point or another. I am not even going to address that part of it because I think it is puerile.

At the same time I would like to state that certainly there are common values that we hold as a democratic society. A democratic society makes its decisions here in this Parliament and other parliaments, provincial and otherwise. The majority rules. We accept it. That is the way democracy works. For example, if we decided tomorrow that we were going to invest moneys in policies to stop smoking in society, at the same time we would say let us not invest in companies that promote smoking in society. That is what I am trying to say.

There are certain common values that we share. There are others where we differ. At the same time when Parliament rules in its majority that a certain line of conduct, a certain policy should be implemented, what I am saying is that surely it would be paradoxical for a pension plan to go in exactly the opposite direction to what democracy has chosen.

**Mr. Roy Bailey (Souris—Moose Mountain, CPC):** Mr. Speaker, I enjoyed the comments of the hon. member opposite.

### Supply

At times I am a little uneasy with the government investing my money. If I want to invest money and lose it, and I probably would, I would take the loss.

Recently in Saskatchewan in my constituency the federal government put \$22 million or more into an ethanol plant. Up the road on the same line the provincial government, along with an American investment firm, was building an ethanol plant but it fell through. Because it fell through, the provincial government lost several million dollars of taxpayers' money.

A company in which one invests has to be accountable for that money. Therefore the government, provincial or federal, must be accountable to the ratepayers for the money it has lost.

• (1330)

**The Acting Speaker (Mr. Bélair):** Colleagues, we have strayed somewhat from the subject at hand. Let us try to bring the debate back to the CPP.

**Mr. Clifford Lincoln:** Mr. Speaker, we are not talking about government investments. We are talking about the Canada pension plan. This is why a separate board was created, to make sure that the investment follows basic principles and objectives as set out in the act. The act is the ruling instrument to decide how the moneys are going to be invested. This is the way it should be.

I am suggesting that within the powers of investment of the board, according to the objectives and principles of the act, the member for Winnipeg Centre has a point. We should look at this whole issue to see whether we can make the criteria, the principles, the objectives much more precise, much more in keeping with the values we share and we decide upon as a democratic society in this Parliament. This is really what I was trying to convey.

[Translation]

**Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ):** Mr. Speaker, I am pleased to announce that I will be sharing my time with the hon. member for Drummond.

As members of the Bloc Québécois, we are pleased not only to take part in this opposition day, which always lends some greater semblance of democracy to this House, but also to support the NDP member's motion.

This is a motion rooted in this Parliament. Our former colleague, Stéphan Tremblay, who represented Lac-Saint-Jean—Saguenay after Lucien Bouchard, is now a member of the National Assembly. He is the Parti Québécois environment critic and was for years the green conscience of the Bloc. The torch was brilliantly taken up by the member for Rosemont—Petite-Patrie, who has done an excellent job in connection with the Kyoto protocol issue, the widening of the St. Lawrence seaway, and of course the whole GMO issue. It can be seen that ecological concerns are very much front and centre with the Bloc Québécois.

### *Supply*

The NDP motion is interesting in the way it links imperatives of economic development, workers' pension funds and values we support as Quebecers, Canadians and even North Americans, since this issue is not confined to Quebec and to Canada.

Perhaps you would permit me to read the motion again. Those who have just joined us may not know what this is about. I can explain it after. This is an opposition day and the New Democratic Party member for Winnipeg-Centre has proposed the following motion:

That, in the opinion of this House, the Canada Pension Plan Investment Review Board should be guided by ethical investment policies which would ensure that our pension investments are socially responsible and do not support companies or enterprises that manufacture or trade in military arms and weapons, have records of poor labour practices, contribute to environmental degradation, or whose conduct, practices or activities are similarly contrary to Canadian values.

What does that mean? It means this: all workers in the public or private sector obviously pay contributions to a retirement fund. Once a person has retired from the work force, a pension will be paid. Naturally, the investment managers have very large sums to manage. For example, we can estimate \$600 million dollars just for Canada. These investments last for years.

Let us take an example close to home. As members of Parliament, we contribute some of our salary to a pension plan. This is true in the private and public sectors. Thus, there are very large sums in the pension funds that are invested in the bond market every year.

Naturally, the pension fund managers are always looking for the best performance. The hon. member for Trois-Rivières must understand that since he is a former industrial commissioner. That is how important the pension fund market is to the economy.

Our former colleague, Stéphan Tremblay, who succeeded Lucien Bouchard as member for Lac-Saint-Jean—Saguenay and who now is the Parti Québécois environment critic, once introduced a bill. It provided that pension fund managers were required not only to seek the highest return—which is legitimate because if the returns are high, the workers will be better off and we are not against that—but also to be selective in the investments they made, and would need to examine the purpose and mandate of the organizations in which they were investing.

That is called ethics. Before I give my examples, I have found a definition of ethical investing. We have not been discussing this concept a long time; it is even quite a recent idea. Since 1992 or 1993 there have been somewhat organized policies in this field.

• (1335)

To make it clearer for everyone, it is said that ethical investment is a socially responsible investment, a commitment to achieve public good in investments. It is not just about the best return, but public good, collective good.

The social investor therefore sees a double purpose in these activities: corporate social and financial performance.

To complement the financial criteria, investors look for ventures allowing them to support companies that subscribe to the same social objectives they do.

For instance, an investment board or private funds managers might say, "We are not going to invest; we are not going to buy any shares". That is often who it works. The investor buys shares, trusts, or mutual funds, but does not look for corporate investment instruments.

Take for example the arms issue. Unfortunately, although Canada boast about not being an aggressive country, and about having a long tradition of pacifism, the fact remains that Canada produces military equipment.

At the Université du Québec in Montreal, there was a research group led by Yves Boulanger. In 1993, I was elected leader, or rather member of the Bloc Québécois—pardon me, but that said, I can assure my colleagues that I have no other ambition in life than to serve the people of Hochelaga—Maisonneuve. I know that Sigmund Freud had a psychoanalytical theory about our subconscious thoughts coming to the surface. Dreams are the royal road to the subconscious. My colleague could certainly attest to the fact that I am blushing, I am so embarrassed. I want to be very clear about the fact that I have no other ambition than to serve the people of Hochelaga—Maisonneuve and to be an efficient health critic.

When I was elected in Hochelaga—Maisonneuve in 1993, Lucien Bouchard gave me two mandates. The first one was to be the research and development critic. That made me very happy, although I was somewhat surprised considering I cannot even program my VCR. I am not very adept at using new technologies. He also gave me a second mandate, which was to look into the whole issue of defence industry conversion for civilian purposes.

Industry Canada had an important program to encourage this conversion. However, encouraging conversion means that some industries were producing military equipment. This is quite logical.

An investment portfolio manager could decide, in making ethical investments, not to invest in companies that, in any way, shape or form, are connected to the nuclear weapon industry. As the hon. member for Rosemont—Petite-Patrie indicated, a manager could decide not to invest or purchase shares in companies that are heavy polluters.

Unfortunately, this is still happening. There are companies that continue to be bad corporate citizens, dump waste in our waterways and pollute beyond the standards set by the major regulatory agencies. So we have here some models of ethical and socially responsible investments.

My colleague from Terrebonne—Blainville could say, "Yes, but we could also encourage investments in areas where companies are most concerned about gender equity in leadership positions". This could also be a way to ask questions about ethical investments.

We could also look at all the social benefits and the entire way we encourage people to combine working and having a family. This is increasingly important in collective agreements. This criterion could guide how we pick our investments.

Since my time is up, I want to congratulate our colleague from Winnipeg Centre and to say that we will support this motion, which we consider a responsible motion and that, once again, the Bloc Québécois, through Stéphan Tremblay, was a visionary in this regard.

• (1340)

**Ms. Pauline Picard (Drummond, BQ):** Mr. Speaker, I would like to congratulate the hon. member for Hochelaga—Maisonneuve on his excellent speech. In my opinion it was very pertinent. The people listening will certainly have recognized how one ought to act if one is seeking transparency in the handling of public funds.

I am particularly happy to take part in this debate on the NDP motion. I am happy because in the past, I also introduced, with a colleague, a bill along the same lines.

When trying to be transparent, one concern must be the criteria for investment. Workers who entrust their savings to pension funds have the right to know where their money is going.

This is why I think pension fund administrators should, in their annual reports, present the social, ethical or environmental considerations that they have taken into account before making their investments on the financial markets.

Must pension plan boards be compelled to make socially responsible investments? I think they must. I believe it would be a very good idea if we could, at the very least, oblige the administrators to adopt a policy like this themselves and let their contributors know about it.

Concretely, half the money traded on world financial markets belong to small investors in pension funds. This represents, Canada-wide, some \$600 billion, about \$90 billion of that for businesses under federal control. That is the money of workers, and it has become one of the major engines of globalization. These investors hold considerable influence in their hands with the potential to bring about sustainable development anywhere and everywhere on this planet.

An ethical investment policy would encourage businesses to provide broader progress reports than a mere financial report, because it introduces the concept of a three-fold approach to accountability: a financial statement coupled with a social and environmental statement. This new approach can very readily be integrated with the company's general strategy.

Institutional investors, pension funds in particular, carry considerable financial clout. Half of the shares of major Canadian corporations are owned by pension or mutual funds. In Quebec, the assets of complementary pension funds are estimated at over \$100 billion, some \$30 billion of that in the government and public employees pension plan.

In Canada, we find that pension fund administrators, lacking a precise definition of their fiduciary obligations, feel they do not have

### *Supply*

enough latitude to take social responsibility into consideration in their decisions.

Because the only demands upon them concern the financial aspect, these fund administrators must be capable of proving they have invested well from the financial point of view, regardless of where they have invested. For example, they may have invested in companies that use child labour. This is important, and this is what we are opposed to. The funds of the public, the pension funds of small investors, which the government has in its hands, must be invested in businesses that are not involved in human rights violations.

As I said, some governments have already adopted changes to their legislation to facilitate the introduction of non-financial criteria for their investment policies, particularly ones to enhance accountability on this aspect. This is the case in the United Kingdom, Belgium and France.

In Canada at present socially responsible investments, that is investments for which at least one of the three approaches to ethical investment is applied, apparently total around \$50 billion, close to \$5 billion of that in ethical funds and another \$5 billion in union funds such as the CSN or the FTQ.

• (1345)

The federal government's role in promoting corporate social responsibility is to lead by example. In fact, when it purchases goods and services, the government supports economic development or is responsible for managing capital entrusted to it. We may wonder if it would be appropriate for this government to compel the companies it does business to apply socially responsible principles.

Even if I agree that retirement fund boards and administrators are responsible for determining to what extent retirement fund investments will be based on criteria to ensure social responsibility, I believe that the state can act to ensure that these choices are more transparent.

In the United Kingdom, Germany and France, retirement fund administrators or trustees are already required to make public the investment policies behind their pension plan investment policy. Observers believe this is a step in the right direction.

In Quebec, under the previous government, a parliamentary commission considered this issue. When will the federal government decide to act? No one knows. Consequently, we hope that government members will vote in favour of the motion by our NDP colleague.

In conclusion, investments can be made according to criteria that promote constructive corporate behaviour and balance between profitability and social responsibility.

Socially responsible investment means, first and foremost, that workers must be made aware of how their money is being invested. As a result, they need access to relevant information about the purpose of investments being made on their behalf.

*S. O. 31*

While finance minister, the current Prime Minister said he supported the principles underlying the NDP motion. Now he just has to turn his words into actions.

• (1350)

[*English*]

**Mr. Alex Shepherd (Durham, Lib.):** Mr. Speaker, I am happy to enter into this debate on the NDP motion. As I read it over before getting up to speak, and also in researching my speech, I was taken aback by one profound thing. The money people contribute off their paycheques into the Canada pension plan does not belong to legislators or the government.

That money is left with the government in trust and people are concerned about that aspect in and of itself. It is not our money to play with. It is no different than other people's money that is held in trust, whether it is through an estate or other fiduciary relationship. It is given to the government in trust and the trust is allocated in such a way that its orientation is to invest people's money in the best way possible so that they will get a return on their investment.

Why is that important? It is very important because the whole concept of the CPP, originally founded in 1967, was to ensure that those people who were working would be able to put aside certain amounts of money for their retirement. It addressed people who were unable or could not save, and so forth.

It was kind of a forced savings and it is one of the pillars of our pension system. We have the old age pension, the Canada pension plan and private pensions. Unfortunately, many people do not have the last one, that is private pensions. In fact, there are those in our country who do not have the second one either, the Canada pension plan. There are many people simply trying to live on the old age pension which is very difficult to do.

The other aspect—and I speak from one of my previous vocations, a certified financial planner—is that in Canada we are witnessing that people are retiring a lot younger than they ever did before through voluntary retirement, and some would suggest forced retirement. The flip side of that is that we are living longer so the retirement years are becoming more extenuated.

Canadians are looking toward to those retirement years and are starting to ask a lot of questions about the CPP. One of the questions they are asking is: “Will we have enough income to live in dignity and respect?”

The NDP motion is sort of circular because it talks about activities that are contrary to Canadian values. It does not spell out what Canadian values are and certainly, Canadian values are not that a lot of our seniors should live in poverty.

It is incumbent upon us, from an administrative point of view of the Canada pension plan, to ensure that these moneys are invested effectively and efficiently so they generate the best possible return.

That does not mean that people who are entrusted with the money can invest in illegal activities. They cannot obviously invest in the drug trade or anything else that would possibly pay higher returns. They must invest in a milieu within our country which ensures that they go through an institutional order. We have a rule of law in the country.

They are required to invest through recognized stock exchanges and through the rule of law. I challenge the New Democratic Party, or anybody else who supports this motion, to point out to me any company that the CPP board has invested in that is carrying on an illegal activity in the country.

It is not for the investment board to make judgment calls on what is or what is not a good investment. It is simply a matter of that determination taking place in the general public and through our legal system. If something is an illegal activity then obviously the company would be reviewed and adjudicated and so forth. That is not a concern of the Canada Pension Plan Investment Board.

• (1355)

I want to expand on this aspect of retirement years. I am 57. I was born in 1946. I see myself on the leading edge of the so-called baby boom generation.

I have talked to a lot of people of my generation. They say their major concern is that they will not have enough money to retire. It is a terrible thing to think that people are concerned that they will live too long, but that is a possibility. There has been so much medical science in our country that it has allowed people to live better and healthier lives for a longer time. However, at the same time, people are worried that it has been too successful, that they will live to the point where they cannot afford to carry on a normal lifestyle.

There are other areas where this kind of thing has happened in government. Government pension plans in the civil service, historically—

**The Acting Speaker (Mr. Bélair):** I am sorry to interrupt the hon. member for Durham. I would also inform him that he has 14 minutes left in his speech after question period.

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## STATEMENTS BY MEMBERS

[*English*]

### CATTLE INDUSTRY

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, as all members know, BSE is an ongoing national tragedy. It has hit farm families in the Peterborough region very hard.

This week, the Holiday Inn Peterborough-Waterfront is hosting a fundraising dinner to assist the local farm community. This special event is the kick-off for a year of commitment to this cause. It will be followed by other activities, including beef specials with part of the price going to farmers.

The Peterborough County Cattlemen-Winemakers' Dinner sponsors include the Holiday Inn Riverside Grill, Colio Wines, Honeyman's Beef Purveyors and the Wolf Cruz. The target is \$5,000 from individuals and service clubs who have bought tickets.

I urge all members to support local events such as this to help farmers hit by BSE. I urge all members to buy their meat from local farmers. This is something we can do to help while we work to get the U.S. border open again.

My thanks go out to the Holiday Inn and my best wishes to the Peterborough County Cattlemen. I urge other local groups to follow their example.

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#### ESTONIA

**Ms. Sarmite Bulte (Parkdale—High Park, Lib.):** Mr. Speaker, today is the 86th anniversary of the Declaration of Independence of Estonia. The Republic of Estonia was founded on February 24, 1918, when the Salvation Committee declared the republic's independence.

This date was celebrated as the date of independence until the Soviet occupation of Estonia in 1940. During the Soviet occupation, Independence Day continued to be celebrated by Estonian communities around the world.

As the hope of restoring the nation's independence grew stronger in the late 1980s, the people already began to celebrate the day of independence publicly before the end of the Soviet occupation.

On February 24, 1989, the red flag of Soviet Estonia was replaced by the blue, black and white Estonia national flag on Toompea, and since that time independence has been celebrated once again as a public holiday.

I would like to offer my congratulations to President Rütel, the Estonian parliament, the people of Estonia and Canadians of Estonian descent on this momentous occasion. *Elagu eesti.*

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#### CATTLE INDUSTRY

**Mrs. Betty Hinton (Kamloops, Thompson and Highland Valleys, CPC):** Mr. Speaker, it is hard to believe that any government could mishandle a \$30 billion industry that creates 225,000 jobs in this country, but that is exactly what the government has done in response to the crisis in our cattle industry.

Canadian ranchers have lost \$2 billion due to the BSE crisis and the government is still quibbling with the province about who should help. Some provinces have already paid compensation to their beef producers, but this national issue begs a national response.

Matters are even worse for ranchers in and around my riding of Kamloops, Thompson and Highland Valleys, who are still waiting for federal assistance to re-seed and re-fence land ravaged by fire last summer. Again, our legitimate pleas have fallen on deaf ears.

After the challenges they have faced, it is a shame that Canada's cattlemen must now suffer the consequences of this government's dithering.

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• (1400)

[Translation]

#### CITY OF MONTREAL

**Mr. Bernard Patry (Pierrefonds—Dollard, Lib.):** Mr. Speaker, I would like to acknowledge the results of a compilation of international studies by the Association for Canadian Studies.

*S. O. 31*

Based on data from Statistics Canada and the U.S. Census Bureau, the association indicates that the City of Montreal is in first place in terms of the number of people who walk to work. The study looked at 21 centres with a population of 900,000 or more. It showed that 7.4% of workers in Montreal walk to work, putting them ahead of New York and Ottawa.

Among the top ten cities, six are Canadian. Canadians are ahead of the pack in not using cars to get to work. While American workers prefer to use a car 90.8% of the time, only 80.6% of Canadians in urban centres choose to drive to work.

When we look at the extent of the efforts made to counter climate change, we must applaud the workers in Canadian cities.

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[English]

#### GOVERNMENT PROGRAMS

**Mr. Alan Tonks (York South—Weston, Lib.):** Mr. Speaker, on February 16 the Minister of Human Resources and Skills Development announced Government of Canada funding of \$10.9 million for 34 projects targeted to help youth and employment insurance recipients in the Greater Toronto Area.

The government is providing financial assistance through employment assistance services, local labour market partnerships, job creation partnerships, and youth employment strategy to enhance Canadians' employability, social inclusion, and skills and learning.

These projects support the Government of Canada's goals to encourage Canadians to upgrade their skills and knowledge to the fullest potential. Funding for them was provided for in the February 2003 federal budget.

As stated in the Speech from the Throne, these programs will help all Canadians gain a foothold in the labour market. The government is committed to developing programs that enhance the skills, knowledge and work experience of all Canadians, ensuring their full participation in society and in the workplace.

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#### GOVERNMENT OF CANADA

**Mr. Jay Hill (Prince George—Peace River, CPC):** Mr. Speaker, Canadians are not fooled by this so-called new Liberal government and Prime Minister. They know it is still the same old Liberal government that they have endured for a decade.

In my riding of Prince George—Peace River, constituents are still waiting for the government to properly address the environmental disaster brought on by the mountain pine beetle infestation.

They are waiting for a resolution to the softwood lumber dispute with the United States that has closed mills and left so many without a job.

*S. O. 31*

They are waiting for the government to come up with a workable assistance program that will actually help beef producers devastated by the mad cow crisis.

They are waiting for quality health care to arrive in our remote northern region of the country where we continue to face a severe shortage of doctors.

And they are waiting in vain for tax relief while the government continues to throw their money away on scandal after scandal after scandal.

Just like my constituents, and after 10 years as their MP, I am increasingly frustrated with the government's misplaced priorities. Canadians deserve better, and with the Conservative Party of Canada they are going to get it.

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**CATTLE INDUSTRY**

**Hon. David Kilgour (Edmonton Southeast, Lib.):** Mr. Speaker, the Minister of Western Economic Diversification today announced \$680,000 in funding for the development of a new testing technology for live cattle.

The project is a first step toward a system that will eliminate the need to slaughter animals in order to test for BSE and other diseases.

Canada must be a world leader in 21st century technologies. Even more importantly these days, the mandate assists our key beef industry in western Canada, on which thousands and thousands of families depend for their livelihoods.

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[Translation]

**CANADA LABOUR CODE**

**Ms. Monique Guay (Laurentides, BQ):** Mr. Speaker, this morning I introduced in the House a bill to amend the Canada Labour Code in order to prohibit the use of scabs. This initiative is the 10th by the Bloc Québécois since 1990.

Such measures are more necessary than ever in order to promote civilized negotiations and to establish a true balance of power between employers and employees.

The current Prime Minister's silence is not surprising considering he was the head of Voyageur during a very difficult dispute in which the employer resorted to using scabs. Moreover, the first ship to use scabs at the Cargill facilities in Baie Comeau belonged to the current Prime Minister.

Workers in Quebec, particularly those at Radio Nord Communications in Abitibi-Témiscamingue—who, tomorrow, will be entering their 17th month on strike while their employer uses scabs—can count on my determination to continue the battle to put an end to this denial of labour rights.

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**FRENCH LANGUAGE HEALTH SERVICES**

**Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.):** Mr. Speaker, the Minister of Health and the Chief Government Whip announced yesterday that the Government of Canada will be

allocating more than \$25 million over the next five years to support the training and retention of health professionals in French-speaking minority communities.

These funds will help three francophone organizations, the University of Ottawa, Cité collégiale and the Consortium national de formation en santé to promote their health training programs and increase the number of students registered in those programs.

Canada's linguistic duality is at the heart of our national identity, and a priority for our government.

The government deserves to be congratulated on this measure which demonstrates its commitment to francophone minority communities and their access to health services.

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● (1405)

[English]

**NATIONAL DEFENCE**

**Mrs. Elsie Wayne (Saint John, CPC):** Mr. Speaker, a report by Queen's University and the Conference of Defence Associations has predicted the air force will likely disappear by the year 2013, and maybe the army and navy will disappear in the same timeframe. This occurred because of years of Liberal neglect of our military.

The current Prime Minister presided over the largest national defence cuts in recent history: over \$20 billion since the Liberals took power in 1993.

The Canadian Forces are currently facing a half billion dollar shortfall. The situation is so dire that senior defence officials are talking about closing bases in the Atlantic provinces, Quebec, Ontario and western Canada.

Since 1993 our military has had to deduct funds from the equipment portion of the defence budget in order to pay for the maintenance and operations. The Liberals have sacrificed our future military force to pay today's bills.

Frankly, the Prime Minister's defence policy is casting doubt in the eyes of our allies and destroying the morale in the hearts of our soldiers, sailors and air personnel.

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**PRIOR LEARNING ASSESSMENT**

**Mr. Raymond Simard (Saint Boniface, Lib.):** Mr. Speaker, on February 20, the Minister of Human Resources and Skills Development announced funding of \$825,248 over three years to support a research project by the Centre for Education and Work in Winnipeg. The project will measure the long term effects of prior learning assessment and recognition as a labour market tool.

The basic goal is to help workers develop and apply the skills needed in today's changing workforce. The recognition of prior learning is an important component of Canada's lifelong learning agenda. Prior learning assessment, or PLA, is a key innovation in Canada's learning system that will help meet urgent and relevant labour market demands and enhance the efficiency, effectiveness and accountability within the teaching, learning and administrative systems.

The PLA initiative is part of the workplace skills strategy, whose objective is to strengthen our nation's capacity to produce the skilled workers and the kind of workforce that will carry us forward in the 21st century.

The national research project is the first of its kind in Canada and its results could have a significant impact for PLA and its adoption in Canadian workplaces, academic institutions and government policy.

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#### POPLAR RIVER FIRST NATION

**Mrs. Bev Desjarlais (Churchill, NDP):** Mr. Speaker, for years the federal Liberal government has failed to respond to the housing shortages and poor housing conditions in first nations communities. The issues include mould, which is creating health problems, poor ventilation, and building houses to a standard not acceptable in white communities.

Now the worst case scenario has come to light. Houses in some communities were insulated with loose asbestos. One family from Poplar River First Nation has lost three members to mesothelioma cancer, a cancer directly related to asbestos exposure.

INAC and Health Canada failed to notify the first nation that asbestos exposure can cause death. The family is searching for answers. The first nation needs and deserves assistance.

INAC and Health Canada are not likely to criticize each other. An independent study must be done. The first nation has limited resources. Funds for an independent study and the removal of asbestos should not come from the first nation's regular budget.

It is not okay for the Liberal government to stonewall the family and the community. They deserved an immediate response and they got delays and the death of another loved one. How many more members of Poplar River First Nation must die before immediate, thorough action is taken?

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[Translation]

#### RWANDA

**Mr. Yves Rocheleau (Trois-Rivières, BQ):** Mr. Speaker, at the present time, preparations are under way by an international movement created and coordinated by Quebecers and Canadians, with the active support of such public figures as Roméo Dallaire, to commemorate the tenth anniversary of the genocide of the Tutsi in Rwanda and the murder of thousands of politically moderate Hutu.

We must not forget that, between April 7 and July 4, 1994, more than one million Rwandan Tutsi were savagely and systematically exterminated. At the same time, several thousand moderate Hutu were also killed for opposing this madness.

*S. O. 31*

Since Quebec and Canada are home to the largest community of survivors of this genocide in North America, I wish to see April 7 declared, in compliance with the request of the associations of Rwandan communities and genocide survivors in Canada, a Day of Remembrance of the victims of the 1994 Rwandan genocide.

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● (1410)

[English]

#### AMYOTROPHIC LATERAL SCLEROSIS

**Ms. Beth Phinney (Hamilton Mountain, Lib.):** Mr. Speaker, next month Hamilton Mountain mom Sharon Babineau will attempt to climb over 19,000 feet to the summit of Mount Kilimanjaro. Her journey is a tribute to her late husband, Stephen Babineau, who died of ALS.

Sharon is also acknowledging the hard work and dedication of caregivers who work tirelessly for patients of ALS, or what is known as Lou Gehrig's disease.

Sharon has been a champion for the cause for over 14 years. She and her husband were co-recipients of the ALS volunteer of the year award in 1995. Currently she is a regional manager of the Hamilton—Niagara ALS Society, helping other families affected by ALS deal with their grief.

I want to commend the courageous and fighting spirit of Sharon Babineau. Her journey to one of the world's highest peaks will be long and arduous, but she has proven that she can overcome difficult obstacles.

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#### SPONSORSHIP PROGRAM

**Mr. Greg Thompson (New Brunswick Southwest, CPC):** Mr. Speaker, as much as the Liberals want it to, the sponsorship scandal just will not go away. As the Auditor General has stated, just about every rule in the book was broken.

Today let us focus on the environment minister. He secured \$50,000 for his riding. The minister merely advised his office of a secret slush fund. If funds were requested, they would be provided. No application was required and none was asked for. Ministers of the crown used this sponsorship program as their own personal pork barrel.

With ministers of the crown and Liberal MPs using this fund routinely, how could the Prime Minister not know?

Most Canadians do not believe the Prime Minister. They know that he knew what was going on. It is time that he came clean.

*Oral Questions*

[Translation]

**ALBERT CHARTIER**

**Mr. Robert Lanctôt (Châteauguay, Lib.):** Mr. Speaker, the comics community is in mourning since the death of Albert Chartier, who was a pioneer of this art form in Canada.

Mr. Chartier died on Saturday at the age of 91. He was born in Montreal in 1912, studied graphic arts in the United States, then returned to Quebec. Today, a comics award bears his name. He is mentioned in the Larousse *Dictionnaire mondial de la bande dessinée*, an honour few in this country can claim.

In 1943, he created the character of Onésime, whose goings-on were a feature in the *Bulletin des agriculteurs* for 55 years. This character even attracted attention from academics. Onésime and his wife Zénoïde witnessed Quebec's evolution from their creation until quite recently.

I ask my colleagues to join me in paying tribute to this great cartoonist who was one of the country's pioneers in this art form.

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[English]

**SPONSORSHIP PROGRAM**

**Mr. Norman Doyle (St. John's East, CPC):** Mr. Speaker, following the statement made by my colleague from New Brunswick Southwest, today's *Toronto Star* states that the organizer of the music festival in Victoria, B.C., himself a strong Liberal, was told of a secret slush fund that ministerial aides could help him access for constituency projects.

He was told there was no application form, no process other than to write a letter to a Mr. Tremblay at Public Works. Two cheques totalling \$50,000 were delivered to B.C. by a Montreal advertising firm with Liberal connections. Guess what, its commission was already paid.

How can the Prime Minister claim that he did not know about the sponsorship program when ministers from across the country were dipping into that slush fund? Lopping off the heads of a few Crown corporations will not do it this time. The rot in this scandal is as wide as it is deep.

Yes, there was a secret slush fund and all Liberals knew about it.

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**ORAL QUESTION PERIOD**

[English]

**SPONSORSHIP PROGRAM**

**Mr. Grant Hill (Leader of the Opposition, CPC):** Mr. Speaker, the Liberal culture of corruption runs now from coast to coast.

Jamie Kelley spilled the beans on how one can access this secret Liberal slush fund. Number one, be a Liberal. Number two, be a Liberal. Number three, be a Liberal.

The environment minister, the Prime Minister's own supporter, knew all about it. His constituency staff knew all about it. How can the Prime Minister still pretend that he knew nothing about it?

● (1415)

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, if the hon. member is referring to the sponsorship program, obviously people knew about it. The people on this side of the House knew about it, as did the multitude of members of the alliance who supported such proposals in their own ridings.

**Mr. Grant Hill (Leader of the Opposition, CPC):** Mr. Speaker, the Prime Minister stood in the House and personally vouched for every single member of his cabinet. He said that he asked the question did they know of any wrongdoing in the sponsorship program and the answer was no. We now know that was wrong. The environment minister is up to his neck in this scandal.

How can the Prime Minister continue to say he knew nothing about it?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, where indeed was the wrongdoing? In fact, my understanding is that the article said that the environment minister was scrupulous in the way in which he handled it. That is a direct quote.

**Mr. Grant Hill (Leader of the Opposition, CPC):** Mr. Speaker, there is nothing scrupulous about taking money from taxpayers and feeding it to Liberal hands.

The Prime Minister promised the resignation of anybody who knew about this. We now know the environment minister knew about this scandal. My simple question is, has the Prime Minister sought the disappearance of the environment minister, yes or no?

**Hon. David Anderson (Minister of the Environment, Lib.):** Mr. Speaker, the assertion of the hon. member is totally incorrect and he should apologize.

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, CPC):** Mr. Speaker, not only do Liberals benefit from grants, but unfortunately for Canadians, the only grant that Conservatives are benefiting from is my colleague from Macleod.

Revelations today indicate that the culture of corruption is pan-Canadian. According to the Prime Minister's own words, he said he was going to get to the bottom of this, he was going to find out the source of this.

According to a Liberal source, the Minister of the Environment was accessing a slush fund. He accessed it through the former public works minister.

Can the Prime Minister tell us if, during his rigorous interview process of the Minister of the Environment, this meeting with the minister of public works came up?

**Hon. David Anderson (Minister of the Environment, Lib.):** Mr. Speaker, the very article that the hon. member is basing his question on says that in this case there is no doubt the project fits the parameter of the program. It goes on to say that I acted scrupulously in my behaviour. In fact, as he knows or should know, I did not even send a letter recommending this particular project to the minister of public works. There were some 15 other letters, but not from me.

*Oral Questions*

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, CPC):** Mr. Speaker, there appears to be a collective case of cabinet amnesia going on on the other side. The Prime Minister has a dose of it as well.

He denied all knowledge of the Liberal slush fund. He said on February 13 that anybody who knew anything about this should resign immediately. Those were his words.

I ask the Prime Minister, will the multiple investigations, the multiple inquiries, include looking into these allegations of Liberal Party panhandling? When is he going to compost the current recycled Minister of the Environment?

**Hon. Stephen Owen (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, the sponsorship program was well known by all members of the House and in fact endorsed and had constituencies referred on to the program in 2000.

The point in this case is that the hon. member's office referred on to the public works department. I have seen the application. It was four pages in detail, 15 pages of endorsement letters, not from the minister but from people in the community. A post-mortem of the festival found it to be entirely successful. This was an appropriate expenditure of public funds in the community.

[Translation]

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, yesterday in the House, the government House leader was unequivocal. He said that Liberal transparency had its limits, and there was no question of forcing Liberal members to immediately open the books of their personal slush funds, if they had any.

Will the Prime Minister, who said he wants to get to the bottom of things, admit that the public has the right to know before the election if the money from the sponsorship scandal ended up, for example, in the coffers of The Friends of Alfonso Gagliano Inc., registered with Industry Canada?

• (1420)

**Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.):** Mr. Speaker, the Bloc members keep changing their minds. Yesterday, they told the media they were satisfied with my answers. Today, they are no longer satisfied.

We refuse to react in kind to the Bloc's inconsistent and changing moods. A commission of inquiry had been set up to investigate this matter.

Yesterday, I said that the Liberal Party of Canada is transparent, that its books are open and that the figures published are available on the Elections Canada website.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, I said that I was not satisfied because something was overlooked, namely individual funds and foundations, such as The Friends of Alfonso Gagliano Inc.

Since the government has nothing to hide, because all the millions in the slush funds of individual Liberal members were transferred to either the Liberal Party of Canada or the Liberal riding associations on December 31, 2003—we asked that this be clarified, but it was

not—why is the government refusing to open the books immediately on where the funds now in the Liberal Party coffers came from?

I want to hear what the Prime Minister has to say about this.

**Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.):** Mr. Speaker, I need not remind the leader of the Bloc Quebecois that it is up to us, not him, to decide who will answer the questions.

The answer to his question is quite clear: the Liberal Party has absolutely nothing to do with the allegations made by the leader of the Bloc.

His allegations mention millions, but he has no proof. Can he produce any documents? If so, then he should table them. If he has the slightest bit of evidence, he should table it. If he has any evidence that will assist the commission of inquiry, he should table it. But he should stop making gratuitous allegations that unfairly smear the Liberal Party, which does not deserve it.

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, I would like to point out to my colleague that Bill C-24 included a clause that allowed Liberal members of Parliament to transfer their personal trust funds into Liberal Party riding coffers, without anyone having any oversight. This is not something we made up; it is in their own legislation.

What we are asking the Prime Minister is this. If he truly wants to be transparent, will he allow an inspection of these funds, which, as the Chief Electoral Officer has said, are completely out of his control?

**Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.):** Mr. Speaker, first, it is not my responsibility to authorize something in a fund that does not even belong to the Liberal Party or the government. I do not have the authority to allow this. The commission of inquiry can do so.

However, be careful. If we are going to start investigating everyone who contributes to the financing of political parties, then this has to apply to everyone. We would have to investigate all the contributions made to the Bloc Quebecois, the Conservatives and our own contributions as well.

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, this is a classic example of trying to muddle the issue. The government can say what it wants; they have individual funds that were written into a bill. It is in the legislation.

These funds were automatically transferred, and the Chief Electoral Officer said, "This is out of control". No one can deny this.

What I want to know from the government is this: if it wants to be more transparent with its finances, will it allow these funds to be examined?

**Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.):** Mr. Speaker, it is true that Bill C-24 effectively eliminated any possibility of having such funds in the future. It is also true that the bill regarding the ethics commissioner contains provisions for members to provide declarations of assets.

*Oral Questions*

These are facts. It is concrete. It is real. The rest is nothing but hot air and allegations.

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[English]

**NATIONAL DEFENCE**

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, my question is for the right hon. Prime Minister who no doubt is keenly aware, through the sponsorship scandal, of what happens when Liberals refuse to see what is really going on, when this sort of wilful blindness happens.

I say to him that there is a wilful blindness on the part of the Liberals right now with respect to national missile defence. They refuse to see that what is really going on is that the Americans intend to weaponize space.

Will the Prime Minister finally get up and say to the House, because he has yet to speak on this, that Canada will not participate in what is really going on?

**Hon. Bill Graham (Minister of Foreign Affairs, Lib.):** Mr. Speaker, the hon. member well knows that the Prime Minister answered this question once before. He made it very clear we are engaged in negotiations with the United States with respect to the security of the North American continent and the security of Canadians, but that we will continue to pursue our longstanding policies in terms of disarmament. We are pursuing an initiative to try to get a treaty on the weaponization of space, to prohibit it.

The Prime Minister is clear. The government is clear. The weaponization of space is completely contrary to what the government stands for, what this country stands for, and what we are negotiating about.

• (1425)

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, the Prime Minister does not want to talk about this issue and I can understand why. Perhaps he does not want to repeat the mistakes he has made with respect to the sponsorship scandal and say something that turns out not to be true.

I ask the Minister of Foreign Affairs, why this willingness to sacrifice Canadian sovereignty? How does he have the nerve to get up and say this is part of Canada's policy on disarmament when this has already led to a new arms race with respect to space?

**Hon. Bill Graham (Minister of Foreign Affairs, Lib.):** Mr. Speaker, we have had two debates in the House about this extremely important issue. Let us not distort the facts. The facts that have come out in our debates have made it very clear this is a land based and sea based defensive initiative directed to a very limited possibility of an attack against North America.

In our view, it does not lead to an arms race, nor does it lead us toward weaponization of space. If, during our negotiations, we find out that such is the case, we will withdraw from those negotiations, but it would be improper to make that judgment before we even get into the negotiations.

**SPONSORSHIP PROGRAM**

**Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, CPC):** Mr. Speaker, on February 13, the day after the sponsorship scandal was known to Canadians, the Prime Minister set the standard. He said anybody who knew about this and did nothing should resign immediately.

The environment minister knew. Why has the Prime Minister not asked for his resignation?

**Hon. Stephen Owen (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, the hon. member knows that many people in the House knew about the existence of the sponsorship program. That is why many members from all sides of the House, through their consistency offices, assisted people, who were proponents of festivals, with their applications to public works.

That is what happened in the constituency office of the Minister of the Environment. His office simply provided information on how to get to a very good festival. The problem was not with whether the festival was good. It was, as we know now, the commissions that were paid to advertising companies. That has been stopped.

**Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, CPC):** Mr. Speaker, the Prime Minister is failing his test of leadership. The Prime Minister said that if any ministers knew about this scandal, or if they were responsible, they must resign.

One of two things is true. Either the Minister of the Environment knew, in which case he was complicit and by the Prime Minister's standards he must resign, or he did not know, in which case, how can Canadians trust him with billions of dollars in his portfolio? Which is it Mr. Prime Minister?

**The Speaker:** I am sure the hon. member for Port Moody—Coquitlam—Port Coquitlam intended to address the Chair. His question, I think, was addressed to the Prime Minister but he knows the rules. He must address the Chair. The right hon. Prime Minister.

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, the hon. member is talking absolute nonsense. Every member in this House knew of the sponsorship program. They applied for it.

I referred to those who knew of wrongdoing at the time that it took place. The environment minister did not know of wrongdoing. The members of this cabinet did not know of wrongdoing at that time. Those are the facts. The hon. member ought to get his facts straight.

**Mr. Jason Kenney (Calgary Southeast, CPC):** Mr. Speaker, according to Jamie Kelley, a long time Liberal, he was told by the minister's staff of a secret slush fund. Does that sound like a normal program? That is wrongdoing.

Why is it that the Prime Minister says that anybody who knew about mismanagement of this program would have to resign? Now we know that the environment minister knew about the operation of a secret slush fund. Why has he not resigned?

**Hon. Stephen Owen (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, money going to festivals and other activities in communities which were important to those communities were not secret slush funds.

*Oral Questions*

The problem, as it has belatedly come to light, that has become obvious to all of us is that there was misdirection of funds, not to valuable programs and festivals in our communities, but for the paying of commissions that were unearned.

That has been stopped; that is being fixed. That is what is being investigated, not a valuable festival in the minister's riding.

• (1430)

**Mr. Jason Kenney (Calgary Southeast, CPC):** This crowd is unbelievable, Mr. Speaker. They change their story every day.

It was not just about the commissions paid. It was the entire program from start to finish, the lack of paperwork, the lack of procedures, the operation of, and in the words of the minister's assistant, "a secret slush fund".

Jamie Kelley says the minister must have known about the modus operandi of this program. That being the case, why is he sitting in his cabinet seat today?

**Hon. Stephen Owen (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, the festival took place in 2000. It was extremely valuable to that community. The application was made by the proponent through a four page letter describing the festival with 15 pages of endorsements from people in the community. It was a good festival for a good cause and it was properly funded.

The problem was, as has subsequently come to light, that there were false commissions paid. That is what is being investigated. That is why we are chasing those funds.

\* \* \*

[Translation]

**EQUALIZATION PAYMENTS**

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, the most recent calculation of the federal government's equalization payments has had a catastrophic effect on Quebec. It has lost close to \$1.5 billion between 2001-02 and 2003-04.

Instead of this divide and conquer approach, going over Quebec's head directly to the municipalities, does the Prime Minister not think it would have been better to amend the equalization formula and correct the fiscal imbalance, thus settling for once and for all the problems of the municipalities and the problems in the health sector?

[English]

**Hon. Ralph Goodale (Minister of Finance, Lib.):** Mr. Speaker, indeed, we are changing the equalization formula. After more than a year of extensive discussions with the provinces and others, we are introducing a number of changes, the vast majority of which favour the calculation toward Quebec.

[Translation]

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, we are losing \$1.5 billion yet this is being held up to us as a gain for Quebec. That is totally false. For example, Quebec's share of the \$2 billion for health amounts to \$472 million. That offsets barely one-third of the losses over the past three years because of the faulty equalization formula.

How can the Prime Minister claim health is a priority if he is not prepared to amend the equalization formula immediately?

[English]

**Hon. Ralph Goodale (Minister of Finance, Lib.):** Mr. Speaker, in my discussions with the finance minister from the Province of Quebec, he indicated to me that his number one priority was to secure the \$2 billion that was indicated in the last health accord.

In fact, we have delivered on that \$2 billion. We have put legislation in the House that will ensure that it is delivered and delivered in the fiscal year in which each province wishes to receive it. We have met Quebec's number one priority.

[Translation]

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, yesterday the Prime Minister met with the mayors of the big cities of the metropolitan region, with no representatives of the Government of Quebec present, and promised them more money, provided the Government of Quebec does its part.

Can the Prime Minister explain how he could, with one hand, substantially reduce the equalization transfer payments to Quebec by \$1.5 billion over three years, and, with the other hand, create additional budgetary pressure on Quebec by using the big city mayors? Is this not a totally irresponsible way to act?

[English]

**Hon. Ralph Goodale (Minister of Finance, Lib.):** Mr. Speaker, the entitlements under the revised formula for equalization across the country will be going up by some \$1.3 billion over the course of the next five years.

Obviously, we want an equalization program that is strong and robust. We wish to help municipalities in this country. I have noted that the mayors of Quebec City, Montreal, Laval and Gatineau have all applauded the measures taken by the government with respect to cities.

[Translation]

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, the Prime Minister is creating additional pressure on Quebec while cutting the equalization payments on which it relies.

Is the Prime Minister going to realize that it is not his place to negotiate directly with the municipalities, that the Government of Quebec is completely capable of assuming its responsibilities without him, and that his role is to deal with the fiscal imbalance that has left Ottawa with too much money for its responsibilities and Quebec with too little? Quebec is being strangled.

*Oral Questions*

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, not only has there been no encroachment, but we talked with the big cities about immigration, the environment, our infrastructure capabilities, and the partnership we have enjoyed for years and years. We worked very hard and it was an excellent meeting. I want to congratulate the mayors of the big cities for holding this meeting, for taking this initiative, and for showing leadership for all cities in Canada.

\* \* \*

• (1435)

[English]

**SPONSORSHIP PROGRAM**

**Mr. Chuck Strahl (Fraser Valley, CPC):** Mr. Speaker, as far as we can tell, here is the scuzzy little arrangement that works for the Liberal Party of Canada.

Mr. Jamie Kelley blew the whistle on the Liberal cover up and here is how it worked. We make an application to the minister's office. Right away the minister and his staff respond with "No problem, sir. We have a secret slush fund just for this purpose". Within days we get a call from Media IDA Vision, the same Media IDA Vision which commissioned the transfer of sponsorship funds to crown corporations that have been disciplined with a smack on the fingers today.

How can the minister make us believe that he did not know about this scuzzy Liberal cover up?

**Hon. Stephen Owen (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, we are getting some accusations from the other side, but let us look at the facts.

A very valid and respected festival in the minister's riding was proposed in a four page proposal with 15 pages of endorsements from community supporters.

The application went to the minister's constituency office. It in turn informed the applicant where to send the application at public works. The festival got funded, not for the full amount applied for, but enough to support a very valid and successful festival.

I would like everyone on the other side to stand up and say what festivals in their—

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

**The Speaker:** Order, please. Before the hon. member for Fraser Valley asks his question, I would urge hon. members to listen to the questions and answers.

The minister has to answer a question and the member of the opposition has to be able to hear the answer in order to ask an intelligent supplementary. It makes it very difficult to do that if we cannot hear and everyone is yelling. The hon. member for Fraser Valley is doing his best, I am sure.

**Mr. Chuck Strahl (Fraser Valley, CPC):** Mr. Speaker, I thought the principle of ministerial accountability might have the actual minister stand up and respond to this.

Here is how it worked according to the member from the Laurier Club, Mr. Kelley. There was a secret slush fund that one could get

hold of at the minister's office. A letter was then written to Mr. Tremblay, the chief of staff to Alfonso Gagliano. Within a few days the minister would contact Mr. Gagliano and arrange all the fine details.

As far as Mr. Kelley could tell, Media IDA Vision got hold of the applicant to say that \$50,000 was available, it was in the mail if the minister for the crown corporation had not been suspended.

How can the Liberals say that was a normal way of doing business? It was corruption from top to bottom.

**Hon. Stephen Owen (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, we know that there was a very successful local event that received funds and was appreciated by the community. We do not know whether the third-hand accusation being quoted by the member opposite has any truth to it.

Therefore, let us go before the public inquiry or the public accounts committee and find out the truth. Those fact finding missions and processes are set up to find the truth.

What we do know is that it was a successful festival.

**Mr. Monte Solberg (Medicine Hat, CPC):** Mr. Speaker, the Prime Minister said he wanted to get to the bottom of this. However, all day today, the government has covered up the allegations that this was nothing but a Liberal slush fund.

Every minister has said there was no problem with this. That is absolutely ridiculous. It is the ugly face of Liberal arrogance.

If the government really wants to get to the bottom of this, when will it take serious an allegation coming from a long time Liberal who was complicit in the whole affair?

**Hon. Stephen Owen (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, the government is very aware of the problems with the sponsorship program. They were not with this minister acting as an MP through his constituency office. That is why we have problems with it. We killed it the first day that the government took office.

That is why we have a public inquiry. That is why we have a special counsel going after financial accountability. That is why we encouraged the public accounts committee to sit immediately, and it did. That is why the former minister of public works, Mr. Gagliano, is appearing on Thursday. Let us get to the bottom of it but not through third-hand accusations in a newspaper.

**Mr. Monte Solberg (Medicine Hat, CPC):** Mr. Speaker, Mr. Kelley said, "They told me of a secret slush fund where they could access money for constituency programs". The aides in the minister's office told him that. I want to make that very clear.

The Prime Minister said that he interviewed the environment minister about whether or not he knew anything at all about this. I want to know, did the environment minister raise this issue with the Prime Minister or not?

*Oral Questions*

• (1440)

**Hon. David Anderson (Minister of the Environment, Lib.):** Mr. Speaker, all moneys involved in this came from the sponsorship program. It was so secret that everybody in their riding offices knew about it as did the member's constituency association. They told the public about these government programs.

How can that be a secret slush fund? It is obvious that there was a government program. It is obvious that it is the duty of MPs, in their constituency offices, to tell the public about government programs.

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

**The Speaker:** Order, please. We want to have a little order in the House. We are listening to questions and answers and while I am sure the Minister of the Environment appreciates all the assistance from the other side, we do not need this much noise if we are to hear the answers and the questions.

The Chair must be able to hear in case somebody says something out of order. It could happen. So we do not want to have this kind of disruption.

The hon. member for Winnipeg South Centre has the floor.

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**STUDENT LOANS**

**Ms. Anita Neville (Winnipeg South Centre, Lib.):** Mr. Speaker, on another topic, but a question of importance to many Canadians. My question is for the Minister of Human Resources and Skills Development.

The Speech from the Throne has indicated that a review will be taking place of the Canada student loans program. The Prime Minister has appointed a parliamentary secretary responsible for the student loans program.

Would minister to tell the House if the review will extend to reducing the existing debt load for the many thousands of students who are currently heavily indebted—

**The Speaker:** The hon. Minister of Human Resources and Skills Development.

**Hon. Joseph Volpe (Minister of Human Resources and Skills Development, Lib.):** Mr. Speaker, I am delighted to answer such a question. The member opposite has been very much engaged in promoting the issues of students and post-secondary education.

I am delighted to address the fact that, yes, we are addressing that concern specifically. My parliamentary secretary responsible has been travelling the country to look at the ways in which we can engage to reduce the debt through interest relief and others.

However, I want to point out to the House that the Government of Canada spends in excess of \$1.6 billion a year in student loans to help out 350,000 students—

**The Speaker:** The hon. member for Vancouver East.

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**HOMELESSNESS**

**Ms. Libby Davies (Vancouver East, NDP):** Mr. Speaker, yesterday the Prime Minister claimed that he did not cut affordable

housing when he was finance minister. In actual fact he did not just cut affordable housing, he abolished the whole program.

Now we are living the consequences of 250,000 people who are homeless in Canada while \$10 billion were shovelled out the back door in tax cuts.

Does the Prime Minister really expect anyone to believe that he has suddenly found his heart when what he is really trying to do is rewrite history because he knows that his decisions are the cause that put people on the streets homeless in the first place? It is his responsibility.

**Hon. Andy Scott (Minister of State (Infrastructure), Lib.):** Mr. Speaker, the throne speech demonstrates quite clearly our commitment to affordable housing in Canada. That is what the Prime Minister spoke of yesterday. We are making that plan now, and we are going to continue to invest in affordable housing in the country.

**Ms. Libby Davies (Vancouver East, NDP):** Mr. Speaker, what commitment? The fact is the Liberals abolished the program in 1995. In fact they have only spent 7% of what had actually been committed in previous budgets. Ontario alone is still waiting for 9,800 units.

Why should anyone believe this Prime Minister or this government when they cannot even deliver the housing to which they have committed? How many poor people have to die on the street before this housing is delivered?

**Hon. Andy Scott (Minister of State (Infrastructure), Lib.):** Mr. Speaker, we announced a billion dollars. We have had agreements of \$680 million, there is more to come, and we will see her next week.

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**SPONSORSHIP PROGRAM**

**Mr. Rahim Jaffer (Edmonton—Strathcona, CPC):** Mr. Speaker, the Prime Minister has said that only a few Liberal ministers knew enough about the sponsorship slush fund to get hooked on the free flow of cash.

The environment minister clearly knew how to get his fix. The President of the Privy Council, the ministers of health, industry and finance all have the sponsorship monkey on their backs. His whole front bench is loaded with slush fund junkies addicted to doling out these illicit funds.

How does the Prime Minister really expect us to believe that the environment minister was the only one with access to these funds?

• (1445)

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, the House might be interested in knowing that in the riding of Edmonton—Strathcona, in the year 2003-04, les Jeux francophones de l'Alberta received \$5,000. That is in the hon. member's riding.

**Mr. Rahim Jaffer (Edmonton—Strathcona, CPC):** The difference is, Mr. Speaker, I had nothing—

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

**The Speaker:** Order, please. We have to have some order. The hon. member for Edmonton—Strathcona has a supplementary question and everyone is going to want to hear it.

*Oral Questions*

**Mr. Rahim Jaffer:** Mr. Speaker, we are talking about over \$100 million for Liberal friends and that is something this side of the House could have nothing to do with when it came to cabinet ministers knowing how to access the money.

The Minister of the Environment was in on the sponsorship slush fund. His staff was in on it. His Liberal friends were in on it.

The Prime Minister has said that anybody who knew about this should do the right thing and resign. The Minister of the Environment is defying the Prime Minister by not resigning. Will the Prime Minister do what is necessary and fire that minister?

**Hon. Stephen Owen (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, I have no doubt that most members, if not all members, of this House, who were sitting at the time up until 2000, knew about the sponsorship program. What we did not know until fairly recently was the misspending of public funds through commissions.

I would expect members of the House in doing their duty for their constituents, where approached to get support for sponsorship funds for a valid festival in their community, to send that on to the program.

What we do know now is that there were problems with it. That is why we are investigating in every—

**The Speaker:** The hon. member for Saanich—Gulf Islands.

**Mr. Gary Lunn (Saanich—Gulf Islands, CPC):** Mr. Speaker, the money tree has roots in British Columbia. The Minister of the Environment has a pretty good grasp on how to launder money to his Liberal buddies. The minister's own staff were briefed how to get \$50,000, with no paperwork.

Where is the outrage now? How can they defend this? No rules; no paperwork; secret slush fund. Where is the Prime Minister's outrage this time?

**Hon. Stephen Owen (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, the hon. member is staggering along the line between truth and fiction. What we have here is a program to fund legitimate festivals in members' ridings. Many members had access to it.

What we also find we have is some misspending and misdirection of public funds, and they are being investigated in every single direction: public accounts, public inquiry, special council, RCMP. We are taking this seriously.

**Mr. Gary Lunn (Saanich—Gulf Islands, CPC):** Mr. Speaker, the members should know where the truth came from. It came from their own Liberal friends. It came from a man who endorsed the Minister of the Environment in the last election. How can they continue to stand and defend these outrageous practices? No paperwork; secret slush fund. It is not acceptable. Then they pretend we all knew about it.

That minister needs to be fired right now, on the spot. It is outrageous that the Prime Minister can stand in the House and defend him.

**Hon. Stephen Owen (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, we are hearing a lot of accusations from the other side. Within parliamentary privilege,

they are simply repeating third-hand accusations. The place to put these accusations is before the public inquiry, under oath, in a disciplined process to find the truth, not simply repeating allegations in a newspaper. We have the processes in place. Let us use them.

\* \* \*

● (1450)

[*Translation*]

**HAITI**

**Ms. Francine Lalonde (Mercier, BQ):** Mr. Speaker, yesterday, the Minister of Foreign Affairs stated that he was closely monitoring the situation in Haiti and believed that only a political solution would guarantee the long term success of any intervention. However, the situation could deteriorate tomorrow.

Can the minister tell the House if any concrete efforts are being made to intervene in Haiti in the short term, such as sending an implementation force?

**Hon. Bill Graham (Minister of Foreign Affairs, Lib.):** Mr. Speaker, I thank the hon. member for her question, which is extremely important.

Obviously, we are closely monitoring the situation in Haiti. Along with my counterparts in the Americas, meaning Mr. Powell, my counterparts in the Caribbean and elsewhere, I continue to pursue a political solution.

We are examining what other measures may be necessary, but for now, the opposition has assured us of an answer today to our request for its collaboration. We are maintaining political pressure and we are considering what other measures may be necessary.

**Ms. Francine Lalonde (Mercier, BQ):** Mr. Speaker, given how quickly this situation is evolving, can the minister tell the House if all options remain open, including the departure of President Aristide, to ensure that the opposition can accept the plan of the international community, thereby avoiding a blood bath?

**Hon. Bill Graham (Minister of Foreign Affairs, Lib.):** Mr. Speaker, during meetings on the weekend attended by our minister responsible for the Francophonie, it was clear that the Haitian government was driven by the necessity to agree to CARICOM's conditions. Everyone believes that if it does not accept, all possibilities and eventualities must be considered.

However, for the time being, let us stand firm with the international community, put pressure on the Haitian government and on the opposition, and try to find a political solution, and we will look at what else we can do to guarantee safety in Haiti.

*Oral Questions*

[English]

● (1455)

**SPONSORSHIP PROGRAM**

**Miss Deborah Grey (Edmonton North, CPC):** Mr. Speaker, the minister from B.C. says that there are accusations from the other side. In fact these accusations come from a well connected, well donating Liberal from B.C., whose name is Jamie Kelley. He said that the environment minister's office said that there was a secret slush fund for which we did not have to write any application form, just a letter to Mr. Pierre Tremblay.

Also the minister says that the government is staggering on this side of the House, and this is a Liberal making the accusation, between cash and kickbacks.

Was the Prime Minister, when he vouched for the innocence of his cabinet ministers, being irresponsible, was he in denial or was he incompetent?

**Hon. Stephen Owen (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, yes, I was speaking of accusations coming from that side: for one, there was no paper trail. There is a very significant paper trail. There is a four page application describing the festival. There are 15 pages of endorsements for the festival to demonstrate that the money, which was given to that local community group, was well spent and appreciated by the community, just as there are examples in many of the ridings of the members opposite. This is this paper.

**Miss Deborah Grey (Edmonton North, CPC):** Mr. Speaker, everybody knows that was not an application form. It was a four page letter, which Jamie Kelley, talked about to Pierre Tremblay. Then all of a sudden they get cash for that. That is not a bad deal. Everybody knows the job is never done until the paperwork is done, is it then?

The Prime Minister knows exactly what was involved with his environment minister. When he vouches for the innocence of all his cabinet, maybe he has a bit too much blind trust in all those people.

Will he accept his prime ministerial responsibility and get to the root of this rot that every Canadian knows is there?

**Hon. Stephen Owen (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, I would ask that hon. member to do her duty and come before the public accounts committee or before the public inquiry and put forward evidence of wrongdoing. That is so obvious.

The processes are there. We are all trying to find the truth. There was misspending of public funds and the government is getting to the bottom of it.

\* \* \*

**THE ENVIRONMENT**

**Ms. Sophia Leung (Vancouver Kingsway, Lib.):** Mr. Speaker, my question is for the Minister of the Environment. Last year avalanches caused eight fatalities in our national parks, including seven students from Strathcona-Tweedsmuir School in southern Alberta. What has the minister done to improve the public safety in our national parks?

**Hon. David Anderson (Minister of the Environment, Lib.):** Mr. Speaker, I am pleased to inform you and the House that in Calgary last week I announced a contribution of some \$525,000 over the next three years for the Canadian Avalanche Foundation for the creation and development of the national avalanche centre. We are accepting all 36 recommendations of the avalanche risk review, and we are having the centre co-ordinate public safety programs and provide avalanche warning systems throughout Canada.

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**SPONSORSHIP PROGRAM**

**Mr. Kevin Sorenson (Crowfoot, CPC):** Mr. Speaker, the Minister of the Environment's constituency office staff knew about the secret Liberal slush fund since 1997. In fact the staff of other ministers' offices may have known as well.

My question is for the Prime Minister. Does he still believe that none of his ministers had any knowledge of any scandal in the sponsorship program, yes or no?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, as I mentioned the other day, at the time that each minister was either named or reconfirmed as a minister of the crown, we went extensively into the person's background. At a cabinet meeting some two weeks ago, I asked every minister if he or she had any knowledge of wrongdoing at the time that this was going on, and my ministers responded in the negative. I have complete confidence in my ministers.

**Mr. Kevin Sorenson (Crowfoot, CPC):** Mr. Speaker, no one else in the country does and no one else in the House does.

Contrary to the Prime Minister's assertion or testimony that he knew nothing, he saw nothing, he did nothing, the environment minister's office staff not only knew everything, but eagerly boasted and bragged about the fact that it had access to a secret Liberal slush fund.

Why has the Prime Minister not kept his word? Why has he not stepped forward and dismissed the Minister of the Environment?

**Hon. Stephen Owen (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, obviously hundreds of MPs' constituency offices across this country, over a number of years, knew of this program. It was not a secret program.

What has been discovered in the last couple of years is that there were significant problems with commissions paid to advertising companies. That does not disparage the worth of the festivals that were funded through many of these funds. That is not the issue. The issue is the commissions, so that is what we are looking into. Bring this evidence before the public inquiry and let us find out the truth.

*Business of the House*

[Translation]

**PHARMACEUTICALS**

**Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ):** Mr. Speaker, many pharmaceutical companies such as Pfizer, Eli Lilly and GlaxoSmithKline, have been limiting their drug sales to Canadian pharmacies since the end of 2003, for fear that these drugs will be sold over the Internet to Americans who want to save money by purchasing drugs from Canada.

With the growing phenomenon of cyberpharmacies, has the Minister of Health obtained guarantees from U.S. pharmaceutical companies that we will not run short of drugs here in Canada?

**Hon. Pierre Pettigrew (Minister of Health, Minister of Intergovernmental Affairs and Minister responsible for Official Languages, Lib.):** Mr. Speaker, the hon. member for Hochelaga—Maisonneuve raises a problem that is very important to our government.

Health Canada has not yet seen any signs that we will run short of certain drugs on the Canadian market. But I can assure the hon. members that we are monitoring the situation very closely and that we are going to do everything we can so that the Canadian market will continue to be supplied by all pharmaceutical companies.

\* \* \*

**ST. LAWRENCE SEAWAY**

**Mr. Christian Jobin (Lévis-et-Chutes-de-la-Chaudière, Lib.):** Mr. Speaker, the maintenance of the St. Lawrence Seaway has always been the responsibility of the Canadian government. For several years now, the Canadian Coast Guard has been transferring the cost of dredging and ice-breaking to users.

I would like to ask the Minister of Fisheries and Oceans if he wants to maintain his position while transferring costs to users, and if this gradual withdrawal means that one day the entire responsibility for the maintenance of the St. Lawrence Seaway may end up being transferred to private enterprise, with all the ensuing consequences?

**Hon. Geoff Regan (Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, first of all, I would like to thank my hon. colleague because he has done a great deal of work on this issue.

The government believes that a portion of the costs of maintenance services for the St. Lawrence Seaway should be absorbed by the shipping industry, which enjoys the benefits.

As for dredging, I can assure the House that the Canadian Coast Guard will continue to fulfil its responsibilities.

\* \* \*

● (1500)

[English]

**FINANCE**

**Mr. Monte Solberg (Medicine Hat, CPC):** Mr. Speaker, I am sure the finance minister would like the opportunity bring down a budget to draw attention away from this horrible mess that his government is involved in. I wonder when we could expect a budget from the finance minister.

**Hon. Ralph Goodale (Minister of Finance, Lib.):** Mr. Speaker, first, of course, I must totally reject the preamble to the hon. gentleman's question.

[Translation]

I am very pleased to announce that I shall bring down my first budget for the Government of Canada in the House of Commons on March 23, 2004, at 4 p.m.

\* \* \*

[English]

**PRESENCE IN GALLERY**

**The Speaker:** I would like to draw to the attention of hon. members the presence in the gallery of the Honourable Dragoljub Micunovic, President of the Parliament of Serbia and Montenegro.

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

\* \* \*

**POINTS OF ORDER**

## ORAL QUESTION PERIOD

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, CPC):** Mr. Speaker, during question period today the right hon. Prime Minister, in response to a question from the member for Edmonton—Strathcona, referred specifically to a document. He read from a document in which he referenced a sponsorship program that was accessed by the member's riding. This was in response to a question about a Liberal Party slush fund, which was the subject of much debate here in question period today.

In terms of protocol in the House, I would ask that the specific document to which the Prime Minister referred be tabled. We would ask that the document be put on the table. The Minister of Public Works did the same thing.

**Hon. Reg Alcock (President of the Treasury Board, Lib.):** Mr. Speaker, the list that the Prime Minister read from has been tabled in the House twice. We can table it a third time if they like but it is the same list. We are quite willing to table it again.

**The Speaker:** Since the matter has already been tabled we have that assurance.

**Some hon. members:** We do not know that.

**The Speaker:** The minister said it. The member can go and look at it. If he has a dispute about it we will hear it later. We accept a member's word for these things in the House. That is the standard practice. The minister said that it has been tabled and that is that.

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**BUSINESS OF THE HOUSE**

**Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.):** Mr. Speaker, I wish to seek unanimous consent for the following motion. I move:

That Motion No. 542, standing in my name be removed from the Order Paper and replaced with the text of a new motion, seconded by the member for Edmonton—Strathcona, the member for Trois-Rivières and the member for Burnaby—Douglas, which reads:

That this House declare April 7 as a Day of Remembrance of the victims of the 1994 Rwandan genocide, and encourage all Canadians, including the government, to take appropriate steps on that day to commemorate the genocide and to reflect upon its lessons.

I ask that the motion be carried forthwith without debate.

**The Speaker:** The House has heard the terms of the motion. Is there unanimous consent of the House to adopt the motion?

**Some hon. members:** Agreed.

(Motion agreed to)

\* \* \*

●(1505)

[Translation]

### POINT OF ORDER

#### ORAL QUESTION PERIOD—SPEAKER'S RULING

**The Speaker:** I am now ready to rule on the point of order raised on Thursday, February 19, by the honourable member for Roberval and House Leader for the Bloc Québécois. The event at issue occurred during question period.

In his argument, the honourable member stated that he had been prevented from asking, and I quote, “a question on what is [...] a government operation.”

When the point of order was raised, I indicated that I clearly considered the member's first question out of order, but that I would look again at his second question. I did so very carefully, and I am convinced that the nature of the two questions was the same, in that they both concerned the funding of political parties. Such questions are contrary to our practices as described in *House of Commons Procedure and Practice* and in Beauchesne's 6th edition, page 124, citation 410, which reads as follows:

The subject matter of questions must be within the collective responsibility of the Government or the individual responsibilities of Ministers.

(...) Ministers may not be questioned with respect to party responsibilities

I therefore remain convinced that the questions asked by the honourable member were out of order.

I would point out, however, that the arguments made by the honourable member in raising the point of order were extremely eloquent. Their context was much clearer than during question period, because he established the link between the funding of political parties and the administrative responsibilities of the government. If his initial questions had been worded in this manner, they would certainly have been ruled in order.

[English]

Members must remember that during such periods of heated debate the tone and wording of questions is of capital importance.

[Translation]

I thank the honourable member for Roberval for raising this matter.

### Speaker's Ruling

●(1510)

[English]

### PRIVILEGE

DOCUMENT Tabled BY THE MEMBER FOR PICTOU—ANTIGONISH—GUYSBOROUGH—SPEAKER'S RULING

**The Speaker:** I am also prepared to rule on the question of privilege raised on February 18, 2004 by the hon. President of the Treasury Board and Minister Responsible for the Canadian Wheat Board alleging that a document tabled earlier that day by the hon. member for Pictou—Antigonish—Guysborough was incomplete.

I would like to thank the hon. President of the Treasury Board for having raised this question, as well as the hon. members for St. John's West, Scarborough—Rouge River, Pictou—Antigonish—Guysborough, Notre-Dame-de-Grâce—Lachine, and Provencher for their contributions to the discussion.

In drawing the attention of the Chair to this matter, the President of the Treasury Board stated that the document tabled by the hon. member for Pictou—Antigonish—Guysborough, a 1994 internal memo from the office of the then minister of finance, originally contained five pages and that the tabled document contained only two of those pages. He argued that since the document was incomplete, the House had been misled and that this constituted a contempt.

[Translation]

The hon. member for Pictou-Antigonish-Guysborough asserted that he had sought unanimous consent to table the material in his possession and that, on receiving consent, he had tabled that material, namely the two-page document in dispute.

[English]

The Chair heard these arguments and can only conclude that what we have before us is a dispute as to facts. The hon. member for Pictou—Antigonish—Guysborough tabled a two page document, that being all that he had in his possession. Unanimous consent of the House was required before the hon. member could table that document. Consent was duly requested and received and the document was tabled.

Now the hon. President of the Treasury Board has tabled a five page document. The matter would seem to be closed. Readers of the parliamentary debates and the sessional papers can draw their own conclusions. It is not for the Chair to adjudicate in such matters.

This is a matter of debate and members will, I am sure, avail themselves of the usual means at their disposal to resolve this matter. It is certainly not something on which the Chair can be asked to rule and it does not constitute a prima facie breach of the privileges of the House in my finding.

*Supply*

## GOVERNMENT ORDERS

[English]

### SUPPLY

ALLOTTED DAY—CANADA PENSION PLAN INVESTMENT BOARD

The House resumed consideration of the motion.

**Mr. Alex Shepherd (Durham, Lib.):** Mr. Speaker, before question period I was talking about the importance of the so-called cohorts of the Canadian economy and the existence of a significant population in Canada called baby boomers. Canada's baby boom population is the largest in the western world based on demographics. This means that in the Canadian context a huge portion of our labour force will be retiring within the next 20 years.

This will be the greatest change economically to our system in the lifetime of our country. Normally there is a level playing field between new workers coming into the workforce and other workers exiting the workforce. We are going to see a tremendous exodus of workers. This has been predicated by a number of things.

Some people have been saving for their retirement and have been looking forward to it. Other people have been forced to retire because of the mandatory retirement age in Canada which is an issue that is currently under debate. Needless to say, a lot of people between the ages of 55 and 60 see retirement on the horizon.

When people would come to my office wanting to discuss retirement, the first question I would ask them would be when they were going to die. The bottom line is that most people do not want to think about their mortality. Most people want to think they are going to live forever. This makes insurance companies rich because they know that is just not the case.

The simple reality is that people are living longer now compared to 20 to 50 years ago. Those years create quite a challenge for income planners and for people who are trying to make ends meet. For one thing we do not know what the inflationary factor will be. Currently, inflation numbers have been relatively low, but historically that has not always been the case. Those living on fixed incomes are always concerned about what is going to happen to their retirement income.

Today's debate is apropos. As I mentioned earlier, the Canada pension plan is one of the three pillars of our pension system.

The first pillar is the old age pension for which everyone is eligible regardless of whether they worked or not. Unfortunately it is income tested. Those individuals who are wealthy get a certain portion of that clawed back through the income tax system.

The bottom line is that everyone is eligible for the old age pension, the first pillar but there is also the guaranteed income supplement goes along with that. It basically ensures that most people will get at least something in the neighbourhood of \$12,000 a year. Most of us recognize that \$12,000 is significantly below the poverty line set for various provinces; I believe generally speaking it is about \$20,000. Anyone living strictly on old age pension and the guaranteed income supplement will be under significant pressure economically.

The second pillar of the retirement plan is the Canada pension plan which we are talking about today. For many Canadians this along with the old age pension will be the only income that they will receive in their retirement.

I used to practise as an accountant. I can remember that a number of clients would come to me to file their income tax returns because it was the only way they could get what in those days was called the Ontario tax credit. I was quite surprised at the number of people who fell into this group and were trying to make ends meet on this very limited amount of income.

• (1515)

When we talk about poverty, many of us think about single moms and so forth who obviously do live in poverty, but there are many single women, many seniors generally who live in poverty in this country. It is really quite a shock and quite a shame. I always call them the silent poor. They do not stand outside Parliament waving signs and so forth and complaining. They hardly ever write to their members of Parliament. They seem to bear this as a charitable plight on our society, but these people are not receiving enough income to live in dignity.

We should always be concerned that the income level be reinforced. In fact, I have always been one who has supported increasing the guaranteed income supplement to ensure that some of those people have at least a little more money than they currently have.

Today we are talking about the second pillar which is the Canada pension plan. In order to get the Canada pension plan the individual must have worked, must have had contributory earnings. Many people have chosen to stay at home and are unable to access the Canada pension plan in the first place.

Be that as it may, the government realized that the Canada pension plan needed to be reformed a number of years ago. It took some very significant measures to ensure that the Canada pension plan would be sustainable, that is to say, there would be an income flow from that plan to people who were eligible to receive it.

One of the second parts of reforming the plan was to allow the Canada pension plan to go into market driven investments. Prior to that the Canada pension plan was lent back to the provinces. The federal government basically lent the money back to the provinces. The provinces then issued provincial government bonds and basically built most of the schools. As I understand it, most of the schools in this country came from Canada pension plan money.

The unfortunate aspect is that while some people would say that the provincial government debt was pretty secure, at the same time it also had a very low yield. With regard to this yield, some people ask what is the difference between 4% and 5%? Quite frankly, 1% of deviation on investment capital extrapolated over 20 or 30 years is quite significant.

It was realized that if the Canada pension plan was going to be sustainable, it had to be invested in other areas of the economy that would at least give us a fairly good rate of return. When I say a good rate of return, most investment managers try to balance their portfolios and put so much of their money maybe in fixed income government securities, investment grade rated corporate bonds, and then look at the securities markets. They look at the debt ratings. Moody's, Standard & Poor's, Dominion Bond Rating Services are some of the agencies that they use to ensure that these investments are secure.

The motion before us today talks about changing that criteria. It talks about adding another criteria and basically talks about generalities, something called Canadian values. I dare say that to think of the broad range in Canadian values, it would be very difficult to do that in a guidance system for an investment portfolio. Obviously some person's values whether it was to do with the steel industry or something else could be quite different from another person's. It is a very subjective argument about how we want the Canada pension plan to operate in the first place.

I go back to the history of the Canada pension plan and why it is set up the way it is. People generally thought there would not be enough money to sustain the plan and to ensure that people would get an adequate income from it.

It seems to me that the motion attacks the very assumptions that were made that established the board in the first place. It asks them to consider some other kinds of criteria which are not primarily related to return on investment.

Some people will suggest that using the return on investment as the sole criterion gets some strange results in the sense that presumably we may invest in industries that pollute or whatever the case may be. I suggest it is not the import of those people who are doing the investing; it is the import of government.

● (1520)

If the government sees illegal activity occurring within the economy generally, it is within the power of the government, whether it be federal, provincial or municipal, to regulate and to enforce pollution control and pollution abatement. There are various ways of doing that. There is no history, as I understand it, that the Canada pension plan has ever invested in illegal activities.

I believe that we have to reject this motion because it is certainly not predicated on the best interests of Canadians generally.

I go back to saying that with the money that is actually in the Canada pension plan, there is a trust established between the people of Canada and their government. The trust is that we will put the money in this plan, that it will be managed safely and appropriately but that at the same time there will also be a proper return on investment.

I go back to the pressure that is being created by the demographics of our nation. I just want to turn to the original motion of the NDP which talks about Canadian values. There is no more important value, I do not think, than people retiring and living in dignity. People worry that the money coming from the Canada pension plan may not be adequate enough, and most people would suggest it is not in any case. Even if the money were less adequate than it is today

### *Supply*

because of investment management decisions that we as a legislature superimposed on the Canada pension plan, it seems ludicrous that we would want to threaten those people who live on fixed incomes or who depend on money coming from the Canada pension plan, that we would be prepared to take more risk, or if not more risk, to take less return on investment.

An interesting study has been done on so-called ethical mutual funds. I am not complaining about these funds; I am just looking at the sole aspect of return on investment. There are a number of them and I have never heard of them because I am not interested. There is Acuity Clean Environment Balanced fund, Acuity Clean Environment Equity fund, Desjardins Environment fund, Ethical Special Equity fund, Ethical Balanced fund, Ethical Growth fund, and Ethical North American fund. The one thing all these funds have in common is that they are underperforming their own indexes within the mutual fund business; that is to say they are all underperformers.

The point I am trying to make is that twisting the arms of people who are managing the Canada pension plan, making them make decisions which are not in the best interests of the beneficiaries of those plans, who are Canadian citizens, is not in the best interests for the long term social values that I believe this country was founded on. I suggest that the whole motion by the New Democratic Party is a fallacy and it should be rejected by the House.

\* \* \*

[*Translation*]

### **BUSINESS OF THE HOUSE**

#### CUSTOMS TARIFF

**Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.):** Madam Speaker, I would just like to bring to your attention that Bill C-21 will be referred to committee before second reading.

\* \* \*

● (1525)

[*English*]

### **SUPPLY**

#### ALLOTTED DAY—CANADA PENSION PLAN INVESTMENT BOARD

The House resumed consideration of the motion.

**Mrs. Bev Desjarlais (Churchill, NDP):** Madam Speaker, there is no intention on my behalf or on the behalf of the New Democratic Party to mislead Canadians or to misrepresent. There is documented evidence that ethical funds do provide profit.

This morning my colleague from Winnipeg Centre mentioned a number. The investment sector does not recommend that investments be based on a one year or two year period. Even those who are not all out investors get that much of a message from the investment companies. Investments should be based over a longer period of time. There are companies that over the course of 10 years do not show a 10% profit but do show a 1% profit. I think the member needs to be clear for Canadians that in the last number of years a lot of funds have lost money. I think it would be misleading to suggest that only ethical funds may have lost money over a couple of years, because that has happened overall.

*Supply*

Quite frankly, the investments of the CPP pension plan board lost \$2 billion for the CPP fund. I cannot imagine that the ethical funds would have done any worse.

What we believe should be happening and what we suggest as part of the CPP fund is investment in Canada. We are not suggesting a loss or that we not try to support the program. Obviously we care very dearly about the Canada pension plan. We fought for the Canada pension plan. We know it is probably the best plan in the world and will make a contribution to the most people throughout the country.

We are not going to want to see it devastated, but we know that an investment in Canada using CPP funds will mean dollars coming back in. That is an investment in Canada. Quite frankly, as someone who pays into CPP, it does mean more to me that it goes to something ethical. I do not want my funds going into tobacco companies and landmines. I do not want them going into environmental degradation. The cost of repairing those things is far greater and it is far more important that it not happen.

I think Canadian values are along the lines that I believe, not what I am hearing here today, which is that money should be the only option, that we are just going to look at how much money that one little sector makes and not look at the consequences. That is not acceptable in this day and age.

It is not acceptable.

**Mr. Alex Shepherd:** First, Madam Speaker, I can understand that the individual member may be concerned about how her money is invested in this plan, but I can tell the House as a general comment that the Canada Pension Plan Investment Board is a fiduciary agent for all the people in Canada, not just the individual member of Parliament. It has to take some kind of criteria that all the people of Canada are going to agree to. One of those things is that it has a fair and reasonable rate of return.

Some of the investment funds that I quoted were in fact over a five year period. Statistically speaking, those funds were significantly underperforming their indices within the market.

Finally, it is very important to realize what we are talking about here: ethical behaviour. How do we measure this? It is very subjective. If it is a legal activity in Canada, then that can be the only criteria that an investment board can use. If it is not illegal, then it must be a legal thing that we can invest in. We are trying to make a judgment call on people that goes beyond some kind of basic rule of law, some kind of feeling of judgment or something which is just not part of investment criteria.

The member talked about some of the companies. The tobacco industry, unfortunately, is not an illegal activity in Canada. There are many others: the medical science industry, Nortel Networks, all the technology companies, and some of the great and wonderful things we do as a nation. We as Canadians can take some great pride that we are investing in our country. The vast majority of funds in the Canada pension plan is invested in this country to keep Canadians working and to give opportunities to Canadians. I think that is just what the board was originally set up to do.

● (1530)

**Mrs. Bev Desjarlais:** My colleague may not like the response, but there is a reality. He said that what we should judge it on is whether it is illegal or legal in Canada. I can tell the House that we have a treaty. Canada has signed a landmine treaty to abolish landmines and not to support the building of landmines. The CPP pension fund is invested in companies that make landmines. That is not acceptable. What if the CPP board decides to invest in a company that produces pornography which uses children and which is okay in some other country but not in Canada?

There are standards set out by the ILO on labour conditions throughout the world. There are human rights issues. What if the CPP pension plan is invested in those companies when worldwide it is not seen as acceptable?

We know that human rights conditions in Indonesia and China and situations in Africa and numerous other countries are not acceptable. Is it okay that the pension funds are invested in those companies? Does the member think it is okay for Canada to be investing in countries that wipe out citizens so that they can get to the diamond mines? Does the member think it is okay to invest in companies that go into and literally rape a country's environment? Is it okay for the member that Canada pension funds should be invested in those activities?

**Mr. Alex Shepherd:** Madam Speaker, the short answer of course is no. I can agree with the theory. The theory is whether the Canada pension plan board should be investing in industries that subject labour to practices which we would not accept, et cetera.

I understand what she is trying to say, but the problem is due diligence. How much information is the investment board supposed to have?

The reality is that there are many people in this country who would invest in stocks of various companies that have huge reaches around the world, and it may well be that one small part of a company's operation somewhere in Indonesia or elsewhere has some kind of blemish on it. I am not saying that is an excuse, but it is the question of who knows. It is the question of knowledge.

Let us say that I invest in XYZ Ltd., which is a multi-billion dollar corporation, and it owns some small operation indirectly or has a joint venture somewhere where people are being made to work 20 hours a day or something like that. If we do not know that, are we responsible for the investment? Or is she suggesting that we have to somehow investigate every company that is available for investment all over the world for their world activities to quantify what it is that they are doing to make judgment calls?

The point of the matter is that this is not the criteria of an investment board. The investment board, while it takes some of those things into consideration, cannot be responsible for all of the activities of any company that it invests in. It tries to be responsible, but the reality is that it cannot ultimately be responsible for everything that is going on in the world. It just does not have the resources to do that kind of due diligence.

**Mrs. Bev Desjarlais:** Madam Speaker, no one is suggesting that if people do not know that a company is doing something, they should be responsible for investing in them.

What about the companies that we do know are creating those situations, that we do know are not adhering to labour standards, and that we do know are doing wrong to the environment? That is what we are saying.

We are not saying just anybody; it just cannot be done. There is documented evidence. There are groups all over the world that conduct investigations and get the information that way. The proof is there. That is why we have had situations such as Talisman oil and its investments, which ended up having to readjust the way it was doing business. It was recognized that it was investing in what ended up being a sort of rebel activity and in stuff that was not good in that country.

If people do not know, no one is suggesting they should not invest, but if they do know that tobacco companies are targeting young people, children, by selling tobacco in third world countries—and that information is coming out now—if people do know that a company is using five year olds and six year olds to make toys and rugs, we should not allow those companies to be invested in. That is what we are saying. We are not suggesting that no one can invest anywhere. But if the information is there, we should not be investing in those companies.

• (1535)

**Mr. Alex Shepherd:** First, Madam Speaker, that is predicated on the assumption that this is all known, understood, documented and agreed on, whatever this activity is, which I suspect is questionable.

There is one other aspect to this assumption, which is that we should even be restricting the countries that we invest in because we are saying those countries do not have laws that protect their people adequately and so forth.

The problem with the flip side of this is that we get no investment. Some of those countries need foreign direct investment to help their people, to bring them along and to raise their income.

The hon. member will probably talk about the maquiladoras region of Mexico. The reality is that the Mexican economy and the average Mexican life and standard of living have been better ever since the World Trade Organization, but that same member would say what was said 20 years ago: that we should not be investing, that we should not be allowing our country to invest in Mexico because the labour practices are a lot different from ours and therefore we are subsidizing an inadequate or inferior labour force. The reality is that this has been a success. Those people's lives have been made better.

I really question this subjective argument that we know everything going on in every country, and I also question whether we can override the laws of an individual country by refusing to actually invest because of some subjective argument that we believe in. When the member talks about these things, sure, we can all sympathize with her. We all sympathize with the idea. None of us here would agree with child labour and some of these things. Clearly these are things that I think any corporate executives, if they knew about it or had knowledge of it, would not be involved in and would not invest in.

### *Supply*

Having said that, let me say that if we try to change the actual investment criteria of the Canada pension board to make it somehow responsible, such that somehow it is supposed to know all of these things, suddenly we will have a huge overhead structure in which the people can be intransigent and will be unable to make good investment decisions.

**Mr. Deepak Obhrai (Calgary East, CPC):** Madam Speaker, I am pleased to rise and speak to the motion brought forward by the NDP dealing with ethical behaviours for the Canada Pension Plan Investment Board.

On the surface the motion looks like a feel good motion. The way the NDP has worded it, no one will say we should not be doing this because companies that are unethical will not have the support of the people of Canada and neither will they have the support of the shareholders. This is the kind of motion that is a great idea on the surface and idealistically everything looks fine.

As I was listening to my colleague from the NDP talking about child labour, the raping of the environment and these kinds of situations, of course Canadians are concerned, and on listening to this they will say that they do not want to support any companies that go into third world countries and rape the environment or break labour standards or labour codes. That is exactly what the motion is all about. It is all about the NDP trying to make a everyone feel good.

The problem is that when we go deeper into the motion and listen to what the member was saying, it is like the sky is falling. It is totally devoid of facts, totally devoid of common sense and totally devoid of how things work in reality.

This morning I thought I heard the member talk about how these companies were somehow associated with al-Qaeda. I did not hear exactly what she said but I was quite surprised to hear her talking about al-Qaeda. What does the Canada pension plan have to do with al-Qaeda, except for the fact that from their point of view they have to dramatize things to imply that the sky is falling and that we have to do something about it? It is a typical Liberal strategy.

Let us take a look at the record of the NDP in dealing with the economy. I come from Alberta, which is right next to British Columbia, and when the NDP was ruling in British Columbia with its high taxes, non-common sense approach to the economy, we suddenly had an influx of people coming into Alberta from British Columbia because they could not find jobs. We know the impact in the province of Alberta when the economy in British Columbia goes down because people move from British Columbia over into Alberta.

As a matter of fact, Madam Speaker, in your own riding in the Okanagan Valley people could not find jobs when the NDP was ruling there so they moved to Alberta where there were jobs because of sound fiscal management.

The motion talks about these feel good situations but there are no sound fiscal ideas behind it. It is devoid of reality. It is a situation where one might agree that we have to do it, but let us talk for a second about the Canada pension plan.

*Supply*

On the contrary maybe nothing is happening, as they are suggesting we should not do this and that. I do not even understand when there is such a big scandal in this country. The Liberals are being held accountable. When every Canadian wants to know the truth of where that \$100 million went, where does the NDP focus its attention? It focuses it on bringing forward a motion like this. Maybe when we have nothing else to do in the House we can discuss these things at that given time, but right now, when there is a scandal plagued government on that side and Canadians want answers, what do we have? We have a motion like this from the NDP.

• (1540)

Let us discuss the motion. I beg to differ with my hon. colleague on the other side when he says that the Canada pension plan is a great plan to take care of Canadians when they retire. That is nonsense. I have met with many seniors in my riding who are receiving Canada pensions and they tell me that the plan has failed as a safety net. They live on fixed incomes which are subject to slight increases.

We recognized that the Canada pension plan was not the vehicle to do that and therefore brought in the old age security. Even then, the old age security has put seniors who are on fixed incomes, living without subsidized housing, without other benefits, into a very tight situation.

The question we should be asking is whether the Canada pension plan is a real retirement plan. No, it is not. When CPP was first brought into the House we had discussions and found that there were serious flaws in the way it was designed and handled, and in the way it was set to look after the needs of seniors. The younger generation has no more confidence in the Canada pension plan.

The government recognized all those things, which was why it introduced the RRSPs and other things asking Canadians to be responsible for their own retirement fund. They did not want Canadians relying on the government.

About two or three years ago we had a debate when the premiums were raised. At that time we pointed out again that there were serious flaws in the Canada pension plan with the premiums and that it did not meet the requirements of the future generation, as the baby boomers get older and Canada pension plan unfunded liability increases. This is a well known fact.

We need the Canada pension plan to be in a sound fiscal position and one in which everyone contributes. Whatever it gives, it gives, so that it is there not as a complete safety net but at some point as a safety net. To do that we have to give the Canada pension plan board leeway as to where it can invest because investment is the key to where it will get its return so it is able to meet some of its obligations. I have to say some of its obligations because those premiums are not going to meet the full obligations. The way it is designed it will not meet the full obligations.

Having said that, can we now come along and say to the Canada pension plan board that it cannot do this or that? What do we base that on? Is it based on some notions out there? That is true, it is based on the NDP's notion that it is unethical and based on the fact that we are directing the board in what to do. This creates a danger.

My friends in the NDP should know that there are laws that prevent companies from polluting the environment, that prevent companies from going into third world countries and raping the environment. We have laws to charge them. We now have the ILO. We have signed the convention on child labour.

We are looking at many of the issues to which the NDP members have spoken, such as unfair labour practices, the environment and everything. We have laws in this country that will ensure that those companies are penalized. If they are penalized and charged their value on the stock market is practically zero.

Why are we sitting here asking that the Canada pension board be guided by ethical investment policies and telling it that it cannot do this or that? Members of that board are prudent managers and they will put the money into sound companies where they can get the best return.

• (1545)

I think I have already made my major point in saying why I will not support the motion put forward by the NDP. I would support the motion if it had concerned strengthening the child labour laws in third world countries. We would support a motion if it concerned enforcing environment laws for companies that rape the environment. However we will definitely not support a motion concerning some fuzzy buzzy situation about some company doing this or that.

We have other ways and means of doing those things but the motion before us today is not one of them. We should leave the Canada pension plan board to do its work. It is being run by competent people who can make the right decisions. As far as we are concerned, the board is already under severe stress and it will face more and more stress as more and more Canadians lose confidence in the Canada pension plan.

I do not have much confidence in the Canada pension plan being able to look after my retirement, and I am sure many Canadians feel the same way. As a matter of fact, some other countries are looking at ways of financing their own pension plans and many have different forms of pension plans.

A suggestion was made by the Canadian Alliance, and now by the Conservative Party, that there should be self-directed RRSPs for this thing. If our friends on the NDP side do not like one company for one reason or another, they do not have to buy stocks in that company. However to come along and try to direct the board on notions and vague ideas, that it is a mistake.

The member alluded to the Talisman being in Sudan. She should know that it was the public opinion in the country that made the Talisman move out. The Talisman moved out because its shares were not reflecting its true value. That is the public thing she should do, not come along and put forward this kind of motion.

*Supply*

What happened? The public put pressure on the company because its shares were not reflecting their true value. It sold a profitable business out to a company. Now what? Sudan now has a company and nobody can do anything about it. If they have anything, let the public know and if they do not want to let it ride, the shares will fall down and nobody will buy their shares.

However the NDP should not come in here with all these fuzzy words that we should not invest in the Canada pension. In all likelihood the Canada Pension Plan Investment Board will not put money into companies like the tobacco companies or companies that are building landmines. Who would want to invest in those sorts of things?

I do not know where the NDP members get their facts. Maybe they do have the facts to say that the Canada Pension Plan Investment Board put money in those things. We do not even know about all those things.

It is difficult to support the motion because it is devoid of facts and has nothing to do with the reality of what is happening. It is just a motion with an idea.

As I said before, the Liberal government is facing one of the biggest scandals in the history of Canada and what do we have? We have a motion like this.

Let us talk about the scandal for a second where \$100 million, boom, went down. The Minister of Environment spent money on a festival and then they start trotting out little documents saying that they sent money to other members' ridings.

• (1550)

Does the House know what the Liberals do? They do not for ask my approval. They send the money because they want to buy votes. They did not send the money because of some great festival. That is nonsense. It was pure vote buying. Then they say that I have seen it, that it has come across my table. The Prime Minister does not have to stand up and read it. I can tell him because I get something that says "Mr. MP, send your approval". Even though I do not, the money gets sent anyway. They do not ask me. Then they stand up as if somehow I am associated with the scandal over there. Where does the money go? The money goes to buy votes in my riding. The Liberals were kicked out in my riding. Canadians are not foolish nor are they stupid. They know when the Liberals are trying to buy their votes.

The finance minister mentioned today that the budget that will come down on the March 23. Hopefully it will not tell Canadians that the Liberals will buy their votes by giving them goods. As a matter of fact, the member sitting across will go to Toronto and talk about the great money he will spend to do things. That is buying votes. He is being challenged in his riding.

This whole business of using Canadian taxpayer money to buy votes has to stop. Canadians are saying that, and hopefully they will say it at the polls. For the first time Canadians are showing real anger with the way the Liberals have managed the money. It is terrible the way Liberals have managed the money. The anger is coming out, and they recognize it because the polls are showing it.

We should debate in the House how best to use Canadian taxpayers money. When the Liberals mismanage it, we then stand in the House ask the questions so Canadians have the answers.

To get back to the motion, it is difficult for my party to support it. Before my friends in the NDP get up and say that the sky is falling, the sky is not falling. We have different reasons why we do not support the motion.

• (1555)

**Mr. Dennis Mills (Toronto—Danforth, Lib.):** Madam Speaker, I want to ask the member for Calgary East a very specific question. He talked about the fact that whenever governments invested in infrastructure or special projects to help make our cities, our communities better, this was government buying votes.

The member is from Calgary. Does he feel that the billions of dollars over the 10 to 12 years that have gone into the oil and gas business in his community, through direct grants and tax cuts, and the hundreds of millions of dollars that have gone into the agricultural sector in his province, is also considered as the Government of Canada trying to buy votes? Does he not believe that those industries are entitled to this chamber, the House of Commons, working hard to ensure that they can compete and are supported so that they are globally sustainable?

**Mr. Deepak Obhrai:** Madam Speaker, I am glad he asked that. He said that billions of dollars were given out to the oil industry. I want to remind him that the national energy policy, which his government brought out—

**Mr. Dennis Mills:** It was a work of genius.

**Mr. Deepak Obhrai:** —was one of the biggest disasters the country ever had. I lived in Alberta at that time and I know what the national energy policy did to that province.

**Mr. Dennis Mills:** It is the best thing that ever happened to the country.

**Mr. Deepak Obhrai:** Let me ask another question. Every municipality in the country is demanding to know where the infrastructure money is from the government? The government has provided nothing. Every municipality wants federal government involvement in infrastructure. What does it do? It takes money like fuel taxes. It takes more money from cities than it gives back to cities. That is why cities need the money. All the mayors are demanding unanimously that the federal government now return that money to the cities, and not by that horrible infrastructure.

**Mr. Pat Martin (Winnipeg Centre, NDP):** Madam Speaker, I would like people to come back to the issue at hand because it is worthy of our interest and our comments. However, the comments of the member for Calgary East on the actual motion were so off the wall it is hard to know where to start.

This is RSP season and many Canadians are making the choice as to where to put their RSP investments. Many Canadians take the time to ensure that the money they have put away is done so in such a way that it is ethically invested. Those investments do not harm either people or the environment or whatever their particular interest is. Is the member aware that the Canadian government has no such scruples whatsoever?

*Business of the House*

This year \$2.5 billion of our Canada pension funds were invested in corporations that manufacture the world's deadliest weapons, including missile launchers, incendiary bombs, battle tanks, high tech fighter aircraft, anti-personnel cluster munitions, warships, and even landmines, many of which are in use in the U.S.-led war in Iraq. Is he aware of that?

Would he also care to comment on the fact that the Canadian government has inadvertently conscripted us into war profiteering, whether we like it or not, as investors in the Canada pension plan?

Here are some of the weapons that we are investing in which are at work today in Iraq: the BGM-109 Tomahawk missile; the F-14A Tomcat fighter jet; the M3 "Bradley" assault vehicle; the Nighthawk stealth jet; the B-52 Stratofortress aircraft; and the M109A6 Paladin tank. The hon. member for Calgary East has shares in all of those weapons of mass destruction that are blowing the legs off children in Iraq as we speak.

The current Canada pension plan is specifically barred from taking into consideration anything other than maximizing for profit. The board is not allowed in its investment strategy to take into consideration whether those investments may be contrary to the wishes of Canadians, contrary to Canadian values, or even contrary to international conventions to which Canada has stipulated itself, such as the treaty on landmines put together by the former foreign affairs minister for the government at the time, the hon. Lloyd Axworthy. That treaty is something we are all proud of as a nation, yet this glaring contradiction exists that we are inadvertently investing in these things.

I raised only armaments as one issue. Our Canada pension plan also invests in pornography, tobacco and a number of other things that Canadians are against.

Seeing as the empirical evidence is such that you do not have to compromise a good rate of return to invest ethically, would he not reconsider his, I was going to say stupid, but his fatuous remarks about this motion?

•(1600)

**The Acting Speaker (Mrs. Hinton):** I would remind members to address the Chair and not each other. I would also ask that the language be fitting of Parliament.

**Mr. Deepak Obhrai:** Madam Speaker, that is typical Liberal garbage calling my comments stupid. The sky is falling. Those members are always reporting these things. The only point I can agree on was when the member said that the government was scrupulous.

The member talked about armaments and about the war in Iraq, and about this issue. There are types of treaties. Parliament decides whether to join in war or not. To say that armaments are the responsibility of a company is absolutely class nonsense. It is weak. It is the government that chooses to go to war. It is the government that chooses to fight over there. Under the rules, we have to tell the government whether it goes to war or not. We should not be telling companies what to do.

All we said about the Canada pension plan was for the government to maximize its interest in companies. If there were no war in Iraq and children were not dying, nobody would be selling

any of those things. Those companies would not be selling their stocks and we would not be buying their stocks.

That party's usual garbage about the world falling apart is just a typical NDP way of doing business.

**Mr. Grant McNally (Dewdney—Alouette, CPC):** Madam Speaker, I agree that the NDP has brought up some points in the debate today that have raised some questions about the government's choice of investing CPP funds in some questionable companies.

I also want to refer to my colleague's comments. He briefly talked about the scandal going on with the government scandal. I was surprised that the member for Toronto—Danforth shouted across the way, with regard to government largesse, "That is just a down payment and it is not going to stop".

Later on, when my colleague referenced the national energy program, the member for Toronto—Danforth said, "It was a work of genius. It is the best thing that ever happen to this country".

**Miss Deborah Grey:** The evil genius.

**Mr. Grant McNally:** It is unbelievable that a member of the government would say such a thing to the member from Calgary. Would he care to comment on that unbelievable concession from the government member?

•(1605)

**Miss Deborah Grey:** You were not from the west, Dennis, obviously.

**Mr. Dennis Mills:** That idea came from the west.

**Mr. Deepak Obhrai:** Madam Speaker, let us say it this way. For those of us who were living in the west during the national energy policy, we know exactly what happened.

The member was living in Toronto. He is from Toronto. What does he know? He was not there to feel the pain of Albertans when his government was taking money out of the province. He should have lived there and then he would have known what the pain was the pain in that part of the world. I lived under that rule. He lives in Toronto. He thinks everything is fine because the money was flowing into his province at that time.

\* \* \*

**BUSINESS OF THE HOUSE**

**Hon. Roger Gallaway (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Madam Speaker, there have been discussions among all the parties. I think you would find unanimous consent that the following motion be put and adopted. I move:

That, notwithstanding any Standing Order or usual practice, the hours of sitting and order of business of the House on Tuesday, March 9, 2004, shall be those of a Wednesday:

That the Address of the Secretary General of the United Nations, to be delivered in the House Chamber at 10:00 a.m. on March 9, 2004 before Members of the Senate and Members of the House of Commons, together with all introductory and related remarks, be printed as an appendix to the House of Commons Debates for that day and form part of the records of this House; and

That media recording and transmission of such address, introductory and related remarks be authorized pursuant to established guidelines for such occasions.

*Supply*

**The Acting Speaker (Mrs. Hinton):** Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

(Motion agreed to)

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**SUPPLY**

ALLOTTED DAY—CANADA PENSION PLAN INVESTMENT BOARD

The House resumed consideration of the motion.

**Mr. Dennis Mills (Toronto—Danforth, Lib.):** Madam Speaker, before I begin to respond to the motion by the member for Winnipeg Centre, I will say it is a very good motion. There are some flaws in it and I will deal with those.

I will begin by dealing with the national energy program. I was part of a government that implemented that plan. What most people do not understand is that the idea that essentially was behind the national energy program, the security of supply retroactive back into Canadian lands that were essentially being taken over by foreign multinationals—

**The Acting Speaker (Mrs. Hinton):** I would take a moment to remind the hon. member for Toronto—Danforth that the subject matter he is answering to today may be a subject for another day. Today we have a specific motion on the floor of the House. I would ask the member to direct his comments and his speech to that motion.

**Mr. Dennis Mills:** Madam Speaker, you are so correct. I will go back, but I did not want my friends from the west to think that we were defensive about Canadian ownership of one of our most important natural resources.

The motion today reads:

That... the Canada Pension Plan Investment Review Board should be guided by ethical investment policies which would ensure that our pension investments are socially responsible and do not support companies or enterprises that manufacture or trade in military arms and weapons, have records of poor labour practices, contribute to environmental degradation, or whose conduct, practices or activities are similarly contrary to Canadian values.

I like this motion a lot, but the reality is this. For starters, we should make sure we understand that the pension fund board, the operator of this fund, is at arm's length from us, but that we can have tremendous influence on the board. Any alteration of the plan the fund operators are on is not decided by us in the House alone. We need two-thirds of the provinces on side and in fact we need to have Canadians support this in a very serious way.

This motion reminds me of an idea that we have been talking about around here for a number of years, that is, we should be reviewing our entire system of measuring how we approach growth and development in our country. The United Nations had a system called the human development index. Rather than measure by accounting terms like "gross national product", which are simply numbers, we should be developing a formula wherein we include in the basket of measurement children in poverty and the state of our agricultural sector. Too often in this chamber, we are guided by the officials of the finance department and we do not have enough influence on the way they think from the people in Human Resources Development or the people who run the Department of

the Environment. This is where I think the motion is very strong and very good.

I think the mere fact that we are debating this today is a process of sensitizing those people who manage the board that handles the pension fund. I had absolutely no knowledge, until I heard it today from the member for Winnipeg Centre, of some of those investments the board is making, which are linked to making landmines or biological weapons, if I heard the member correctly, or some kind of poisonous gas or something. The member read out a list of armament materials that we were investing in. I do not think anyone in the House was aware of that.

If we accomplish one thing today, it should be that we will have sensitized the board to the fact that it really should review every single area in which we are investing. Maybe the investment that the board is putting into a particular fund happens to be part of another fund which in turn is linked to some kind of U.S. company that happens to be in the business of manufacturing these military weapons. I do not think that anyone on this board realizes for a second that Canadian taxpayers' pension fund money is going into a business that is making landmines.

As the member for Winnipeg Centre so appropriately remarked, it was our minister of foreign affairs, Lloyd Axworthy, who led the way on a global landmines treaty. The notion that we would be complementing or participating in the making of landmines is something that I am sure the pension board, after hearing this debate today, would rectify in a microsecond.

● (1610)

I think that what we have to do in this motion is be tough where there are examples that really go against the spirit and the social policy of the House of Commons. If there are flagrant examples of where we are investing in corporations that go against everything the House of Commons stands for, then the board should obviously review and correct them.

At the same time, the part of this motion that I have a little difficulty with is the area regarding "enterprises that manufacture... military arms". I want to be very specific about this, because there is a fine line here. The Department of National Defence and our peacekeepers have to go into peacekeeping zones with arms, tanks and equipment that allow our men and women who are in harm's way to be protected. We as a nation in the House of Commons decided many years ago to purchase F-18As. These are part of our ships at sea.

These are all areas where we cannot suddenly say that we do not believe in this because it is just not part of what the House of Commons or the nation is all about. We are very proud of our Department of National Defence. In fact, our new minister is pressing nerve here in a way that hopefully will reinvigorate that department even more, because there is no way that anyone, especially those in the NDP, would want our peacekeepers to be in a position where they are exposed. They need to have armaments for their own defence.

### Supply

In the area of environmental degradation, I know for a fact that some of these funds are investing in environmental technology. We cannot move fast enough on that file. I think that is an area where we can almost be forceful with the Canada pension fund board, because we all know that the more we push green technologies, the more we are actually creating a more economically viable, sustainable society and planet. There is absolutely no doubt in my mind that anything that has to do with investment in environmental technologies is a no-brainer in terms of generating an economic return.

Ten years ago, my very dear friends, Patty Carson and Julia Moulden, wrote a book, *Green is Gold*. They made the case for more investment in green businesses. A lot of these businesses are actually making very solid margins. They are making good profits. Those good profits in environmental businesses can actually help sustain and make our Canadian pension fund stronger and give us a better return.

That particular area of the member's motion I applaud and support. I think that in the end this debate today will be solid, useful and substantive because, as we have learned from another instance that we had thrown at us a few weeks ago, we can never ever presume that those agencies of government, even if they are at arm's length, are always sensitive to the direction from and the consensus of the House. The notion that we would ask these people to review every single investment that is part of the pension fund and at the same time keep it on a solid economic footing is a good piece of parliamentary debate.

• (1615)

**The Acting Speaker (Mrs. Hinton):** It is my duty pursuant to Standing Order 38 to inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for New Brunswick Southwest, Atlantic Canada Opportunities Agency.

**Mr. Pat Martin (Winnipeg Centre, NDP):** Madam Speaker, I will not take up too much time. I am interested in hearing the views of others as I was the one who moved this motion. I want to thank the hon. member who just spoke for a very balanced speech on this motion. I think he took very seriously the various elements of it. I would ask him to help others in the House to understand what he knows about the ethical investment funds as they are.

Would he agree that there are two ways to do this? There is a negative screen that we could put in place to make sure that the CPP fund is not investing in certain companies whose practices are in contrast to Canadian values. Also, there is a positive screen, through which we could reward certain other industry sectors that we want to motivate and encourage. Through us investing, as a carrot effect, in a certain sector in the company that has the best practices, other companies in that sector may rise to that higher standard in order to attract CPP investment.

Would that not be a positive result of having ethical screens?

• (1620)

**Mr. Dennis Mills:** Madam Speaker, first, on the unethical investing or the screen that is unethical, I think it is a no-brainer. If the pension fund managers are reviewing things that are in that zone, they should decide immediately this does not reflect the value system of the House of Commons and they should repair that immediately.

On the other side, the positive ethical corporate experiences, I agree with that as well. The only thing that I think we have to be careful about in the House is that we ask people to manage funds in a way such that they are sustainable for those people who eventually have to receive those pensions, whether they be people who retire or people who are beneficiaries if someone passes away, or whether they have disabilities.

I do not think we can over-regulate them on that side, because there is a balance between making sure that they are sensitized to things that are ethically good, but at the same time they also must have a level of return that does not jeopardize the sustainability of the fund.

**Hon. Maria Minna (Beaches—East York, Lib.):** Madam Speaker, I agree one hundred per cent with my colleague and I also agree with the motion. It is a very good motion. I must say that I find totally unacceptable the notion that companies which manufacture landmines might be subsidized by our CPP funds. Having seen when I visited Kosovo some of the effects that landmines have had on people and given the fact that we have what was called the Ottawa initiative, Canada's initiative from a former minister of foreign affair, which led the world in eliminating landmines, just using that as an example, it is not acceptable.

To me, investing in green technologies is probably one of the ways to really encourage CPP. When the Canada pension plan people came in front of the finance committee of the House of Commons, they told us that they tried very hard to make sure that they invested ethically. They told us that they try to screen as much as they can. I think it is incumbent on the House to make sure that they are encouraged—

**An hon. member:** And reminded.

**Hon. Maria Minna:** —and reminded that this is the wish of the House.

Given the fact that the provinces are part of this, I want to ask my colleague if he has a suggestion as to how, at some point in the future, we might engage the provinces as well, to ensure that the two orders of government that are responsible for the Canada pension plan and for the investment fund reinforce this kind of message.

**Mr. Dennis Mills:** Madam Speaker, engaging the provinces on this issue should not be that difficult. Based on my experience with any of the provincial premiers I have either talked to or listened to, I do not think they would be really against this. I think the provincial houses would share most of what the member is saying as well. Again, it is a matter of balance. I think what the member for Winnipeg Centre should do is take the *Hansard* at the end of today, pass it on to all the provincial premiers, and ask them to use their influence to support all of us in the House in sensitizing the board so that it essentially shares the view of the House.

• (1625)

**Mr. Roy Bailey (Souris—Moose Mountain, CPC):** Madam Speaker, I have more of a request for information because I would like the hon. member who just spoke to clarify something.

When groups such as the Ontario Teachers' Federation, and other groups like that across Canada, engage someone to invest their pension funds, does the member have any idea what kind of criteria goes with that, how are they represented on the board, and is there some form of direction that they give to the firm with which they deposit their funding?

For instance, I noticed that across Canada there are several groups, such as the Ontario Teachers Federation, that have moved their funding or moved their investment from one institution to another. Does the member know the criteria by which that is standardized?

**Mr. Dennis Mills:** Madam Speaker, the member referred to the Ontario teachers' pension fund, which has more money than the treasury of Canada. It is quite an amazing thing.

As we know, that fund does have a policy. For example, in the real estate sector, it has to spend about 10% of its annual return on real estate. I think that is part of the reason why that association owns most of the real estate in this country.

However, if I had my way, I would ensure that the Ontario teachers' pension fund shared a lot more of its pension fund activity across the country. We respect the Ontario teachers' pension fund as a great organization, but it is not above being challenged in terms of how it operates. All of the money flows into that pension fund tax free.

When we give a tax credit or a gift to a corporation, there should be a quid pro quo, and it should be one that has a national positive effect. I would just like to prick the conscience of the Ontario teachers' pension fund to ensure that this huge pot of money it has is serving the whole country and not just southern Ontario.

**Mr. Pat Martin:** Madam Speaker, maybe by asking the hon. member a question, I might be able to help answer a question from over here.

The Canada pension plan trust document specifically excludes or prohibits taking into consideration anything other than getting the maximum rate of return, whereas ethical investment funds, such as OPSEU, the Ontario Public Service Employees Union pension fund, which is a jointly trustee pension plan, stipulates that the funds should earn a reasonable rate of return.

That is the type of thing that we are recommending. If we were to lighten up on the language a little in the Canada pension plan trust document, we would be able to take into consideration other issues and still get a reasonable rate of return. It would not give licence for the trustees to make a bad investment simply because they are ideologically in favour of it, but it would allow some latitude.

The Ontario-based hospitals of Ontario pension plan, which is another massive plan, has four major ethical criteria. Its president, Mr. Ed Baker, said:

In order to meet the actuarial assumptions, you don't need the biggest returns. What you need is a return that is reasonable and done in a very responsible manner.

Socially responsible investments is what we are pushing.

**Mr. Dennis Mills:** Madam Speaker, I find myself agreeing with the member, but at the same time, we should also know that we have a number of Government of Canada initiatives that promote corporate social responsibility or social ethics codes: passing the

### *Supply*

corporate accountability bill on June 12, 2003; establishing a code of ethics for Canadian business; creating the national contact point; providing the sustainability reporting tool kit developed by Industry Canada, Environment Canada and the Department of Foreign Affairs; and providing information and guidance on practices related to corporate sustainability reporting. The aim of the tool kit is to help Canadian businesses meet their reporting needs by providing a guide to what to consider when developing a sustainability report.

All of these are supposed to sensitize that board. I am sure we can do better.

• (1630)

**Mrs. Bev Desjarlais (Churchill, NDP):** Madam Speaker, I am pleased to have the opportunity to have little more time to speak on our motion today. Heaven knows there has certainly been enough fodder going around throughout the day that I will be able to reply to a good number of points.

The New Democratic Party and the majority of Canadians want to see responsible investments through the Canada pension fund. The majority of Canadians, if not a very large majority, absolutely support the Canada pension plan. In most cases, it is the only pension that a good number of Canadians will receive because they have not made the dollars to put additional money into RRSPs. It is the pension of choice because it is the only pension there for them. They may receive CPP and then OAS on top of it simply because of the nature of the dollars they are going to receive.

We strongly support the Canada pension plan. As a result we want to see it survive. We do not want to see it wiped out.

In no way would we suggest that we put in place an investment policy that would not support the pension plan. That is foolishness. I can tell the House that even though my colleagues in the Conservative Party will say that the NDP is tax and spend and waste money, the reality is not so.

I suggest that those members get back to their history classes and do some real studying on exactly how the debt has been incurred. The debt was not put there by the New Democratic Party. They need only look at the federal government and the fact that Liberals and Conservatives have been the governments, and we are in debt. It was not because of the NDP.

I say to them that they should be reasonable in their assessment of things and be honest with Canadians because it is not accurate. Where we have been at fault, we will accept responsibility. However, on the whole tax and spend attitude and the wasting of taxpayers' dollars, it is just not the case. I want Canadians to understand that we do not want to see a problem with the Canada pension plan. We want to see it supported.

There is documented proof that ethical funds could be profitable. In the documents prepared by the Library of Parliament with regard to the Canada pension plan, ethical funds can be supported. It summarizes the fact that they do not make any more money or do not lose any more money than investing otherwise. Therefore, it is possible to have ethical investments.

### *Supply*

I know we can get into arguments about what is ethical and what is not, what is based on religious views, and what is based on one person's interpretation of a social justice or a social conscience issue. However, I am sure that we can come to an understanding as to what is okay to invest in and what is not. In those areas where we do not come to an understanding, then we do not go that route.

We recognize that pension dollars should not be invested in companies that are producing landmines. We have a treaty that says we should not be doing that. It is reasonable to suggest that we should not be investing in companies that use child labour in other countries.

I would like to think that we do not have child labour in Canada, but heaven forbid, if that were the case, I would hate to see money invested there. Certainly, in other countries where it is hard to control those things, it does happen. If we know it is happening, then we should not be investing in those companies.

One of my colleagues said that when Talisman moved out of Sudan, it moved under pressure because its stocks were dropping. A company is there now and we do not know what it is doing. Here is the reality. We do not know what it is doing but the Canada pension plan could be investing in that company. Does that seem reasonable? Talisman moved out because it was getting pressure, but somehow it is now okay for the Canada pension plan to invest in a company that might be doing the same thing. I am not suggesting it is, but if the proof were to come out, would we be saying that it is okay? I do not think that is acceptable.

I mentioned earlier that cloning is not allowed in Canada. There is a law against cloning; however, we have the Canada pension plan investing in companies that are doing cloning. How is that right? What about a situation where we do not allow the sale of organs within Canada and we have a company in China that is organizing the sale of organs, should Canada's pension plan be able to invest in that company?

●(1635)

Those are the things we are talking about. We are not for one second suggesting that just because I, as a New Democrat, have certain issues with a particular company that there should not be any investment. That is not the case. We generally know that there are some companies out there that are doing illegal things.

Wal-Mart comes to mind. Wal-Mart, in the U.S., knew that it had a number of illegal workers working in its stores. There is proof; it was in the papers. It was documented and investigated through the immigration department in the U.S. which laid charges. It found that Wal-Mart had up to 300 workers who were not registered workers in the company. That is a wonderful company, right?

It is a good, community-minded company here in Canada, supporting teams and handing out Mac certificates. However, it had 300 illegal workers that it was hiring on contract through private firms and paying them less than the minimum wage. Wal-Mart knew and there is documented evidence. Should the Canada pension plan be investing in Wal-Mart? It does not have to, of course. Wal-Mart makes a fortune even though it has been criticized at some point for using products that come from unscrupulous areas and people make

a conscious decision whether or not they are going to support Wal-Mart, or whoever.

That is just a general example, but we know that there are companies that are doing things wrong and they do not respond to public pressure. I do not see anything wrong with suggesting to members that if we want to know whether or not Canadians support it, we should ask them. We should ask them to indicate it.

We do tax assessments every year and StatsCanada does surveys. I just went through another StatsCanada three-quarter hour long phone call. We all kind of cringe and I will cringe even more when Lockheed Martin will be doing them. I may not even do it then, but I sat on the couch and did the StatsCanada survey. Maybe we should ask Canadians if they think their pension plan dollars should be spent in ethical investments. Do they think it is okay to invest in companies that build landmines? Do they think it is okay to invest in tobacco companies that are using the tobacco to encourage smoking?

A colleague from across the way, the member for London—Fanshawe, suggested that the situation in Mexico was much better, that we had criticized the Maquiladoras and the whole bit, and somehow it was much better for Mexican workers. I have spoken to those workers and it is not better. There may be more jobs out there and maybe more people are working in some rather nasty situations, but overall, it is not better. There have not been great improvements in South America either. That is why some countries in South America are not open to this whole trade deal because they are concerned about it.

A comment was made about members of the Canada investment board and that these are credible people, people who know about investments and business, and about doing the right thing. They are business minded people. Well, the executives of Enron and Worldcom were business minded people and what did they do? What did those really credible businessmen do who were above reproach because they were executives and business people who knew about investments? They ripped off pensioners. No one is above that. Values and principles are important; ethical investments are important. It is not okay to be doing that. Canadians expect more.

I say to my colleagues from the Conservative Party, they swear up and down that everybody just wants to make a buck out there. The people I know would be sickened to know that their pension dollars were supporting some of the things we talked about here today.

●(1640)

People would be sickened to know that their pension dollars were supporting a company that, in this day and age, locked in its employees, that the place burned down and the employees were killed. Those things are still happening. We do not see it as we sit here in Ottawa and maybe we do not see it in Thompson, Manitoba, but I can say that it is still happening in some places, and possibly even in Canada. It is not acceptable.

*Supply*

We hear of the stories in other countries. We hear of the child labour, of young people pulled into prostitution and used in certain areas. A company could somehow be tied to that and is involved in pornography and that is okay? Are my colleagues from the Conservatives saying that it is okay that the Canada pension plan should invest in those companies if we know that they have been tied to this?

They are criticizing us for discussing this issue today because there is a really important issue out there and darn tootin' it is important. It is important that the government had a situation where taxpayers' dollars were being misused to the tune of hundreds of millions of dollars; darned right it is important. It talks about an unethical approach, an approach with no values. It talks about no principles, using taxpayers' dollars without recognizing that people work day in and day out to make those dollars, to support their country and all the things we believe in.

We are being criticized because we are discussing this today because we want the support of a pension fund for ethical reasons. We have suggested different ways. We are not suggesting for one second that the plan be set up so that it would lose money. We do not want that. We support the plan wholeheartedly. We would never for one second suggest that we invest so that money is lost and we are not able to support the pension plan.

I would challenge the House, the government and my colleagues over there in the Conservative Party to look at what the investment would be if we invested in our communities instead of going into private partnerships with companies to make money off of building our roads, schools and hospitals. How about using those pension funds and maybe putting the dollars back into the pension fund instead of using a private company? Let us put it back. Let us make an investment in Canada. In that way we would get the work done as well and the taxpayers would not constantly be ripped off for more money strictly for profit rather than a commitment to our nation.

Our country was built because someone had a vision and said we would work together and that we would make it work. Somewhere along the way it was decided that we had to be able to make a profit off everything, that if we could not make a profit from it, it should not be allowed.

Now there is this push where hospitals will be built by private companies. We are going to pay to use the hospital and pay for privatized services because somebody wants to make a profit from health. We have a wonderful health system in Canada, a system that is viewed by people throughout the world as what they want. They want it because we have the best system where dollars are not wasted on excessive administration, on HMO costs and all those things.

Should we sell that out because some company is not able to make a profit by providing those services? That might be one of the values of the Conservatives, or of the government because I have not heard the Prime Minister say that he is going to oppose for profit health care. I have not heard that come out of his mouth but I hope Canadians have him commit before the next election. I hope they say, "Let us hear it once and for all Mr. Prime Minister. Do you support for profit health care, making a profit from someone's ill health?"

That is not what we are about. I am not going to feel any shame that I do not think it is okay to make a profit from ill health. I read a saying once that we rationed health care in Canada based on need and in the U.S. it was rationed based on greed. That is what it is about. It is about providing services for profit as compared to working together to provide it because people need it. That is what is important.

I hope my colleagues who have listened to the debate throughout the day will take the time to see that this is not just the NDP saying that it wants an ethical investment and it does not want an investment in this or that and it is just willy-nilly flapping all over the place without having checked into the facts. Ethical funds can be profitable.

Most investment companies will have an ethical segment. There are some people who, when they go to get their RRSPs, not even their CPP, will ask if the company has an ethical package. If the company does not, they may then decide to put their RRSP funds elsewhere.

● (1645)

There are people who maybe do not have to make a huge profit off their investment because they already have the tax deduction, so they are okay with not investing if it is not ethical. People can make those choices. I think people should have the right to make the choice.

If we went to the people who have paid into the Canada pension plan, or if Statistics Canada did a survey and found that 85% or 90% of Canadians wanted ethical investment, would it not be worthwhile to listen to Canadians? We listen to them in the polls. It is so important that we listen to everything that comes out in the polls. Why not listen to what Canadians tell us about ethical investments?

I come from western Canada and I will challenge my colleagues in the Conservative Party that the people in Saskatchewan, Manitoba, Alberta and B.C. will not think it is okay to invest in landmines. They will not think it is okay to invest in pornography. They will not think it is okay to invest in tobacco companies that induce children to smoke. I think they would be ashamed to hear their elected representatives say that it is okay to do that because they just want to make the most profit possible on the pension plan, without considering anything else. There is more to life than the dollar.

We benefit overall from having a clean environment and other services. In the costing of it, we probably ultimately would save money. I am quite comfortable in saying that. I would challenge anyone to show me differently. I would challenge them to show me how investing in our future, in a clean environment, in healthy living, how that would not ultimately save us money as a country. It is not okay to just say it is an NDP issue and we are not going to listen to it. This is an important issue.

*Supply*

I was involved in the last discussions when changes were being made to the Canada pension plan. We pushed for having an ethical screening within the Canada pension plan. We tried at that point and did not get anywhere.

My colleague from Winnipeg Centre mentioned that it is not a matter of saying we cannot invest in anything. It is about changing a few guidelines and giving more flexibility. Right now even if the Canada Pension Plan Investment Board wanted to invest ethically because it saw that as a more important factor than investing in a tobacco company that was seducing children, the board could not do that because it would not get the best return on profit.

I watched a program years ago. It could have been just a show that was made up, but it talked about World War II and how the British were somehow investing in the rockets the Germans were going to use to attack the British. It always stuck in my mind. That is the kind of attitude I am hearing today from my colleagues in the Conservative Party who say we cannot have an ethical screening if we are going to make money and we are only going to worry about making money. That is the extent of it, not the fact that it is going to be detrimental to our nation, or the world for that matter.

It is crucially important that we go beyond the rhetoric. I am not suggesting, nor are my colleagues in the NDP suggesting, that there be no profit from the Canada pension plan. We want to see it profit because we need those dollars to provide the pensions that we so rightly believe in for the majority of Canadians who only have the Canada pension plan. That is what we want to see happen.

I would encourage my colleagues to go beyond that. It may not seem important today, but in the future it will be. It will be important if we hear of a situation where the Canada pension plan has invested in something and it comes around and bites us in the butt, because that is the reality. I would encourage people to go beyond the rhetoric and get on with supporting a very good motion.

• (1650)

**Hon. David Kilgour (Edmonton Southeast, Lib.):** Madam Speaker, I would like to thank the member for Churchill for a very thoughtful speech. I realize she was going after colleagues from the Conservative Party, but I would like to ask her a number of things although she may not want to deal with all of them.

Does she think that the CPP should invest in Ivanhoe? As she knows, Ivanhoe has a mine in Burma, Myanmar, where 50 people were killed last May, with bamboo poles I understand, not very far away from the Ivanhoe facility. I remind her that Canadians, including Albertans, got Petro-Canada to pull out of Burma and perhaps persuaded Talisman to sell out its interest in Sudan. I would like her to comment on that.

On corporate social responsibility, would she let CPP invest in a fabric company, if there is such a one, in Bangladesh? She undoubtedly knows there are about two million people, primarily women, in Dhaka who earn their small salaries every day from making garments that come into Canada under special arrangement.

If there is time and if she wants to deal with it, a constituent of mine complained recently that he has a wife and three children on a single income. On a \$45,000 income he pays about \$12,000 in taxes

and CPP. What would she say to him when he says he is paying too many taxes?

**Mrs. Bev Desjarlais:** Madam Speaker, the hon. member reflected on a lot of issues that I do know about and which I have great concerns about. There is a need for ethical investment.

I will respond to the last question about Canadians who feel they are paying too many taxes. When we include taxes and CPP, I have a hard time with that, quite frankly. When constituents talk about CPP or EI and not getting money back, I always remind them that it is a pension plan or an insurance policy. The money that people pay is deducted off their income taxes, which is a plus right there.

I do not see it in the same way. It is by far the most reasonable pension plan investment we can make. We will not get a pension plan at that cost anywhere. We will not get a privatized plan at that cost and get the kind of benefits we get from CPP. I would like it to be better, but it is not there.

People just a bit older than I had the real challenge of fighting very hard for some of these programs. I had the benefit of all of them. I have said this before. I have had the benefit of a pension plan, health care, maternity benefits, education and support for my children. I have had those benefits and I did not have to fight for them. As a result, Canadians forget how much those things cost. They forget that sometimes, because of this attitude from the reform, alliance and now it is the Conservatives that we are spending all this money and we are not getting anything.

I suggest to each and every Canadians to do what I did. I had three children. They went through 12 years of school. Their health care was provided. We had our roads and all those things. Canadians should break that down into what they would be paying if they were paying a privatized company for those things.

I got my dollar's worth out of my tax dollars and I think all Canadians will. I do not begrudge my taxes because I have benefited from them. I believe most Canadians feel that way. They want to pay their own share. It is when there is abuse of tax dollars that it becomes a problem. When we see some corporations making huge amounts of money and not paying any taxes, that is when it is a problem. However most Canadians do not mind paying their fair share.

**Mr. Chuck Strahl (Fraser Valley, CPC):** Madam Speaker, I was not sure if I should enter into the debate today but when the NDP spends more time slamming my party than it does anything else I almost have to rise to debate a little.

The member raised quite a few points with which I could easily agree. I personally think that landmines are repugnant, unnecessary and should be banned. I do not think anyone should be involved with them. However with regard to some of the other points she made, I cannot agree with her example of how atrocious it is that private industry would be somehow involved in putting more money into the health care system.

When the NDP was in charge of British Columbia, a good friend of mine spent weeks travelling from Hope, British Columbia to Bellingham on a daily basis for chemotherapy because British Columbia had no facilities to treat his cancer. He was so sick he had to rent a hotel room there because there was nothing close to home.

What did the NDP do? It paid a private health care deliverer in Bellingham for the services that my friend should have had in British Columbia. Frankly, if it had been a private-public partnership that had provided that facility for his treatment, he could have stayed at home and saved all that money. Instead, all that money went not to British Columbia doctors or the health care system, but the NDP gave it to the Americans to provide that service.

While the NDP were in power in British Columbia, heart operations and heart transplants were being performed in Seattle not in British Columbia where we could have had private-public partnerships in order to provide more facilities. It all went south. I think that is what worries people about the motion today.

I tend to support the NDP motion today, in general. It has a good thing that it is trying to do. However the reason there is so much skepticism in other parts of the House is that people are nervous. They know the NDP always means well.

In British Columbia one can still drive by the fast ferries. Fast ferries were going to provide jobs, training and education. There are 450 million hard-earned British Columbian tax dollars tied up at the docks.

The NDP said it would clean up the environment. I think British Columbia is somewhat cleaner because of the NDP, because the mining industry is finished in British Columbia. The environment probably is a little cleaner but there is nothing left of the industry. That is what it did. It says that it will help people receive services but, as we saw during the bingogate scandal, senior members of the NDP were convicted of stealing money from charities that was supposed to go to help poor people.

Although the gist of the motion sounds good, the problem is that in British Columbia we just do not find it credible. When the NDP says that it is here to help, people reach for their wallets, lock their doors and hide their children so that nothing happens to them. Although the gist of the motion sounds good, everybody gets their guard up. Because we have seen it before, we worry when the NDP says that it will do something, which is why we edge into it. We want to support it but the red flags go up as soon as the NDP touch it.

• (1655)

**Mrs. Bev Desjarlais:** Madam Speaker, I actually take great pleasure in the fact that my colleague really could not criticize the aspects of the motion regarding ethical investment. What he had to do was bring up some issues that happened in B.C.

### *Supply*

Just to counter that argument, I would suggest that when—

**An hon. member:** Ask Grant Devine.

**Mrs. Bev Desjarlais:**—Grant Devine runs in Souris—Moose Mountain, he should remember the 16 convictions. I think something like 11 people ended up in jail under the Conservatives in Saskatchewan.

What we are dealing with here today is the pension investments. As far as putting dollars into private health care, it is not the answer. We should have invested into the services that were needed. I can say that living in northern Manitoba I am quite aware of us not having all the services available in the north that they have in the south. We try to make the most cost effective utilization of the dollars that we have and try to make it work.

Under the New Democratic government in Manitoba now, we have been able to address some of the issues and improve the services, even to the point of where if there are spaces available in operating rooms in the north, they will actually bring people from the south to try to make the best utilization of services and making those services available to everyone.

It is not a perfect system and the reason the system got so bad throughout the nation, including B.C., was the result of numerous cuts over a length of time by the Liberal government under the present Prime Minister when he as finance minister. That was the start of it.

I am not suggesting that putting money into the system is the only answer, because it is not. However, way back in the early days when suggestions were being made on how to approach medicare, if the government of the day had listened to the NDP to set up community clinics, we would have had the preventive medicine in place and we would not be in some of the situations we are in now.

**Mr. Roy Cullen (Etobicoke North, Lib.):** Madam Speaker, I congratulate the member for Winnipeg Centre for bringing this opposition day motion forward to the House of Commons. It is a good discussion to have.

What we are talking about is ethical or social investing as it relates to the Canada Pension Plan Investment Board. The motion basically says that the board should be guided by ethical investment policies which would ensure that our pension investments are socially responsible.

We need to go back some years. If we look at the mid-1990s there was a lot of concern that the Canada pension plan was not viable, not actuarially sound, and our government undertook a whole series of consultations. As a result of that, a program was put in place to put the Canada pension plan on a much sounder footing. That included: changing the contribution rates; adjusting, to some extent, the benefits; and allowing the Canada Pension Plan Investment Board to invest, not only in fixed income securities but also to invest in equity investments.

### *Supply*

What has been the result of all that? If we look at the actuarial report of December 2000, the actuary concluded that the legislative contribution rates, which were 9.4% in 2002 and 9.9% in 2003 and thereafter, were sufficient to pay for future expenditures and to accumulate assets of \$142 billion by 2010. In 2050 the assets are projected to be \$1.578 trillion, or 5.9 times the annual expenditures.

The actuary went on to say that under the current schedule of contribution rates, the funding level is expected to increase significantly over the next 20 years with a ratio of assets to the following years' expenditures growing from 2.4% in 2002 to 5.3% in 2020.

When Canadians approach me, and perhaps other members of the chamber, and ask if the Canada pension plan will be there for them and their children, because of the actions of our government in 1997, the actuary is saying yes, the Canada pension plan will be there for them. That is after taking into account the demographics where a much more elderly population will be emerging in Canada over the next few decades, but our Canada pension plan will be on a sound footing. To those who have worried about that, I think this gives a lot of relief.

The Canada Pension Plan Investment Board is a board that manages, on behalf of contributors, the portfolio of assets under its administration. It is also comprised of representation from the provincial finance ministers, so it is a joint board that effectively is in the fiduciary capacity of managing these investments.

In the last session, Bill C-3, which was passed by the House, will allow the fixed income securities to be transferred from the federal government and put under the control of the Canada Pension Plan Investment Board.

What have the results been of allowing the Canada Pension Plan Investment Board to get into managing both equities and fixed income securities? We do know that the equity markets went into the doldrums a few years ago and that the Canada Pension Plan Investment Board's portfolio was hit by the same sort of bad news on the stock markets. However if we look at the nine months ending December 31, 2003, we see that assets available to the Canada pension plan earned \$8 billion, producing a rate of return of 13.9%. That is all CPP assets, including the \$35 billion in fixed income securities currently administered by the government and subject to Bill C-3, which will transfer those securities under the control of the Canada Pension Plan Investment Board.

• (1700)

During that same time period, the portfolio managed by the Canadian Pension Plan Investment Board earned a return of 26%. If we look at the benchmarks against which the plan compares its performance against some of the standards in the industry, in 2003 we see that Canadian equities earned 17.3% and the benchmark was 17.5%. It was slightly lower there. In terms of non-Canadian equities, the benchmark was 28% and the actual was 27.6%. In real estate the benchmark was 9.2% and the investment fund actually had a rate of return of 50.7%. Overall, against the benchmarks, the performance exceeded the benchmarks of 20.3% return and it achieved a return of 21.1%.

Why is this relevant? Why is this important? This is important because this board has under its administration some \$55 billion that is there earning income and providing benefits to Canadians, now and into the future. It is important the pension fund be sound and that it achieve a good return.

If the CPP is not there for Canadian citizens who retire in the future, they will be looking to the government for other types of support. This is a pension plan funded by employees and employers, so it is important that these trustee funds are managed in an optimal way.

I understand the point of the motion and I know the member for Winnipeg Centre has done some excellent work on this but I do have some difficulty with it.

First, we need to understand that the Canada Pension Plan Investment Board is mindful of ethical investing. It is guided by some of those principles and, from its experience, it knows that those companies that are committed to good labour relations, to a good, strong performance in human rights and to sustainable management in terms of the environment, will be the best investments to make in any case.

The problem I have with the specifics of the motion is when it states:

...investments are socially responsible and do not support companies or enterprises that manufacture or trade in military arms and weapons, have records of poor labour practices, contribute to environmental degradation, or whose conduct, practices or activities are similarly contrary to Canadian values.

Let us just look at the first part of that. That part of the motion says that any company that manufactures military equipment would not be eligible. I question that in the sense that we do know in this world, unfortunately, there is conflict. We do know that there are weapons produced. We do know that companies manufacture weapons. Is it not somewhat naive to say that an investment plan should not invest in companies that manufacture this type of equipment? However abhorrent we find war and conflict to be, this is the reality.

The motion goes on to state that companies with records of poor labour practices should also be excluded. I ask hon. members: Who will decide whether the labour practices are good or bad?

While it would be fair to say that some companies might have a reputation for having bad labour practices, if we could actually measure that, it is very much a judgmental thing. We have certain companies in certain sectors which have very strong unions and some very militant unions, and some companies have very militant management. We have sectors where the margins and profitability are very low so that management takes a very tough stance. We have unions with very strong membership and leadership that produce some very difficult demands in terms of allowing for the enterprise to be economic. Who decides that the company has a history of bad labour practices?

Who decides, when the motion talks about those companies contributing to environmental degradation, that a company has crossed a certain Rubicon, that they are not environmentally responsible?

*Supply*

● (1705)

Perhaps if we looked at every company in Canada or around the world, every company would be guilty at some point in time of having some slip-ups in the area of environmental management. Does that mean that they are contributing to environmental degradation? I suppose by strict definition it would.

Finally, the motion states that those companies should be excluded “whose conduct, practices or activities are...contrary to Canadian values”. Again, who decides that? I think it is very judgmental.

As I said, the board itself is guided by this type of thinking. For example, if a company is a clear violator of human rights and clearly has unfair employee practices, then in the obvious cases I think the board would be guided by that. When we get into this grey area where it would be open to debate and subjectivity, this is where I think the problems with this motion emerge.

There has been discussion about Talisman Energy Inc. and its work in Africa. Presumably Talisman would not be an ethical investment. Perhaps we in the House could all agree on that; I do not know. With the change of time, though, I would point out that what is good today might not have been good yesterday or vice versa. At one point in time, Nelson Mandela of South Africa was considered a terrorist. Now he is considered a hero.

Too, we have the question about tobacco. Should the Canada Pension Plan Investment Board invest in companies that produce tobacco? Again, we have this hypocritical notion, I might say, and I think we are all guilty of it: we tax tobacco very heavily, which we should do, but then we also allow tobacco to be produced, which gives Canadian citizens the right to choose freely. Could we actually say, then, that companies which produce tobacco—and we are saying in Canada that it is not a prohibited substance, so companies can produce it—would be unethical companies to invest in? It seems somewhat hypocritical to me. If we are going to say it is unethical and contrary to public values in Canada, then maybe we should outlaw tobacco, which I am not necessarily espousing here in the House.

These are the kinds of questions we have. Would we allow, then, the Canada Pension Plan Investment Board to invest in companies that produce liquor? We know that alcohol produces a problem if used to excess.

What about those companies that manufacture birth control products or contraceptive products?

What about those companies that actually cut down trees? Maybe that would be unethical according to some.

Who decides these things?

What about the mining companies? They mine ore and provide jobs and are companies that act in a very responsible way.

While I understand the intent of the motion from the hon. member for Winnipeg Centre and the NDP, I think the motion is flawed.

I recall that some years ago when I worked in the forest sector we were trying to get the forest industry and the forest unions to invest in silviculture. The government then was facing deficits and there

was not enough money to replant, so we embarked on an initiative to work with the companies in the industry and with the labour unions.

When we went to the labour unions, we said, “If everyone puts a little water into this vessel we can replant trees, with the industry putting in its share, the government putting in its share and the unions putting in their share”. What we ran up against was the fact that the unions rightly said, “We cannot accept a rate of return that would be less than an optimal rate of return. We owe it to the people. We are entrusted with these funds to earn the optimal return”.

I think that on behalf of Canadians this board is entrusted to earn an optimal return so that we can safeguard our future and our children's future and so that we can have a pension scheme and a retirement income scheme that Canadians can call upon when they retire.

● (1710)

While I believe the motion is well intentioned, I think it would be contrary to the best interests of Canadians who are contributing to the Canada pension plan. By taking this action, we would end up with returns that are less than optimal. It seems to me that all of us in the House should be fighting for those principles and those policies which will ensure that all Canadians have a decent retirement income scheme when that day comes for them. On that basis, I will be voting against the motion.

● (1715)

**Mr. Roy Bailey (Souris—Moose Mountain, CPC):** Mr. Speaker, one thing we have heard all day today during this debate, and which is something my hon. friend opposite has said, is that all Canadians could have a decent retirement package. To my mind and in my reading, CPP was never meant to be the ultimate in pensions. I want to make this point clear. It was the government's way of supporting other pension plans. It was never designed to be the only way. If we combine the CPP maximum with OAS, we still do not have a good income on which to live.

We have been somewhat misleading for the public watching this debate today, in misleading them into thinking that CPP together with the OAS is all a person needed and that it is sufficient. The hon. member will recognize that with today's modern costs, that is not enough upon which an individual could retire.

**Mr. Roy Cullen:** Mr. Speaker, normally the member for Souris—Moose Mountain is quite lucid on these matters and he highlighted something important. As we all know, the Canada pension plan is one pillar of a three pillar or four pillar system. There is the Canada pension plan, old age security, registered retirement savings plans, and registered pension plans. The government strives to ensure that the parts of the chair that are holding up the chair seat are all sound.

I would agree with him to the extent that old age security is indexed to inflation, but many elderly people in my riding do not have any other means of income and it is difficult for them. I hope that someday we will be able to revisit old age security. As the member for Souris—Moose Mountain knows, there is a mechanism in place now with the guaranteed income supplement. Those people who are very stressed in terms of income can apply for that.

*Supply*

What we do have in Canada is this pillar, this chair with these legs supporting it so that we have a very sound retirement system for all Canadians, of which the CPP is but one part.

**Hon. David Kilgour (Edmonton Southeast, Lib.):** Mr. Speaker, I thought I detected some sophistry in my colleague's arguments. Sophistry makes the worse argument look like the better. Did my ears play tricks on me or did he say that because Nelson Mandela was considered by somebody to be a terrorist therefore we should invest in Ivanhoe mines in Burma because they happen to be led by one of the most oppressive governments on the face of the earth, perhaps in this century?

Did he say that the CPP board should be allowed to invest in tobacco companies and liquor companies? Maybe I misheard him, but surely to goodness we could have good returns and better returns by investing in ethical companies. I do not include cigarette companies and liquor companies in that, but perhaps my ears were playing tricks on me.

**Mr. Roy Cullen:** Mr. Speaker, perhaps they were bad examples, but the point I was trying to make was that all these decisions about what is or is not an ethical investment are subject to judgment. With the passage of time, something that might appear ethical today might not have been ethical yesterday. Something that appears unethical today might appear ethical in the future or vice versa. I tried to pick some examples. I am not familiar with the particular circumstances of the Ivanhoe mines in Burma.

I was attempting to draw the House's attention to the fact that this is a judgment call. Who makes these decisions on what is ethical and what is not? There is a grey area, in my judgment, and I do not think that people with the best will in the world could reach the same conclusion about what is an ethical investment and what is not. That was the point I was trying to highlight.

• (1720)

**Mr. Brian Masse (Windsor West, NDP):** Mr. Speaker, surely there has to be some judgment in all of this. In these chambers we set national goals, agendas and priorities all the time. They are not judgments. They are policy and they are directives that come from elected members who represent the people of this country. Some of those things include the treaty on landmines, where Canada has been very progressive, but at the same time we are investing in companies that produce landmines. Surely that is not a judgment call. That comes as a directive of an electoral system that has asked us in the House to pass certain laws and legislation.

The member talked about a slippery slope in a sense of where we stop on these things, but I would like to have him respond. Surely where we actually have legislation passed in these chambers and in these halls because people have voted for people who made those decisions, could we not at least rule those companies out first, whether they be landmines or tobacco companies? Those things are clear. They are not judgment calls. They are directives from the people.

**Mr. Roy Cullen:** Mr. Speaker, I am sure the member is not proposing that we have a committee of this House that would monitor this type of activity, because that would be a full time job. The committee would have to meet every day because the problem is that this type of behaviour and these kinds of standards and guidelines change, every day I would suspect. One day a company is

ethical by his standards, but the next day it is unethical by someone else's standards, maybe even by his own standards. We would have to decide that every single day.

What we are talking about here is an investment board that is charged with optimizing returns. The member cites the example of landmines. What if 5% of a company's total sales is dedicated to landmines and the rest is for other types? Would he make any distinction there? If it produced one landmine, is it automatically off the list? It does not make any sense.

**Mr. Chuck Strahl (Fraser Valley, CPC):** Mr. Speaker, I would like to just follow up on this point a little for debate. Just to be clear, the motion that we have before the House today is non-votable. Perhaps that is a good way to start this debate.

As I mentioned earlier, I do not find the NDP motion either repugnant or difficult. I find it difficult because the issue is difficult, but in general perhaps this is an occasion when those members of the CPP investment board are going to do a little listening today. I hope they do. I hope they read the transcripts. I hope they wrestle with this a little bit, because I think it is something all Canadians wrestle with and there is no easy answer.

But at least, rather than having a decision of the House, which we are not going to have a vote on today, perhaps it is the best way to start. Perhaps it is best to get out these ideas and concerns that many Canadians have about ethical versus unethical companies. Some of them, as has been mentioned by the member from Edmonton—not Calgary, but Edmonton—seem pretty straightforward. Somebody is involved and their sole business is working a mine in a country with horrendous health, safety and human rights standards. It is pretty straightforward and I urge those people to consider that.

I have a question for the member opposite, though, if he could elaborate a little more. The trouble is that the NDP has said, for example, that General Electric is a merchant of death—

**An hon. member:** I think I have one of their fridges.

**Mr. Chuck Strahl:** —and that is pretty harsh language. It is like this: if General Motors builds a Hummer, does that make General Motors a war machine? Those are the difficult questions. I would ask the member if he would try to evaluate that or to comment on that, because I think that is the crux of the difficult part. Some of it is easy. The difficult part is this: is General Electric really a merchant of death? I do not think so. I would ask the member to comment on that.

**Mr. Roy Cullen:** Mr. Speaker, when I listened to the member for Fraser Valley I thought I heard two messages.

First of all, I agree with him that it is important to have this debate, but I still come back to my criteria. The way I see it is that the Canada Pension Plan Investment Board should be looking for optimal returns for the benefit of all Canadians. Should it be guided by the types of considerations that he has highlighted? Yes, I think it should and I think it is.

I do not know how we can have it both ways. I do not know how we can say that on the one hand these companies that are in the defence sector are doing these things but should be not outlawed. I think that is what the member was saying. I am a little confused because I think on the one hand he is saying that perhaps this ethical investing is a good idea, but on the other hand he is saying perhaps it is not such a good idea. Maybe I missed the question.

• (1725)

**Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP):** Mr. Speaker, in the spirit of the Prime Minister's zeal for democratic reform and democratic deficit, I want to begin by asking the House if there is unanimous consent to make this motion votable.

**The Deputy Speaker:** Does the hon. member for Regina—Qu'Appelle have the unanimous consent of the House to make this motion votable.

**Some hon. members:** Agreed.

**Some hon. members:** No.

**Hon. Lorne Nystrom:** Mr. Speaker, so much for the democratic deficit and the will to reform this House by the Liberal Party. The least we can do is make motions in the House debatable and votable at the same.

We are calling for an ethical screen for the Canada pension plan. I wish the members across the way would stop being so conservative and look more progressive. It was bad enough when the Conservatives were conservative.

We have two good examples of this. We have an anti-smoking campaign in the country, and the member for Souris—Moose Mountain would agree with me on this, and yet we do not direct the Canada Pension Plan Investment Board not to invest in companies that are involved with tobacco. We have a contradiction in the House. So why is that member more conservative than the Conservatives? I cannot understand this.

Then we have landmines, another good example—Canada was the leader on that and I praise Lloyd Axworthy, a former foreign affairs minister, for his leadership role on the international landmines treaty—yet there is no directive at all to the CPP Investment Board not to invest in companies that produce landmines.

I can understand why the member from Etobicoke is starting to hang his head in shame when we point out these contradictions to what he just said.

I would hope that some members in the Liberal Party will come to their senses and say that they will look at taking the first timid steps toward having an ethical screen on some of the obvious things where the CPP Investment Board contradicts what the Parliament of Canada has passed.

Why should we on one hand say no smoking and no to landmines and, on the other hand, say yes to smoking and yes to landmines, in terms of the investments by the CPP Investment Board? That is like being both progressive and conservative at the same time. It does not make any sense. We should take a look at this idea before the House today. That is why I wanted this motion to be votable, so members could stand up and be counted.

### Supply

We need a lot of changes when it comes to the CPP Investment Board. I proposed a motion in the finance committee years ago that the board should consist of members who represent the workers and the retirees. It is their pensions and yet there is nobody on the board who represents them, and there should be. That is only fair and democratic.

These are a couple of ideas that the board and the government should look at seriously.

[*Translation*]

**The Deputy Speaker:** It being 5:30 p.m., it is my duty to inform the House that proceedings on the motion have expired.

ALLOTTED DAY—AMERICAN ANTIMISSILE DEFENCE SHIELD

The House resumed from February 19 consideration of the motion.

**The Deputy Speaker:** Pursuant to the order made on Thursday, February 19, 2004, the House will now proceed to the deferred recorded division on the motion by the hon. member for Saint-Jean relating to the business of supply.

Call in the members.

• (1800)

[*English*]

*After the taking of the vote:*

**The Speaker:** The hon. member for Simcoe—Grey has apparently voted twice. Could he clarify for the Chair which way he voted?

**Hon. Paul Bonwick:** Mr. Speaker, I extend my apologies. I wanted to be shown as voting against the motion, but apparently I misunderstood the Chair in getting directions to stand up and vote against. Please have my vote counted against.

[*Translation*]

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

(*Division No. 12*)

### YEAS

#### Members

Allard	Assad
Asselin	Bachand (Saint-Jean)
Bagnell	Bakopanos
Barrette	Bellemare
Bergeron	Bigras
Blaikie	Bourgeois
Brown	Bulte
Caccia	Cardin
Charbonneau	Comartin
Dalphond-Guiral	Davies
Desjarlais	Desrochers
Duceppe	Gagnon (Québec)
Gagnon (Champlain)	Gaudet
Gauthier	Godfrey
Godin	Guay
Guimond	Harvard
Hubbard	Ianno
Jennings	Jobin
Jordan	Karygiannis
Kraft Sloan	Laframboise
Lalonde	Lill
Lincoln	Loubier
Malhi	Marceau

*Government Orders*

Martin (Winnipeg Centre)  
McDonough  
Mills (Toronto—Danforth)  
Myers  
Normand  
Paquette  
Perron  
Plamondon  
Robinson  
Roy  
Shepherd  
Stoffer  
Wasylycia-Leis— 71

Masse  
Ménard  
Minna  
Neville  
Nystrom  
Peric  
Picard (Drummond)  
Redman  
Rocheleau  
Sauvageau  
Skelton  
Thibault (Saint-Lambert)

Sorenson  
St. Denis  
Stewart  
Telegdi  
Toews  
Ur  
Vanclief  
Volpe  
Wayne  
White (North Vancouver)  
Wilfert  
Wood— 155

St-Jacques  
Steckle  
Strahl  
Thompson (New Brunswick Southwest)  
Tonks  
Valeri  
Vellacott  
Wappel  
Whelan  
White (Langley—Abbotsford)  
Williams

## NAYS

## Members

Adams  
Anderson (Victoria)  
Bailey  
Barnes (Gander—Grand Falls)  
Bennett  
Bevilacqua  
Blondin-Andrew  
Bonwick  
Boudria  
Breitkreuz  
Bryden  
Cadman  
Cannis  
Casey  
Castonguay  
Chamberlain  
Collenette  
Cotler  
Cummins  
DeVillers  
Doyle  
Duncan  
Easter  
Eggleton  
Farrah  
Fontana  
Frulla  
Galloway  
Graham  
Guarnieri  
Harvey  
Herron  
Hill (Prince George—Peace River)  
Hinton  
Jaffer  
Keddy (South Shore)  
Kilger (Stormont—Dundas—Charlottenburgh)  
Knutson  
Lastewka  
Lee  
Longfield  
Lunney (Nanaimo—Alberni)  
MacKay (Pictou—Antigonish—Guysborough)  
Marcil  
Martin (LaSalle—Émard)  
Mayfield  
McCormick  
McKay (Scarborough East)  
McNally  
Merrifield  
Mitchell  
Murphy  
O'Reilly  
Owen  
Pagtakhan  
Paradis  
Pettigrew  
Pickard (Chatham—Kent Essex)  
Price  
Rajotte  
Regan  
Ritz  
Saada  
Schellenberger  
Scott  
Simard

Alcock  
Assadourian  
Barnes (London West)  
Bélanger  
Bertrand  
Binet  
Bonin  
Borotsik  
Bradshaw  
Brisson  
Burton  
Calder  
Carroll  
Casson  
Catterall  
Coderre  
Comuzzi  
Cullen  
Cuzner  
Discepola  
Drouin  
Duplain  
Efford  
Eyking  
Fitzpatrick  
Forseth  
Gallant  
Goodale  
Grey  
Hanger  
Hearn  
Hill (Macleod)  
Hilstrom  
Jackson  
Johnston  
Keyes  
Kilgour (Edmonton Southeast)  
Lancôt  
LeBlanc  
Leung  
Lunn (Saanich—Gulf Islands)  
MacAulay  
Macklin  
Marleau  
Matthews  
McCallum  
McGuire  
McLellan  
McTeague  
Mills (Red Deer)  
Moore  
O'Brien (London—Fanshawe)  
Obhrai  
Pacetti  
Pallister  
Peterson  
Phinney  
Pratt  
Proulx  
Reed (Halton)  
Reid (Lanark—Carleton)  
Robillard  
Savoy  
Scherrer  
Sgro  
Solberg

## PAIRED

## Members

Beaumier  
Crête  
Fry  
Girard-Bujold  
Provenzano  
St-Hilaire  
Copps  
Fournier  
Gagnon (Lac-Saint-Jean—Saguenay)  
Karetak-Lindell  
Speller  
Tremblay— 12

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

\* \* \*

• (1805)

[English]

## INTERNATIONAL TRANSFER OF OFFENDERS ACT

The House resumed from February 20 consideration of Bill C-15, an act to implement treaties and administrative arrangements on the international transfer of persons found guilty of criminal offences, as reported (without amendment) from the committee.

**The Speaker:** The House will now proceed to the taking of the deferred recorded division on the motion at report stage of Bill C-15.

[Translation]

**Hon. Mauril Bélanger:** Mr. Speaker, I believe you would find unanimous consent for the members having voted on the previous motion to be recorded as voting on the motion now before the House, with the Liberals members voting yes, with the exception of those wishing to vote otherwise. I would like to add the names of the members for Outremont, Burlington and Pierrefonds—Dollard.

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

**Some hon. members:** Agreed.

[English]

**Mr. Dale Johnston:** Mr. Speaker, Conservative members here tonight will vote no on this motion.

[Translation]

**Mr. Michel Guimond:** Mr. Speaker, the members of the Bloc Québécois will vote no on this motion.

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

[English]

**Mr. John Herron:** Mr. Speaker, I will be voting in favour of the motion.

**Mr. John Bryden:** Mr. Speaker, yes.

**Mr. Dale Johnston:** Mr. Speaker, I notice that the member for Port Moody—Coquitlam—Port Coquitlam has left the House. He would be taken off that vote.

**Hon. Gerry Byrne:** Mr. Speaker, I wish to ensure that I am recorded as voting with the government on this motion.

**The Speaker:** All Liberal members have been indicated as voting yes on the motion unless they indicate otherwise. I do not think we need to go through a lot of points of order.

**Mr. John Bryden:** Mr. Speaker, I am unfamiliar with my new status in life and I think I confused the clerk. I have voted twice. I would like my vote to be recorded as no on this, as I voted the first time.

[*Translation*]

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

(*Division No. 13*)

YEAS

Members

Adams	Alecock
Allard	Anderson (Victoria)
Assad	Assadourian
Bagnell	Bakopanos
Barnes (London West)	Barrette
Bélanger	Bellemare
Bennett	Bertrand
Bevilacqua	Binet
Blaikie	Blondin-Andrew
Bonin	Bonwick
Boudria	Bradshaw
Brisson	Brown
Bulte	Byrne
Caccia	Calder
Cannis	Carroll
Castonguay	Catterall
Cauchon	Chamberlain
Charbonneau	Coderre
Collenette	Comartin
Comuzzi	Cotler
Cullen	Cuzner
Davies	Desjarlais
DeVillers	Discepola
Drouin	Duplain
Easter	Efford
Eggleton	Eyking
Farrah	Fontana
Frulla	Galloway
Godfrey	Godin
Goodale	Graham
Guarnieri	Harvard
Harvey	Herron
Hubbard	Ianno
Jackson	Jennings
Jobin	Jordan
Karygiannis	Keyes
Kilger (Stormont—Dundas—Charlottenburgh)	Kilgour (Edmonton Southeast)
Knutson	Kraft Sloan
Lancôt	Lastewka
LeBlanc	Lee
Leung	Lill
Lincoln	Longfield
MacAulay	Macklin
Malhi	Marcel
Marleau	Martin (LaSalle—Émard)
Martin (Winnipeg Centre)	Masse
Matthews	McCallum
McCormick	McDonough
McGuire	McKay (Scarborough East)
McLellan	McTeague
Mills (Toronto—Danforth)	Minna
Mitchell	Murphy
Myers	Neville
Normand	Nystrom
O'Brien (London—Fanshawe)	O'Reilly
Owen	Pacetti
Pagtakhan	Paradis
Patry	Peric

Peterson  
Phinney  
Pratt  
Proulx  
Reed (Halton)  
Robillard  
Saada  
Scherrer  
Sgro  
Simard  
St. Denis  
Stewart  
Telegdi  
Tonks  
Ur  
Vanclief  
Wappel  
Whelan  
Wood— 153

*Government Orders*

Pettigrew  
Pickard (Chatham—Kent Essex)  
Price  
Redman  
Regan  
Robinson  
Savoy  
Scott  
Shepherd  
St-Jacques  
Steckle  
Stoffer  
Thibault (Saint-Lambert)  
Torsney  
Valeri  
Volpe  
Wasylycia-Leis  
Wilfert

NAYS

Members

Bachand (Saint-Jean)  
Barnes (Gander—Grand Falls)  
Bigras  
Bourgeois  
Bryden  
Cadman  
Casey  
Cummins  
Desrochers  
Duceppe  
Fitzpatrick  
Gagnon (Québec)  
Gallant  
Gauthier  
Guay  
Hanger  
Hill (MacLeod)  
Hilstrom  
Jaffer  
Keddy (South Shore)  
Lalonde  
Lunn (Saanich—Gulf Islands)  
MacKay (Pictou—Antigonish—Guysborough)  
Mayfield  
Ménard  
Mills (Red Deer)  
Pallister  
Perron  
Plamondon  
Reid (Lanark—Carleton)  
Rocheleau  
Sauvageau  
Skelton  
Sorenson  
Thompson (New Brunswick Southwest)  
Vellacott  
White (Langley—Abbotsford)  
Williams— 76

PAIRED

Members

Beaumier  
Crête  
Fry  
Girard-Bujold  
Provenzano  
St-Hilaire  
Copps  
Fournier  
Gagnon (Lac-Saint-Jean—Saguenay)  
Karetak-Lindell  
Speller  
Tremblay— 12

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

*Government Orders**[English]***CONTRAVENTIONS ACT**

The House resumed from February 23 consideration of Bill C-10, an act to amend the Contraventions Act and the Controlled Drugs and Substances Act, as reported (with amendment) from the committee, and of the motions in Group No. 1.

**The Speaker:** The House will now proceed to the taking of the deferred recorded division on Motion No. 1 at report stage of Bill C-10.

The question is on Motion No. 1.

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

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

**Some hon. members:** Agreed.

**Mr. Dale Johnston:** Mr. Speaker, members of the Conservative Party who voted on the last motion will vote in favour of the motion.

*[Translation]*

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

• (1810)

*[English]*

**Mr. Yvon Godin:** Mr. Speaker, members of the NDP will be voting yes to this motion.

**Mr. John Herron:** Mr. Speaker, I will be voting in favour.

**Mr. John Bryden:** Mr. Speaker, yes.

**Hon. Walt Lastewka:** Mr. Speaker, I would like to be recorded as voting against.

**Hon. Brenda Chamberlain:** Mr. Speaker, I would like to be recorded as voting against.

**Hon. Dan McTeague:** Mr. Speaker, I am going to be voting against this motion.

**Ms. Beth Phinney:** Mr. Speaker, I will be voting against this motion.

**Mr. Tom Wappel:** Mr. Speaker, I vote no.

**Mr. Bob Wood:** Mr. Speaker, no.

**Mr. Sarkis Assadourian:** Mr. Speaker, I will be voting no on this motion.

*[Translation]*

**Mr. Robert Bertrand:** Mr. Speaker, I will be voting against this motion.

*[English]*

**Mr. Raymond Bonin:** Mr. Speaker, I wish to be recorded as voting no.

**Mr. Murray Calder:** Mr. Speaker, I will also vote no.

**Mr. Larry McCormick:** Mr. Speaker, I vote no.

**Mr. Pat O'Brien:** Mr. Speaker, I vote no on this motion.

**Mr. John O'Reilly:** Mr. Speaker, I vote no.

**Mr. Janko Perić:** Mr. Speaker, I am voting against this motion.

**Mr. Paul Steckle:** Mr. Speaker, I also am voting against this motion.

**Mrs. Rose-Marie Ur:** Mr. Speaker, I wish to be recorded as voting no.

**Mr. Roy Cullen:** Mr. Speaker, I am voting against this motion.

**Ms. Sophia Leung:** Mr. Speaker, I vote against this motion.

**Mrs. Judi Longfield:** I will be voting no, Mr. Speaker.

**Mr. Bill Matthews:** I will be voting no, Mr. Speaker.

**Mr. Bryon Wilfert:** Mr. Speaker, I will be voting no.

**Mr. Alan Tonks:** Please record me as opposed, Mr. Speaker.

*[Translation]*

(The House divided on Motion No. 1, which was agreed to on the following division:)

*(Division No. 14)***YEAS**

## Members

Adams	Alcock
Allard	Anderson (Victoria)
Assad	Asselin
Bachand (Saint-Jean)	Bagnell
Bailey	Bakopanos
Barnes (London West)	Barnes (Gander—Grand Falls)
Barrette	Bélanger
Bellemare	Bennett
Bergeron	Bevilacqua
Bigras	Binet
Blaikie	Blondin-Andrew
Bonwick	Borotsik
Boudria	Bourgeois
Bradshaw	Breitkreuz
Brisson	Brown
Bryden	Bulte
Burton	Byrne
Caccia	Cadman
Cannis	Cardin
Carroll	Casey
Casson	Castonguay
Catterall	Cauchon
Charbonneau	Coderre
Collenette	Comartin
Comuzzi	Cotler
Cummins	Cuzner
Dalphond-Guiral	Davies
Desjarlais	Desrochers
DeVillers	Discepolo
Doyle	Drouin
Duceppe	Duncan
Duplain	Easter
Efford	Eggleton
Eyking	Farrah
Fitzpatrick	Fontana
Forseth	Frulla
Gagnon (Québec)	Gagnon (Champlain)
Gallant	Galloway
Gaudet	Gauthier
Godfrey	Godin
Goodale	Graham
Grey	Guamieri
Guay	Guimond
Hanger	Harvard
Harvey	Hearn
Herron	Hill (MacLeod)
Hill (Prince George—Peace River)	Hilstrom
Hinton	Hubbard

*Government Orders*

Ianno  
 Jaffer  
 Jobin  
 Jordan  
 Keddy (South Shore)  
 Kilger (Stormont—Dundas—Charlottenburgh)  
 Knutson  
 Laframboise  
 Lanctôt  
 Lee  
 Lincoln  
 Lunn (Saanich—Gulf Islands)  
 MacAulay  
 Macklin  
 Marceau  
 Marleau  
 Martin (Winnipeg Centre)  
 Mayfield  
 McDonough  
 McKay (Scarborough East)  
 McNally  
 Merrifield  
 Mills (Toronto—Danforth)  
 Mitchell  
 Myers  
 Normand  
 Obhrai  
 Pacetti  
 Pallister  
 Paradis  
 Perron  
 Pettigrew  
 Pickard (Chatham—Kent Essex)  
 Pratt  
 Proulx  
 Redman  
 Regan  
 Ritz  
 Robinson  
 Roy  
 Sauvageau  
 Schellenberger  
 Scott  
 Shepherd  
 Skelton  
 Sorenson  
 St. Denis  
 Stoffer  
 Telegdi  
 Thompson (New Brunswick Southwest)  
 Torsney  
 Vanclief  
 Volpe  
 Wayne  
 White (Langley—Abbotsford)  
 Williams — 207

Jackson  
 Jennings  
 Johnston  
 Karygiannis  
 Keys  
 Kilgour (Edmonton Southeast)  
 Kraft Sloan  
 Lalonde  
 LeBlanc  
 Lill  
 Loubier  
 Lunney (Nanaimo—Alberni)  
 MacKay (Pictou—Antigonish—Guysborough)  
 Malhi  
 Marcil  
 Martin (LaSalle—Émard)  
 Masse  
 McCallum  
 McGuire  
 McLellan  
 Ménard  
 Mills (Red Deer)  
 Minna  
 Murphy  
 Neville  
 Nystrom  
 Owen  
 Pagtakhan  
 Paquette  
 Patry  
 Peterson  
 Picard (Drummond)  
 Plamondon  
 Price  
 Rajotte  
 Reed (Halton)  
 Reid (Lanark—Carleton)  
 Robillard  
 Rocheleau  
 Saada  
 Savoy  
 Scherrer  
 Sgro  
 Simard  
 Solberg  
 St-Jacques  
 Stewart  
 Strahl  
 Thibeault (Saint-Lambert)  
 Toews  
 Valeri  
 Vellacott  
 Wasylcia-Leis  
 Whelan  
 White (North Vancouver)

**NAYS**

Members

Assadourian  
 Bonin  
 Chamberlain  
 Lastewka  
 Longfield  
 McCormick  
 O'Brien (London—Fanshawe)  
 Peric  
 Steckle  
 Ur  
 Wilfert

Bertrand  
 Calder  
 Cullen  
 Leung  
 Matthews  
 McTeague  
 O'Reilly  
 Phinney  
 Tonks  
 Wappel  
 Wood — 22

**PAIRED**

Members

Beaumier  
 Crête  
 Fry  
 Girard-Bujold  
 Provenzano  
 St-Hilaire

Copps  
 Fournier  
 Gagnon (Lac-Saint-Jean—Saguenay)  
 Karetak-Lindell  
 Speller  
 Tremblay — 12

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

[English]

**Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.)** moved that the bill be concurred in at the report stage and read a second time.

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

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

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

*And more than five members having risen:*

● (1820)

*After the taking of the vote:*

**The Speaker:** I am advised that the hon. member for Lac-Saint-Louis may have voted twice, yea and nay. Could he clarify for the House which way he is voting on this matter please?

**Mr. Clifford Lincoln:** Mr. Speaker, I vote yea.

● (1825)

[Translation]

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

(Division No. 15)

**YEAS**

Members

Adams  
 Allard  
 Assad  
 Bachand (Saint-Jean)  
 Bakopanos  
 Barrette  
 Bellemare  
 Bergeron  
 Bigras  
 Blondin-Andrew  
 Boudria  
 Bradshaw  
 Brown  
 Bulte  
 Caccia  
 Carroll  
 Catterall  
 Charbonneau  
 Collenette  
 Cotler  
 Dalphond-Guiral  
 DeVillers  
 Drouin  
 Duplain  
 Efford  
 Farrah  
 Frulla  
 Gagnon (Champlain)

Alecock  
 Anderson (Victoria)  
 Asselin  
 Bagnell  
 Barnes (London West)  
 Bélanger  
 Bennett  
 Bevilacqua  
 Binet  
 Bonwick  
 Bourgeois  
 Brison  
 Bryden  
 Byrne  
 Cardin  
 Castonguay  
 Cauchon  
 Coderre  
 Comuzzi  
 Cuzner  
 Desrochers  
 Discepolo  
 Duceppe  
 Easter  
 Eyking  
 Fontana  
 Gagnon (Québec)  
 Galloway

*Government Orders*

Gaudet	Gauthier
Godfrey	Goodale
Graham	Guarnieri
Guay	Guimond
Harvard	Harvey
Ianno	Jackson
Jennings	Jobin
Jordan	Karygiannis
Keyes	Kilger (Stormont—Dundas—Charlottenburgh)
Kilgour (Edmonton Southeast)	Knutson
Kraft Sloan	Laframboise
Lalonde	Lancôt
LeBlanc	Lee
Lincoln	Loubier
MacAulay	Macklin
Malhi	Marceau
Marcil	Marleau
Martin (LaSalle—Émard)	McCallum
McGuire	McKay (Scarborough East)
McLellan	Ménard
Mills (Toronto—Danforth)	Minna
Mitchell	Murphy
Myers	Neville
Normand	Owen
Pacetti	Pagtakhan
Paquette	Paradis
Patry	Perron
Peterson	Pettigrew
Picard (Drummond)	Pickard (Chatham—Kent Essex)
Plamondon	Pratt
Price	Proulx
Redman	Reed (Halton)
Regan	Robillard
Rocheleau	Roy
Saada	Sauvageau
Savoy	Scherrer
Scott	Sgro
Shepherd	Simard
St-Jacques	St. Denis
Stewart	Telegdi
Thibault (Saint-Lambert)	Torsney
Valeri	Vanclief
Volpe	Whelan— 142

**NAYS**

## Members

Assadourian	Bailey
Barnes (Gander—Grand Falls)	Bertrand
Blaikie	Bonin
Breitkreuz	Burton
Cadman	Calder
Cannis	Casey
Casson	Chamberlain
Comartin	Cullen
Cummins	Davies
Desjarlais	Doyle
Duncan	Fitzpatrick
Forseth	Gallant
Godin	Grey
Hanger	Hearn
Herron	Hill (Macleod)
Hill (Prince George—Peace River)	Hilstrom
Hinton	Hubbard
Jaffer	Johnston
Keddy (South Shore)	Leung
Lill	Longfield
Lunn (Saachich—Gulf Islands)	Lunney (Nanaimo—Alberni)
MacKay (Pictou—Antigonish—Guysborough)	Martin (Winnipeg Centre)
Masse	Mathews
Mayfield	McCormick
McDonough	McNally
McTeague	Merrifield
Mills (Red Deer)	Nystrom
O'Brien (London—Fanshawe)	O'Reilly
Obhrai	Pallister
Peric	Phinney
Rajotte	Reid (Lanark—Carleton)
Ritz	Robinson
Schellenberger	Skelton
Solberg	Sorenson
Steckle	Stoffer
Strahl	Thompson (New Brunswick Southwest)

Toews	Tonks
Ur	Vellacott
Wappel	Wasylcyia-Leis
Wayne	White (Langley—Abbotsford)
White (North Vancouver)	Wilfert
Williams	Wood— 84

**PAIRED**

## Members

Beaumier	Copps
Crête	Fournier
Fry	Gagnon (Lac-Saint-Jean—Saguenay)
Girard-Bujold	Karetak-Lindell
Provenzano	Speller
St-Hilaire	Tremblay— 12

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

\* \* \*

[*English*]

**CRIMINAL CODE**

The House resumed from February 23 consideration of Bill C-12, an act to amend the Criminal Code (protection of children and other vulnerable persons) and the Canada Evidence Act, as reported from the committee, and of Motion No. 2.

**The Speaker:** The House will now proceed to the taking of the deferred recorded divisions on the motions at report stage of Bill C-12. The question is on Motion No. 2.

[*Translation*]

**Hon. Mauril Bélanger:** Mr. Speaker, I believe you will find there is unanimous consent that members who voted on the previous motion be recorded as voting on the motion now before the House, with Liberal members voting no, except those Liberal members who wish to vote otherwise.

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

**Some hon. members:** Agreed.

[*English*]

**Mr. Dale Johnston:** Mr. Speaker, Conservative members here in the House tonight will vote in the affirmative.

[*Translation*]

**Mr. Michel Guimond:** Mr. Speaker, the members of the Bloc Québécois will vote against this motion.

**Mr. Yvon Godin:** Mr. Speaker, the members of the NDP will vote yes on this motion.

[*English*]

**Mr. John Herron:** Mr. Speaker, I will be voting against the motion.

**Ms. Sarmite Bulte:** Mr. Speaker, I would like to have my vote recorded in favour.

**Hon. Art Eggleton:** Mr. Speaker, I am voting with the government on this, so I am voting in favour of concurrence, but against the motion.

(The House divided on Motion No. 2, which was negated on the following division:)

*(Division No. 16)*

## YEAS

## Members

Bailey	Barnes (Gander—Grand Falls)
Blaikie	Breitkreuz
Bulte	Burton
Cadman	Casey
Casson	Comartin
Cummins	Davies
Desjarlais	Doyle
Duncan	Fitzpatrick
Forseth	Gallant
Godin	Grey
Hanger	Hearn
Hill (Macleod)	Hill (Prince George—Peace River)
Hilstrom	Hinton
Jaffer	Johnston
Keddy (South Shore)	Lill
Lunn (Saanich—Gulf Islands)	Lunney (Nanaimo—Alberni)
MacKay (Pictou—Antigonish—Guysborough)	Martin (Winnipeg Centre)
Masse	Mayfield
McDonough	McNally
Merrifield	Mills (Red Deer)
Nystrom	Obhrai
Pallister	Rajotte
Reid (Lanark—Carleton)	Ritz
Robinson	Schellenberger
Skelton	Solberg
Sorenson	Stoffer
Strahl	Thompson (New Brunswick Southwest)
Toews	Vellacott
Wasylycia-Leis	Wayne
White (Langley—Abbotsford)	White (North Vancouver)
Williams — 61	

## NAYS

## Members

Adams	Alcock
Allard	Anderson (Victoria)
Assad	Assadourian
Asselin	Bachand (Saint-Jean)
Bagnell	Bakopanos
Barnes (London West)	Barrette
Bélanger	Bellemare
Bennett	Bergeron
Bertrand	Bevilacqua
Bigras	Binet
Blondin-Andrew	Bonin
Bonwick	Boudria
Bourgeois	Bradshaw
Brison	Brown
Byrne	Caccia
Calder	Cannis
Cardin	Carroll
Castonguay	Catterall
Cauchon	Chamberlain
Charbonneau	Coderre
Collette	Comuzzi
Cotler	Cullen
Cuzner	Dalphond-Guiral
Desrochers	DeVillers
Discepola	Drouin
Duceppe	Duplain
Easter	Efford
Eggleton	Eyking
Farah	Fontana
Frulla	Gagnon (Québec)
Gagnon (Champlain)	Galloway
Gaudet	Gauthier
Godfrey	Goodale
Graham	Guarnieri
Guay	Guimond
Harvard	Harvey
Herron	Hubbard
Ianno	Jackson
Jennings	Jobin
Jordan	Karygiannis
Keyes	Kilger (Stormont—Dundas—Charlottenburgh)
Kilgour (Edmonton Southeast)	Knutson

*Government Orders*

Kraft Sloan	Laframboise
Lalonde	Lancôt
LeBlanc	Lee
Leung	Lincoln
Longfield	Loubier
MacAulay	Macklin
Malhi	Marceau
Marcil	Marleau
Martin (LaSalle—Émard)	Matthews
McCallum	McCormick
McGuire	McKay (Scarborough East)
McLellan	McTeague
Ménard	Mills (Toronto—Danforth)
Minna	Mitchell
Murphy	Myers
Neville	Normand
O'Brien (London—Fanshawe)	O'Reilly
Owen	Pacetti
Pagtakhan	Paquette
Paradis	Patry
Peric	Perron
Peterson	Pettigrew
Phinney	Picard (Drummond)
Pickard (Chatham—Kent Essex)	Plamondon
Pratt	Price
Proulx	Redman
Reed (Halton)	Regan
Robillard	Rocheleau
Roy	Saada
Sauvageau	Savoy
Scherrer	Scott
Sgro	Shepherd
Simard	St-Jacques
St. Denis	Steckle
Stewart	Telegdi
Thibeault (Saint-Lambert)	Tonks
Torsney	Ur
Valeri	Vanclief
Volpe	Wappel
Whelan	Wilfert
Wood — 165	

## PAIRED

## Members

Beaumier	Copps
Crête	Fournier
Fry	Gagnon (Lac-Saint-Jean—Saguenay)
Girard-Bujold	Karetak-Lindell
Provenzano	Speller
St-Hilaire	Tremblay — 12

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

**Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.)** moved that the bill be concurred in.

**The Speaker:** The question is on the motion.

[*Translation*]

**Hon. Mauril Bélanger:** Mr. Speaker, I believe you will find there is unanimous consent that members who voted on the previous motion be recorded as voting on the motion now before the House, with Liberal members voting yes, except those Liberal members who wish to be recorded as voting otherwise.

[*English*]

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

**Some hon. members:** Agreed.

**Mr. Dale Johnston:** Mr. Speaker, members who voted on the last motion will be voting no on the motion, with the exception of the member for St. Albert who is not here.

*Government Orders*

● (1830)

[Translation]

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

[English]

**Mr. Yvon Godin:** Mr. Speaker, members of the NDP are voting no to the motion.

**Mr. John Herron:** Mr. Speaker, I will be supporting the motion on concurrence.

**Mr. John Bryden:** Mr. Speaker, I am voting no to the motion.

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

*(Division No. 17)*

## YEAS

## Members

Adams	Alcock
Allard	Anderson (Victoria)
Assad	Assadourian
Asselin	Bachand (Saint-Jean)
Bagnell	Bakopanos
Barnes (London West)	Barrette
Bélanger	Bellemare
Bennett	Bergeron
Bertrand	Bevilacqua
Bigras	Binet
Blondin-Andrew	Bonin
Bonwick	Boudria
Bourgeois	Bradshaw
Brisson	Brown
Bulte	Byrne
Caccia	Calder
Cannis	Cardin
Carroll	Castonguay
Catterall	Cauchon
Chamberlain	Charbonneau
Coderre	Collenette
Comuzzi	Cotler
Cullen	Cuzner
Dalphond-Guiral	Desrochers
DeVillers	Discepola
Drouin	Duceppe
Duplain	Easter
Efford	Eggleton
Eyking	Farrah
Fontana	Frulla
Gagnon (Québec)	Gagnon (Champlain)
Galloway	Gaudet
Gauthier	Godfrey
Goodale	Graham
Guarnieri	Guay
Guimond	Harvard
Harvey	Herron
Hubbard	Ianno
Jackson	Jennings
Jobin	Jordan
Karygiannis	Keys
Kilger (Stormont—Dundas—Charlottenburgh)	Kilgour (Edmonton Southeast)
Knutson	Kraft Sloan
Laframboise	Lalonde
Lanciot	LeBlanc
Lee	Leung
Lincoln	Longfield
Loubier	MacAulay
Macklin	Malhi
Marceau	Marcil
Marleau	Martin (LaSalle—Émard)
Matthews	McCallum
McCormick	McGuire
McKay (Scarborough East)	McLellan
McTeague	Ménard
Mills (Toronto—Danforth)	Minna
Mitchell	Murphy

Myers	Neville
Normand	O'Brien (London—Fanshawe)
O'Reilly	Owen
Pacetti	Pagtakhan
Paquette	Paradis
Patry	Peric
Perron	Peterson
Pettigrew	Phinney
Picard (Drummond)	Pickard (Chatham—Kent Essex)
Plamondon	Pratt
Price	Proulx
Redman	Reed (Halton)
Regan	Robillard
Rocheleau	Roy
Saada	Sauvageau
Savoy	Scherrer
Scott	Sgro
Shepherd	Simard
St-Jacques	St. Denis
Steckle	Stewart
Telegdi	Thibeault (Saint-Lambert)
Tonks	Torsney
Ur	Valeri
Vanclief	Volpe
Wappel	Whelan
Wilfert	Wood — 166

## NAYS

## Members

Bailey	Barnes (Gander—Grand Falls)
Blaikie	Breitkreuz
Bryden	Burton
Cadman	Casey
Casson	Comartin
Cummins	Davies
Desjarlais	Doyle
Duncan	Fitzpatrick
Forseth	Gallant
Godin	Grey
Hanger	Hearn
Hill (Macleod)	Hill (Prince George—Peace River)
Hilstrom	Hinton
Jaffer	Johnston
Keddy (South Shore)	Lill
Lunn (Saanich—Gulf Islands)	Lunney (Nanaimo—Alberni)
MacKay (Pictou—Antigonish—Guysborough)	Martin (Winnipeg Centre)
Masse	Mayfield
McDonough	McNally
Merrifield	Mills (Red Deer)
Nystrom	Obhrai
Pallister	Rajotte
Reid (Lanark—Carleton)	Ritz
Robinson	Schellenberger
Skelton	Solberg
Sorenson	Stoffer
Strahl	Thompson (New Brunswick Southwest)
Toews	Vellacott
Wasylycia-Leis	Wayne
White (Langley—Abbotsford)	White (North Vancouver) — 60

## PAIRED

## Members

Beaumier	Copps
Crête	Fournier
Fry	Gagnon (Lac-Saint-Jean—Saguenay)
Girard-Bujold	Karetak-Lindell
Provenzano	Speller
St-Hilaire	Tremblay — 12

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

It being 6:32 p.m. the House will now proceed to the consideration of private members' business as listed on today's Order Paper.

## PRIVATE MEMBERS' BUSINESS

[English]

### OPEN GOVERNMENT ACT

**Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Ind.)** moved that Bill C-462, an act to amend the Access to Information Act and to make amendments to other acts, be read the second time and referred to a committee.

He said: Mr. Speaker, I rise this evening to speak to Bill C-462, an act to amend the Access to Information Act.

This legislation has a very long history. In fact, exactly 10 years ago, plus 15 days, I sent a letter to the then justice minister in which I proposed to him that the government undertake to re-examine the Access to Information Act with the eye in mind of making certain substantial reforms.

By that time, it had been evident to anyone who used the Access to Information Act or had any encounter with it whatsoever that the act which was by then 10 years old had many flaws. It was good legislation for its day, but needed to be repaired.

The justice minister of the day replied, and I can actually read his letter to the House. He said:

I recognize the need to consider reform in this key area...It will likely be autumn before we can do so, and I will speak to you again about it as we prepare a strategic approach.

That was 10 years ago.

What time lost, what opportunity lost. We now have a government that is engaged in a situation, and some would call it a scandal, involving the sponsorship of various organizations using government funds. That scandal, as revealed by the Auditor General, has involved crown corporations. This very day we are to understand that the government is prepared to discipline members of some of the crown corporations mentioned in the Auditor General's report.

Had the government moved on access to information reform 10 years ago and done what was so obvious to everyone, and that was to include all crown agencies under the Access to Information Act, it would have been impossible for this situation to have occurred, where it is perceived that officials of crown corporations have acted improperly in the handling of certain financial files. Transparency is always the answer and always has been the answer.

I suggest that had the government moved 10 years ago, this problem would never have emerged. I would suggest that the government with this bill, which includes all crown agencies under the Access to Information Act, should move with this legislation forthwith.

Let me give members a sense of what is the problem. Right now, under the current Access to Information Act, out of 246 crown agencies and corporations, only 49 are covered by the Access to Information Act. Only 49 crown agencies are required to keep a regime of transparency, such that the ordinary Canadian citizen at any time can look at the operational documents to ensure and satisfy themselves that a particular government agency is conducting itself with prudence and probity.

### *Private Members' Business*

Why not have all agencies under the Access to Information Act? Why have, for example, the Atlantic Pilotage Authority under the Access to Information Act or the Bank of Canada and not Canada Post and VIA Rail?

So it is, with literally hundreds and hundreds of crown agencies and corporations and other bodies that are not under the Access to Information Act. The Canadian public knows there is no justifiable reason for not bringing them under the Access to Information. I proposed that 10 years ago and I repeated that proposal in legislation and private member's motions before the House, and still it has been rejected.

Bill C-462 that is now before the House does much more than simply address the question of whether crown corporations and other government agencies should be under the Access to Information Act. It does something that is really elementary. As its first amendment, it changes the name of the Access to Information Act to the open government act. The idea is very simple.

● (1835)

The legislation states:

The purpose of this Act is to extend the present laws of Canada to provide a right of access to information in records under the control of a government institution because it is the Government of Canada's obligation to release information that will assist Canadians in assessing the Government's management of the country and in monitoring the Government's compliance with the Canadian Charter of Rights and Freedoms.

If the government is committed to open government, then it should be prepared to pass legislation that makes it the fundamental mandate of the government to be open and transparent.

There are other amendments that are very important to reforming the Access to Information Act. It addresses a problem that caused a scandal in the past involving the government. It brings ministers and their exempt political staff under the Access to Information Act. That amendment was put in this legislation by myself to answer the problem that occurred a couple of years ago pertaining to the expense accounts of ministers and their political staffs.

This legislation would bring the access to information and privacy commissioners under the Access to Information Act which, as the House knows, is one of the reasons why we had the Radwanski scandal. Mr. Radwanski was able to submit expense accounts that he signed himself. By bringing the Office of the Privacy Commissioner under the act, the likes of Mr. Radwanski would no longer be able to do such a thing.

There are other very important amendments that I would have thought the government would be quick to support. One of them is to bring cabinet confidences under the act. Presently, the deliberations in cabinet are excluded from the act. That means that it is possible to never know what occurred in cabinet. There is a 20 year rule in which some things are disclosed, but there is nothing in legislation that ensures that the cabinet confidences are covered by the Access to Information Act because right now they are outside the act entirely.

*Private Members' Business*

There are other amendments that extend secrecy to areas in which we need secrecy. Two of those vital areas deal with protecting information pertaining to ecological and archaeological sites. The reason for that is to prevent individuals from discovering that the government has access to plans and reports involving archaeological sites that could have treasures in them that could be sold on the open marketplace, or ecological sites where property owners might wish to destroy the animals in order to ensure that they can sell the land as they see fit. Those instances would be protected under the legislation.

Also, and very pertinent to this day and age, post September 11, is the provision to protect information pertaining to critical infrastructure. We must do that because right now we have no means in law to ensure that terrorists cannot get pertinent information about facilities that could become the target of an attack.

Ultimately, the issue today is the whole question of the transparency of crown corporations. The bill has gone through many vicissitudes. It was a private member's bill in 1999 and the government voted it down. Then a task force on access to information reform was struck in the year 2000. It was a task force that was sponsored by the justice department and Treasury Board. That task force reported and many of the amendments in my bill reflect the amendments proposed by that task force.

The legislation itself is very sophisticated, I like to say, because both former and present access to information and privacy commissioners were involved in making recommendations to it.

Finally, it is certainly true that there is resistance to this type of legislation. It is quasi-constitutional. It always gives a sense of unease to those organizations that have operated for a very long time without transparency and are reluctant to come under a new regime in which they have to be conscious that the public is looking in constantly on what they do.

●(1840)

I talked to a number of crown corporations and various individuals. You will recall, Mr. Speaker, that I set up a committee of backbench MPs, an ad hoc committee, to review the Treasury Board's task force on access to information reform. It was a committee that did not have standing, but we met and we invited witnesses. One of those persons I sent a letter to, asking them to appear before the committee and react to the proposals to bring crown corporations under the Access to Information Act, was none other than the president and chief executive officer of Canada Post.

He replied to my letter saying:

Dear Mr. Bryden:

I am writing in reply to your letter of March 21, 2002, regarding your request that an official of Canada Post appear before your Committee studying the Access to Information Act.

I am pleased to accept your offer to appear before your Committee. I have reviewed my schedule, and I would be available sometime near the end of May and the beginning of June.

Thank you for writing, and I look forward to meeting with you shortly.

Yours sincerely,

André Ouellet.

What happened in fact was that the message went out from government ordering that bureaucrats and officials not appear before

my committee because my committee was not a committee of standing. I think there was some fear that it would set an unwanted precedent if officials testified before a committee that was composed of backbench MPs trying to get to the truth of an issue. So Mr. Ouellet never appeared before our ad hoc committee on access to information reform.

It is a pity because had the government got behind the initiative that was its own initiative with its review of the Access to Information Act that reported in 2002, we would have this reform, this transparency, and this accountability in government operations that the public cries out for and the government talks about.

I wish to point out that in the wake of the sponsorship scandal, the government is proposing to again review the Access to Information Act, again using Treasury Board, and again with the prospect in mind that crown corporations should come under the Access to Information Act.

I suggest that no new review needs to be done. It is established. I think the consensus out there among professionals and the ordinary citizen, among MPs, is overwhelming. All crown agencies and organizations that spend a substantial amount of taxpayer money should come under the Access to Information Act.

I would dearly hope that this piece of legislation, which has been worked on by so many backbench MPs, would get the support not only of the opposition side of the House, which I know it has, not only of the government backbench, which I know it has, but also of the government itself.

●(1845)

[*Translation*]

**Mr. Claude Bachand (Saint-Jean, BQ):** Mr. Speaker, allow me first to praise the work of my colleague. I had the pleasure of working with him for more than a year. I think he did a wonderful job.

He raised many points in his speech that we touched on. There was one in particular that I would like him to expand on a little more. I did not hear him talk about it, I may have missed it, but it concerns the cost of access to information. We are always told that for the federal government, the cost of access to information is exorbitant.

People who have access to information tell us all the time that they often have to go through incredible hoops to get to see a document that, sometimes, is completely censored. I have seen documents with full pages blocked out making it completely impossible to see the content of the document. One could barely follow the thread.

I would like my colleague to address an important argument. Cost should not be an impediment to the truth today. Moreover, this sort of extreme censorship should not continue to exist in new legislation, which, we hope, could deal with access to information.

*Private Members' Business*

[English]

**Mr. John Bryden:** Mr. Speaker, I think the Treasury Board-Justice Department task force itself determined that the cost of administering the Access to Information Act for any government department or crown agency is quite reasonable. It is more than reasonable in the context of the management efficiencies that always accrue when there is a reasonable amount of public transparency.

One of the problems right now is that the Auditor General or internal audit is the only control ensuring that management within government, where agencies are under the Financial Administration Act, is operating in the proper fashion. That is a spot process. It comes in casually.

However, if access to information were to apply to all organizations that are subject only to audit—and there are a great many of them, Mr. Speaker, just so you understand, that instead of being under the Access to Information Act are only occasionally audited—the management efficiencies would more than pay for the cost of actually implementing the Access to Information Act.

As for the passages blanked out that my colleague referred to, he is quite right. The Access to Information Act is so desperately in need of reform, after passage in 1982, that there is all kind of information that is deleted that should not be deleted. For instance, information that may have been received from the United States as American historical documents is blanked out in Canadian documents. There is information that is 40, 50, 60, 70, and 80 years old and completely useless to anyone in terms of national security or sensitivity and is blanked out.

That is one thing that Bill C-462 would do, in addition to bringing crown corporations and other agencies under the act. What it would do is clean up a lot of these idiocies of the old act where information is protected for no fathomable reason. The Access to Information Act was a good act when it came in, but it is an old piece of legislation and it needs cleaning up.

• (1850)

**Mr. Chuck Strahl (Fraser Valley, CPC):** Mr. Speaker, the hon. member has an encyclopedic knowledge of this subject and I thank him for his remarks.

I would like to ask him a question, but not on the Access to Information Act. From what we have seen lately in the House, the scandal that is kind of gripping the House, should we also have another piece of legislation called the information management act?

Mr. Reid made a proposal and it is basically another act that Parliament should be seized with which would make it illegal to destroy documents that are the property of the Government of Canada. They would then be archived and accessed through the Access to Information Act by all Canadians.

We need one more pillar. We have the Privacy Act to protect people and the Access to Information Act to give us access to information. We need one more thing, which is to preserve the information itself and ensure that all Canadians have access to it.

**Mr. John Bryden:** Yes, Mr. Speaker, the archives act does need to be upgraded for the reasons that the member mentioned. However, he might like to know that the current act provides a penalty of two

years in jail for people who deliberately try to circumvent the content of the act. I would suggest that anyone who fails to keep documents or destroys documents is breaking the existing law and that should come out in the sponsorship inquiry that is underway right now.

**Mr. Grant McNally (Dewdney—Alouette, CPC):** Mr. Speaker, it is a pleasure to speak to Bill C-462 and I commend my colleague from Ancaster—Dundas—Flamborough—Aldershot for it. I had the great opportunity to sit on this ad hoc committee that he and many others have referred to. That was an enjoyable experience.

It was a committee struck at the initiative of the member. He put out a call to backbenchers from all parties. The committee did not have standing as a parliamentary committee, but it operated very much like a parliamentary committee and came up with a very good report. The committee was very non-partisan, as members can imagine, and was on top of all of our regular parliamentary duties.

Many of the proposals that came from the committee's report are included in my colleague's private member's bill and I want to commend him for that. I want to commend him in particular for including the overriding notion that releasing more information, rather than concealing information, is the way to go. If a government wants to elicit support from people and claims to be transparent but does not put mechanisms into place to allow transparency, then those really are hollow words. Bill C-462 goes a long way toward putting in place specific mechanisms that would allow greater access to information.

Something that came up during committee testimony was the idea that if government were ahead of the curve it would be more open to releasing information, and if it were more open in releasing information, then there would not be such a need for reform to the Access to Information Act.

At the same time, a government that chooses to be more open and chooses to release more information, rather than to manage it in such a way that it is like pulling teeth to get any information, would be seen as a positive by people. There would be more transparency and more availability of information. This would be a good thing not only for the government but for all Canadians.

Bill C-462, my colleague's bill, goes a long way toward improving the current act. The member is to be commended for his hard work. He is known in this place as an independent minded member, one who knows his information very well. He is a knowledgeable member of the House. We commend him for that. As chair of the ad hoc committee, he was fair and open and he really wanted to get to the bottom of concrete changes to improve access to information for all Canadians, to improve the way that we do business here in the capital and in the country, to provide information to Canadians.

One of the important pieces of his bill is the inclusion of crown corporations and, in fact, many institutions that receive government funding. This is something that we in the Reform Party, the Canadian Alliance and now the Conservative Party have been saying for a long time. We need more openness and more transparency. If taxpayers are paying the bill, they should have the ability to see where their dollars are going.

*Private Members' Business*

That is where the bill leads us and that is a good thing, particularly given the climate that my colleague from Fraser Valley just mentioned, with the questionable spending and the missing \$100 million in the sponsorship scandal and the fact that five crown corporations have been involved in this current debacle.

If we had this legislation in place, we would have the ability to get that information right away and it could be done without going to a special commission or a special committee. There would be more accountability. We would be able to see where the dollars went—

**An hon. member:** And the documents.

**Mr. Grant McNally:** Exactly, Mr. Speaker. My colleague says that we would be able to see the documents and the dollars. Right now, who knows what happens? As my colleague from the Bloc alluded to, we get a piece of paper that is blanked out, with one or two words on it. All that does is leave more doubt in people's minds as to where the government is going and what it is trying to hide.

• (1855)

If a government wants to stand on the claim that it is open, that it wants to improve a perceived democratic deficit, that it wants to enlist the trust of Canadians, then these are the kinds of changes needed, and not just in word. They must be followed up on by deed, by implementing these kinds of ideas and putting them into place.

As my colleague from Fraser Valley also mentioned, an information management system would be another good, third pillar to the Privacy Act and the Access to Information Act. Also good would be putting in place a structure to make sure that we have the documents. Sometimes around this place the shredders go faster than a speeding bullet. Who knows how fast they have been working lately?

My colleague's bill also looks at the idea of including cabinet confidences in the Access to Information Act. It is a novel idea and I am sure it is one that worries some people. At the same time, I refer back to the current situation with the scandal that is going on. The Prime Minister mentioned the other day in this place that he would be willing to unseal some cabinet memos related to the current misspending of the government. That would be more of a routine practice if this act were to be implemented.

My worry is that the good suggestions that are contained in this act are not going to be implemented, that they are not going to be listened to by the current government because of the culture that is there now, the culture of maintaining a cloak or a control of information in such a way that there is no openness. We can clearly see that in this place. Extracting information through access to information requests, or however that information may come to us, is a very hard and convoluted process much of the time. Why not put in place these kinds of reforms that are going to send a message to Canadians that this government cares about openness and transparency and that put in place the tools to do it in this place and across the country?

Those are the kinds of things that are going to reduce the cynicism of Canadians. They are not just going to see hollow words but structural changes, so that if they have a concern they will be able to get information about where their tax dollars went. As is said to people now, "I am sorry, we cannot find out where those dollars went

because that happened under a crown corporation or that happened under an agency of the government". That is just not acceptable. Canadians across this country work very, very hard and send their tax dollars here. When the government puts them into questionable use, as in this scandal we have seen through the crown corporations named just recently, that just shakes the confidence of all Canadians.

In many ways, this bill has been a bit of a foreshadowing. Really, it tells a tale of neglect within the current government. The member has alluded to this: that the current Access to Information Act has not had significant change to be modernized, to bring it up to where it should be. As a result, we find ourselves in a situation in this place in which the government is wearing the scandal and trying to get out from underneath it but in many ways cannot.

I will conclude my remarks by again congratulating my colleague for his hard work, particularly through his endeavours with the ad hoc committee, for his continued efforts with the bill even prior to that committee and now after the committee in staying with it and pursuing it, because he sees it as a way to increase people's trust in the government if we change the systems of government and reform them in such a way that there is more access to information, not less. It is a laudable goal. We should make these changes and we should put them into place as soon as we can.

• (1900)

[*Translation*]

**Mr. Claude Bachand (Saint-Jean, BQ):** Mr. Speaker, I am pleased to rise this evening to address Bill C-462 introduced by my colleague.

While I have the floor, I would like to thank the hon. member for Ancaster—Dundas—Flamborough—Aldershot once again for all his work. I was on this committee, along with the hon. member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques. We have worked on this for over a year. We also need to look at my colleague's intention.

A task force was set up by the Department of Justice and the Treasury Board, because the government was beginning to have a few twinges of conscience. Since 1982, there had been no changes to the act. When we look at the evolution of society and the current importance of transparency, it is important for people to know what the government is doing. We all thought it was important to get this act updated.

The government saw it coming, a little, and set up a task force that submitted a report. Following that report we waited—and we were still waiting. That was when my colleague decided to set up a committee of members, acting independently, representing various parties, to move the issue forward.

*Private Members' Business*

One thing remains, and that is the huge tradition of secrecy at the heart of this government. We have had more flagrant proof again today. It is as if there were a state of panic every time an access to information request is sent in to the government. They try to find out how they can block it or slow it down, give the least information possible, apply as much censorship as possible, so that the thread is lost and the citizen, the member of Parliament, or anyone at all in Canada cannot get all the information or gets incomplete information.

There was a huge amount of work done. This government's tradition of secrecy is so strong that at one moment, it panicked, when it saw that our work was serious and that we were making progress. When we asked senior officials to come and testify, the House leader at that time sent a letter to all civil servants forbidding them to appear before us. Of course, the reason they gave was that it did not meet House of Commons standards and was not a recognized committee. The government's true intention, however, was to prevent this committee from doing what it set out to do.

Nonetheless, we managed to move things forward. Today, we have clear proof that we were right. This government has a tradition of keeping secrets. There is no way of knowing anything. The questions always need to be raised in the House. This government will never take the lead and disclose all the details needed to clearly understand all of these issues.

There are certain things about the bill that we like. However, we have reservations about other things. If this bill goes to committee stage, we could make eventually propose amendments to it. We like the title, for example. It is no longer the Access to Information Act, it is the Open Government Act. That is precisely what we have been condemning during the past few weeks with the sponsorship scandal and during this government's mandate. I have been here since 1993, and we always have to dig deep. We always have to endlessly interrogate this government to find out anything at all.

This bill is no longer just about access to information, it is about government transparency. This is a very interesting shift.

Also, what is currently happening with the crown corporations would be covered by an open government act. So, if we request to have access to information about the board of a crown corporation, we could obtain answers and not be told, as is currently the case, that they are sorry but they are not covered under access to information legislation. There is a major problem. This legislation would give us access. We could find out what is going on. We could ask if contributions had been given to the Liberal Party, and the crown corporation would have to answer.

• (1905)

As for the issue of crown corporations, the culture of secrecy is still the same. It exists there too. Unfortunately, tough measures are always necessary to obtain information from crown corporations. I find this should be simplified a little more.

There is also the whole issue of accountability. When we ask ministers questions, they often answer, "It is a crown corporation". And they slip in the expression at arm's length from government. This issue of government accountability is at play too. I think that,

with this bill on crown corporations, we will know a lot more from now on.

The same is true for closed door cabinet meetings. It is understandable that sometimes we have to wait a long time to find out what really happened. Moreover, in time, after 20 or 25 years, we find out the cabinet secrets. As we speak, these are still secrets of the Trudeau cabinet.

It might be important to have more information on a more recent period. Not too many problems going far back in time. Our problems are related to the present or to recent history. A typical example occurred just this week or last week.

And in fact the Prime Minister said, "the government is quite prepared to have those cabinet documents pertinent to this matter released". Someone in opposition asked, "Can we also have the documents from the previous Cabinet, that of Mr. Chrétien?" To that, the Prime Minister replied, "I will have to ask his permission. I may not get it".

Thus, we see that this bill could eventually reward us with important things for the improved public knowledge and information.

They continue to protect certain things at any cost, as my colleague mentioned. In my opinion, with regard to the critical infrastructure program under the defence department, a file I am very familiar with, we should not be able to say, "Here is where you will find the weak point in the Pickering atomic plant". I understand that, and my colleague's bill has a provision for that. We worked for a year on this bill. We got it all together and then released it to the media.

As for ease of access to documents in federal institutions, it is the same thing. There are not only the crown corporations but also the agencies that receive two-thirds of their funding from the federal government. This would also enable us to get access to these institutions and get a little more information.

Access to polls and third party contracts is almost impossible to get today. When it is possible, we end up with a few pages that definitely will have been censored with correction fluid. It used to be done that way; now we see blanks. You start to read a sentence and, all of a sudden, there is a blank; you continue reading and happen upon another blank. What could be hidden under this correction fluid? We have an Access to Information Act, but the access provided is very limited.

All that to say that this is a good bill. Naturally, there are things we would like to see changed a little. Nonetheless, we will certainly support this bill. I feel we must acknowledge the work done by the committee and its spokesperson.

*Private Members' Business*

The time has come for the government to open its books a little more, to tell taxpayers, who pay for the government's entire infrastructure, where their money is going. Taxpayers should no longer be provided with censored documents. Things should be made easier for them. It should not be perceived as an obstacle. Someone requesting information under the Access to Information Act should not feel like they have to climb a mountain or pay a small fortune to get it.

Access to information should be easier for people, and that is what Bill C-462 promotes. That is why we will support it, but with the concerns raised at committee stage.

• (1910)

[English]

**Mr. Alan Tonks (York South—Weston, Lib.):** Mr. Speaker, I rise at this time to comment on private member's Bill C-462, an act to amend the Access to Information Act and to make amendments to other acts, introduced by the hon. member for Ancaster—Dundas—Flamborough—Aldershot.

We are most fortunate in Canada to have the Access to Information Act. In its only judgment so far on the act, the Supreme Court of Canada clearly stated that access to information legislation is an integral part of a democratic country. We can be proud that Canada was among the first countries to enact access to information legislation.

The Access to Information Act does not just allow people to get information from the government; it gives citizens a statutory right to avail themselves of certain government documents and governmental proceedings. Having a properly functioning Access to Information Act is, in my opinion, the most eloquent statement a country can make about its belief in government transparency.

While the act provides a right to access information, the act also provides certain exceptions to this right. Such exceptions to providing access to information held by a government institution are limited and specific, and the decision to withhold government information is reviewable independent of government by the office of the information commissioner and, in certain cases, by the judiciary.

The tragic events of September 11, 2001 have made us more aware of our vulnerability and the need for a careful balancing of public interests on the one hand when deciding to release government information. At the same time, on the other hand, the tragedy has also made us more aware than ever that democracy and openness are fundamental values of the society in which we all want to live.

Indeed, the Access to Information Act is not perfect and reform of the way the act is administered and reform of the act itself is probably needed.

A number of things have changed since the act came into force in 1983. The virtual revolution in information technology has changed the way Canadians gather and the way Canadians share information on how we communicate with each other. For a great number of Canadians, the computer is an essential tool of their work today, much as the telephone was more than 20 years ago. Many of our constituents use e-mail to correspond with each other and with us.

Our children and grandchildren are accustomed to researching essays on the Internet.

In a knowledge based society, information is a public resource and essential for collective learning. Government information is available through a variety of channels, including hard copy publications, brochures, videos, as well as through government websites.

Over this 21 year period of change, it is not surprising that the number of requests under the Access to Information Act has grown and so has their focus. More than 20,000 requests for government information have been received annually since fiscal year 2000-01, and the requests are now more focused, more detailed and more complex.

There have been four amendments to the act over the past 21 years but none of them constitute the comprehensive reform required to adequately respond to the current environment.

In 1992 the act was amended to ensure that individuals with sensory disabilities could receive requested documents in an alternate format. Later, in 1999, an amendment made it a criminal offence to intentionally obstruct the right to access information by destroying, altering, hiding or falsifying a record or directing anyone else to do so. I credit the hon. member for Brampton West—Mississauga for spearheading that legislative amendment.

A third amendment to the act in 2000 gave effect to the expression "aboriginal government" and included the Nisga'a government under that exemption provision.

Most recently, in December 2001, the act was amended by the Anti-terrorism Act to prohibit disclosure of information for the purpose of protecting national defence or national security.

Bill C-462 contains 37 sections and proposes a major overhaul of the Access to Information Act, including a name change. As well, Bill C-462 proposes to make consequential changes to a number of other statutes, principally the Privacy Act, the Library and Archives of Canada Act, the Parliament of Canada Act and the Canada Evidence Act.

• (1915)

My position, in the face of the bill's proposed amendments, is that there are certain concepts expressed in the Access to Information Act that should be handled with extreme care in the context of legislative reform.

The first concept relates to personal information. The residents of Canada are obliged to give the government all kinds of personal information about themselves. This is referred to as the collection of personal information.

The next important aspect of dealing with personal information is use. The government uses the personal information of Canadians in many ways. What I wish to focus on is disclosure.

*Private Members' Business*

Disclosure is probably one of the most controversial aspects of dealing with personal information. I think most people would agree with me that the government should take great care with its rules governing the disclosure of personal information. To do otherwise would shake Canadians' confidence in their government and make them unwilling to provide their personal information. For this reason I encourage the members of the House to give careful consideration to the appropriate circumstances under which the Access to Information Act should authorize the disclosure of personal information.

A second concept relates to information that our government receives in confidence from another government. Not surprisingly, when another government considers whether or not to share its confidential information with us, security of that information is paramount. I think it would be regrettably short-sighted of us not to be careful on this particular issue. We must strike the right balance between striving for increased government openness on the one hand and properly protecting confidential information on the other. If we do not do this, I am quite concerned that other governments will become increasingly reluctant to share their confidential information with us.

The third issue of importance is confidential commercial information. Businesses in Canada are obliged to give the government highly confidential commercial information and the Access to Information Act currently offers a good level of protection for this information. Businesses need to know that their competitors will not have access to their confidential information, and we must exercise caution when amending our current approach.

I would be remiss if I did not point out an interesting feature in the current bill, Bill C-462. It recommends considerably expanding the coverage of the act to include ministers and their exempt staff, parliamentary secretaries, parliamentary officers, crown corporations and their wholly owned subsidiaries, as well as incorporated not for profit organizations that receive at least two-thirds of their funding through federal government appropriations.

As the House is aware, on February 10 of this year the President of the Treasury Board, the hon. member for Winnipeg South, announced a general review of crown corporations with a specific examination of extending the Access to Information Act to all crown corporations. In light of this, the clause in Bill C-462 proposing to make all crown corporations subject to the Access to Information Act is deserving of consideration.

My final comment is of a general nature. We should bear in mind that there is more than one solution for dealing with legislation that may be less suitable now to the needs of Canadians. I am entirely in favour of improving government openness. At the same time I think we should remember that balance must be found between openness on the one hand and releasing people's personal information or business confidential information in an unreasonable or careless fashion on the other.

The government is supportive of the general direction of the bill but maintains that there are some significant concerns, as I have tried to outline, that must be addressed before proceeding further with this reform.

• (1920)

[*Translation*]

**Mr. Jean-Yves Roy (Matapédia—Matane, BQ):** Mr. Speaker, it is a pleasure to speak on Bill C-462 introduced by my colleague from Ancaster—Dundas—Flamborough—Aldershot. I think he was a journalist, if my memory serves me. I was too.

We have questions about the Access to Information Act, which under today's bill would become the Open Government Act. As a journalist, I have often tried in the past to obtain information under the existing legislation, and it was extremely complicated and difficult. One need only mention having been a journalist for the request to be denied.

I just listened to the speech given by my government colleague. He reminded us of the events of September 11. He said that, since September 11, we have realized how vulnerable we were and that the information provided was perhaps too specific; that perhaps we gave out too much information. Ultimately, that is what he is telling us.

This means that the government wants to maintain its bubble culture—not a glass bubble, unless it is an extremely dark glass bubble—to prevent people from having access to information. However, a government is a public institution. It is an institution funded and created by taxpayers and not the other way around.

This kind of culture seems to run counter to how things should normally work in a democracy. Normally, in a democracy, the citizens create a system and a government that is accountable to them.

As my colleague from Saint-Jean mentioned, certain aspects of national security, which in any case must be extremely well defined and clarified, can be excluded. There are also aspects relating to personal and corporate information. In the latter's case, this ensures that companies can avoid getting ripped off literally by their competitors. Otherwise, there is no valid reason for preventing people from having access to information that the government should provide.

I was reading the committee's report, which my colleague from Saint-Jean referred to. It should be noted that this is the final report, which was tabled in November 2001. Since then, despite the many problems identified with the Access to Information Act, the government has not budged.

I understand why my colleague introduced a bill that is as detailed as it is important. Earlier, he said that agencies, for one, did not have real access to information and that crown corporations, government agencies with increasing authority, were included in this bill.

*Private Members' Business*

I want to give an example from the past few years. This government has used taxpayers' money to create a number of foundations. Obviously, we do not know how these foundations are managing these funds. What will we get? There will be an annual report that only a few people, such as specialized accountants, will be able to understand. Previously, we were unable to obtain any information.

Consider the example of the Canada Millennium Scholarship Foundation. Obviously a number of foundations were created, including ones in health, and the government put hundreds of millions, even billions, of dollars into these foundations. Consequently, this government was not accountable. No one was truly able to obtain access to information about how the funds allocated to these foundations were being managed and spent, in other words, how the funds had been used.

Since September 11, 2001, there has been a kind of almost panic at this level. We are seeing a tendency to restrict all information, manage things in secret and inform the fewest possible people about what is really going on.

●(1925)

The bigger the government, the more difficult it is for the public to understand how it operates and to obtain information. The bigger the government, the more it should seek to be transparent so as to be accessible and provide the public with real information.

In the report, I also read that my Bloc Québécois colleagues, including the members for Saint-Jean and Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, had made recommendations with important components.

One of the recommendations was for anyone whose request for information had been denied to be provided more information about the reason why. In fact, these days, public servants make a lot of decisions about what people should be told and what not. It is very difficult to say who has the authority to decide what people should be told and what not when it concerns routine, normal and common information.

The documents we receive in response to access to information requests are literally impossible to read. All that remains are “ands” and commas or just about, as we have seen for ourselves. Such documents are very discouraging for individuals. They provide no information, so results have to be almost invented or guessed at. The meeting or gathering has been almost reconstructed in order to find out what happened and learn anything.

The other factor that seems important is requiring the federal institutions involved to be accountable to citizens. When we talk about being accountable, we mean knowing how many requests for access to information the government has received, how many of those it responded to and in what length of time and in what manner. This is very important. It is a type of quality control that is needed under the law. We need to verify whether the law has truly been enforced properly and whether the bureaucracy has truly responded to citizens.

Changes are proposed in the bill, specifically with respect to time frames. That is another thing. Time frames must be respected when there is a request for access to information. People should be able to

obtain a response within the time frame set out by law, not six months later. Sometimes people have to keep returning to the charge. It is extremely frustrating for someone to make such a request and almost never get a response.

Earlier my colleague also talked about opinion polls. We have seen this recently. A poll was bought 10 times, I think, at a cost of \$27,000 each time. If the Auditor General had not investigated we might never have known. We have just found out which departments purchased the polls.

How can these things happen? It happens because there is no transparency in the government. The culture in the federal government needs to change on this score. We need to get to the point where those who are elected and those who work within the bureaucracy understand that they are there to serve the public, not the reverse. When, in a democracy, people think that the public is there to serve them, then the democracy has a problem.

Since we heard our colleague speak about this earlier, I will close with a look at how the federal government uses the information provided to it. Every citizen has provided an enormous amount of information to governments at all levels—federal, provincial and municipal. In general, this information is shared with the senior levels. The registration of information about citizens begins at birth. September 11 was mentioned. Governments have given themselves more and more power to cross-check this information in order to get to know every citizen almost intimately, knowing almost everything about them, as soon as an individual is born.

●(1930)

This is extremely dangerous when a government has a non-transparent culture, because it may use this information for other purposes than those for which it was gathered. This was seen in the case of HRDC, when information was sent by the Canada Customs and Revenue Agency. Ordinary citizens were penalized as a result.

I will conclude by saying that the act must be amended. This is an excellent bill, despite the fact that it contains a few elements we disagree with. Nonetheless, I am pleased to have spoken on this bill.

[*English*]

**The Deputy Speaker:** 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.

**Mr. John Bryden:** Mr. Speaker, on a point of order, there seems to be consensus, as a matter of fact, unanimity, in the House that this is a piece of legislation that should go forward immediately. I would therefore like to move a motion to the effect that this go directly to committee now.

**The Deputy Speaker:** Does the hon. member for Ancaster—Dundas—Flamborough—Aldershot have the consent of the House to propose the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

*Adjournment Debate***ADJOURNMENT PROCEEDINGS**

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

[English]

## ATLANTIC CANADA OPPORTUNITIES AGENCY

**Mr. Greg Thompson (New Brunswick Southwest, CPC):** Mr. Speaker, last week I asked a question of the minister of ACOA in regard to past behaviour in his department by the former minister responsible for ACOA. I want to acknowledge that the minister himself is in the House tonight to respond to this, which is probably a first for the House of Commons. I am really pleased to see the minister here.

I do want to point out that the question which I directed to the present minister last week has nothing to do with his watch. We will watch the minister very carefully and if he messes up we will take him to task, but the question was directed at the former minister.

In fact the former minister is the member for Humber—St. Barbe—Baie Verte. I go back to some questionable funding that occurred on his watch as minister responsible for ACOA last year. It was so bad that I refer to it as being pork-barrelling. I think that word is parliamentary, Mr. Speaker. The minister at that time was using ACOA as his own personal treasury to support himself and his riding at the expense of other members of Parliament, including his Liberal colleagues.

This question arose in terms of his pork-barrelling, taking advantage and abusing his role as minister, because of complaints that came from Liberal members of Parliament. We entered into the debate as well, but I will just read one headline out of the *Halifax Daily News*. This goes back to last November. The headline reads, “MPs angry ACOA minister's riding gets bulk of Nfld. employment funds”.

I will quote one paragraph in that article which really sums up the argument I made the other day. I am demanding that the present minister conduct an audit of the past behaviour of the previous minister. In other words, I am asking the minister to do an internal review of ACOA to find out how a minister of the Crown could abuse an agency like ACOA and run roughshod over the board of directors to feather his own nest.

One paragraph of the article which appeared in the *Halifax Daily News* last November states:

Liberal and Conservative legislators from the province are furious that the minister responsible for the Atlantic Canada Opportunities Agency is doling out millions of dollars in federal employment funds and rural community works projects to his riding of Humber—St. Barbe—Baie Verte.

He did it to the point where 50% of all of the funding went to the former minister's riding. I know the new minister has been around this place a long time. He came here at the same time as you and I did, Mr. Speaker, in the class of '88. We are asking the new minister of ACOA to take a serious look at how this abuse of that agency could take place on the previous minister's watch.

In addition, I have requested that the Auditor General look at that same file and see whether or not she and her department can find out

how a minister of the Crown would be allowed to abuse an agency like ACOA.

● (1935)

**Hon. Joe McGuire (Minister of Atlantic Canada Opportunities Agency, Lib.):** Mr. Speaker, first and foremost, at the Atlantic Canada Opportunities Agency we strive to invest taxpayers' money with great care and due diligence. Our commitment to the funds allocated through the short term adjustment initiative was no different.

The projects submitted and evaluated under this program had to meet defined criteria to be considered, and the projects approved met those requirements.

That is why when the Auditor General was asked by the hon. member's colleague from Gander—Grand Falls to look at this initiative, she declined to do an audit.

As the hon. member for New Brunswick Southwest knows and has stated in the House, the short term adjustment initiative program for affected fishers and fish plant workers is not and has not been the subject of a special audit from the Auditor General. All ACOA programs, including this one, undergo an internal audit.

Results of this audit will be found on our website and the hon. member is welcome to join other Canadians in reviewing the results of any of our audits at his leisure.

This program is an example of communities working hard to create opportunities during a difficult time. The important numbers now speak for themselves. ACOA designed this program to address 1,200 short term opportunities. Instead, the initiative to date has created some 2,700 opportunities for employment, bringing jobs to families in need and bringing new investments to communities in need of hope.

They are communities such as the historic Labrador town of Red Bay, which is enhancing its tourist potential and developing a venue for small scale manufacturing enterprises thanks to this program.

The town of Channel-Port-aux-Basques will upgrade its railway heritage centre and the Bruce II Sports Complex thanks to this program.

The Banting Historical Trust in Musgrave Harbour honours the legacy and memory of Dr. Frederick Banting, who died with others in a plane crash there in 1941. This centre will build on its interpretation facilities of that event, along with the unique natural history of the area, thanks to this program.

The historic community of Moreton's Harbour will improve its town museum to better serve the growing number of visitors to Newfoundland and Labrador.

As anyone listening will hear, Newfoundland and Labrador's history is also playing an integral part in its future.

Through the short term adjustment initiative we are alleviating this economic setback while building a stronger tourism product for the province as a whole.

*Adjournment Debate*

Our goal with these and all ACOA programs is to meet the demands of our communities in Atlantic Canada. The greatest demand for this program came from northwestern Newfoundland, which had the largest share of communities impacted through the closure of the cod fishery.

The government does not design programs to meet financial targets; it designs them with people in mind. The government believes in helping those most in need and those affected by economic challenges.

This program was not in the end about dollars and cents. We did our due diligence and we followed our guidelines, but our real goal, one we achieved, was to bring opportunity where there was disappointment and hope where there was no hope.

**Mr. Greg Thompson:** Mr. Speaker, for the record, the Conservative Party and I support ACOA and the good work that ACOA has done.

Unfortunately, the actions of the previous minister tarnish that agency. In fact, an article ran in the *Montreal Gazette* at about the same time as the article that I quoted from the *Halifax Herald*. The article in the *Montreal Gazette* states, "Atlantic agency is a useless boondoggle".

That is what happens when ministers take advantage, overstep their authority and monopolize the funding for their own riding. It simply is not right.

We believe in funding and we believe in fair funding. We believe in funding for all the ridings in Newfoundland, not just one riding.

What we are asking for is a thorough public audit so we know. Let us not leave it just to the minister and the agency and pretend that everything is okay. We want to know how this type of behaviour on behalf of a minister is allowed to happen without any consequences.

● (1940)

**Hon. Joe McGuire:** Mr. Speaker, the hon. member is entitled to his opinion, but I do not think his opinion will stand up on a fact based analysis.

This program was created as a humane response to the end of a traditional fishery. We were acutely aware of the impact of the cod closure. We responded with a planned, meaningful program to bring development with long term benefits to communities in transition.

Let me close by saying that the Government of Canada takes its responsibilities seriously for all citizens. When communities such as those in Newfoundland and Labrador face challenging times, they know the Government of Canada will be there to support them, much as we have supported western farmers in the BSE crisis and much as we supported those who lost their homes in last summer's devastating fires in Kelowna.

We have a responsibility to help our citizens. That is what we did. It was the right thing to do and I know the hon. member agrees with this principle.

[*Translation*]

**The Deputy Speaker:** The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24.

(The House adjourned at 7:41 p.m.)

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