



CANADA

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OFFICIAL REPORT
(HANSARD)

Thursday, November 3, 2005

—

Speaker: The Honourable Peter Milliken

CONTENTS

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

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HOUSE OF COMMONS

Thursday, November 3, 2005

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1000)

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

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

* * *

• (1005)

[*English*]

INTERPARLIAMENTARY DELEGATIONS

Hon. Sarmite Bulte (Parliamentary Secretary to the Minister of Canadian Heritage and Minister responsible for Status of Women and Minister responsible for Industry (Women Entrepreneurs), Lib.): Mr. Speaker, pursuant to Standing Order 34, I have the honour to present to the House the report from the Canadian branch of the Commonwealth Parliamentary Association concerning the 51st Commonwealth parliamentary conference that was held in Nadi, Fiji, from September 1 to September 10.

Hon. Bryon Wilfert (Parliamentary Secretary to the Minister of the Environment, Lib.): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, the report of the Canadian delegation of the Canada-Japan interparliamentary group respecting its participation in the second General Assembly of Interparliamentarians for Social Service held in Seoul, Korea August 24 to 28, 2005.

I might say that at that conference I was re-elected international vice-president of the organization.

COMMITTEES OF THE HOUSE

CANADIAN HERITAGE

Ms. Marlene Catterall (Ottawa West—Nepean, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the 14th report of the Standing Committee on Canadian Heritage.

In accordance with order of reference on Thursday, March 24, your committee has considered Bill C-331, the Ukrainian Canadian Restitution Act, and agreed on Tuesday, November 1, to report it with amendments.

* * *

CANADIAN BALLAST WATER MANAGEMENT ACT

Mr. Peter Van Loan (York—Simcoe, CPC) moved for leave to introduce Bill C-434, An Act to provide for the management of ballast water in Canada.

He said: Mr. Speaker, the purpose of the bill is to put in place mandatory ballast water management controls and thereby provide real protection against aquatic invasive species that threaten the delicate ecosystems of our inland lakes and waterways.

The Conservative government of Brian Mulroney was a leader in introducing the very first guidelines. Unfortunately, the Liberal government has fallen behind and has failed to act for 12 years.

As time has passed, new invasive species, like the round gobi and the quagga mussel, have been introduced to Lake Simcoe's watershed threatening its environment. It is my hope that the pressure brought by this bill will embarrass the government to act, as it now can, to introduce mandatory regulations.

Our environment is too important to be sacrificed by an indecisive government afraid to offend big shipping interests. Now is the time for action to protect the environment and the delicate ecosystem balance of Lake Simcoe and the entire Great Lakes Basin. It is our obligation to our families, our communities and to the generations to come.

Routine Proceedings

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

* * *

●(1010)

BILL S-38

Hon. Dominic LeBlanc (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, discussions have taken place among the parties and I believe you would find unanimous consent that the House proceed with report stage and third reading of Bill S-38, the spirits trade bill, as the first government order this morning.

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

Some hon. members: Agreed.

* * *

PETITIONS

FOREIGN AFFAIRS

Ms. Marlene Catterall (Ottawa West—Nepean, Lib.): Mr. Speaker, I am pleased to present a petition from constituents in Kingston, Ontario who call upon Parliament to pay attention to the situation of two objectors to the American war in Iraq who have sought refuge in Canada.

They recall the actions of Canada in giving refuge to objectors to the Vietnam War and call upon the Canadian government and Parliament to demonstrate its commitment to international law and treaties, to which it is a signatory, by making provision for U.S. war objectors to have sanctuary in this country.

* * *

QUESTIONS ON THE ORDER PAPER

Hon. Dominic LeBlanc (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, the following questions will be answered today: Nos. 177, 178, 180, 182 and 199.

[Text]

Question No. 177—**Mr. Garry Breitkreuz:**

Since 1995, with regard to the Restricted Weapons Registration System, the Canadian Firearms Registry and the Canadian Firearms Information System: (a) how many successful firearms traces have been performed; (b) how many successful firearms traces linked crime scenes to the accused; and (c) how many of the registered owners of these firearms were charged for the crime committed with their firearm and/or for knowingly providing the firearm used in the crime?

Hon. Roy Cullen (Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, the reply is as follows:

a) The RCMP National Firearms Tracing Unit has processed the following number of tracing requests: (Does not include traces performed by the Provincial Weapons Enforcement Unit managed by the OPP in Ontario)

| | |
|------|-------|
| 1995 | 136 |
| 1996 | 118 |
| 1997 | 690 |
| 1998 | 1,200 |

| | |
|------|--|
| 1999 | 2,773 |
| 2000 | 33,860 (largely the result of a case involving large seizures in Montreal, Toronto and the U.S.A.) |
| 2001 | 3,574 |
| 2002 | 8,007 |
| 2003 | 7,002 |
| 2004 | 8,886 (off line searches on cold cases raised the number to 28,506) |
| 2005 | 1,924 (as of August 2005) |

The RCMP does not keep statistics on the outcome of a trace—it is up to the client if they wish to do so. The Firearms Tracing Unit is responsible only for tracing a firearm for clients (both RCMP and non-RCMP) within Canada, the United States and, where possible, internationally. Once the trace results are provided to the client, it is the client's responsibility to pursue the investigation and lay charges if applicable. Each individual client would have to search their own records management system to identify the success of investigations where a firearms trace had been provided by the Firearms Tracing Unit.

b) and c) The National Tracing Center is a support unit and is not directly involved in investigations. The Tracing Center does not track the success of ongoing investigations by the agency of jurisdiction. As indicated above, the National Firearms Tracing Unit does not have information related to these two questions

Question No. 178—**Mr. Garry Breitkreuz:**

With regard to the statement made by the Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness on June 16, 2005, that "since December 1, 1998, more than 13,500 individual firearm licences have been refused or revoked. The program is accessed over 2,000 times a day by front line police officers": (a) how many of the firearms licences were refused or revoked because the person had committed criminal offences, were placed under prohibition orders, restraining orders, bail conditions, and/or committed other violent acts that were reported to police; (b) how many firearms licences were refused or revoked because of the information provided by the applicant on the licence application; (c) how does the program track the addresses of these 13,500 now too-dangerous-to-own-firearms persons once their firearms licences have been refused or revoked; (d) how does the Minister know that the program is actually being accessed by "front line police officers"; (e) what specific types of information in the system are actually being accessed and accessed most often by police; and (f) how many times per day do the police actually get information from the system compared to not-in-the-system responses?

Hon. Roy Cullen (Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, the reply is as follows:

a) (i) Criminal offences and/or other violent acts are considered along with other public safety factors in evaluating the eligibility of an applicant for a firearms licence; however these are not specifically identified as the sole reason for refusal or revocation of a firearms licence.

Routine Proceedings

(ii) From 1998 to December 31, 2004, 5,893 licences were refused while 8,104 licences were revoked¹. Factors leading to a refusal (538) or revocation (2,518) of a firearms licence in 2004 included:

| Factor | Refusals | Revocations |
|-------------------------------------|----------|-------------|
| Prohibition/probation order | 37 % | 76 % |
| Violence | 25 % | 12 % |
| Mental health | 10 % | 12 % |
| Potential risk to others or to self | 24 % | 10 % |
| Domestic violence | 6 % | 8 % |
| Drug offences | 9 % | 7 % |
| Unsafe firearm use and storage | 7 % | 7 % |

Beginning in 2004, chief firearms officers, CFOs, can report in the Canadian Firearms Information System, CFIS, all of the factors that cause the refusal of an application or the revocation of a licence; for this reason, total percentages are greater than 100%. Prior to this date, CFOs only reported a single reason per decision.

b) The information provided by a licence applicant is one of several factors considered in evaluating the eligibility of an applicant for a firearms licence. Firearms licences are considered for revocation using current information from continuous eligibility checking along with information provided on the original application. In 2004, approximately 1% of refusals and 10% of revocations were due to the provision of false information¹.

c) The Canada Firearms Centre, CAFCC, does not track address information for individuals whose licence has been refused or revoked. In the event one of these individuals makes a new application for new firearms licence, the previous refusal or revocation will be considered in the application process. Individuals applying for a new firearms licence are "client-matched" in the CFIS using their name and date of birth, along with other historical data in the database, for example, photograph, reference information, eye colour, height.

d) Approximately 360 police agencies, representing 59,906² police officers, have access to the Canadian Firearms Registry Online, CFRO, through the Canadian Police Information Centre, CPIC. CPIC is a resource of National Police Services, which is administered by the RCMP. Police agencies, as well as a small number of investigative and enforcement branches of other federal and provincial departments query CFRO through CPIC. CFRO can only provide the total number of queries made by all agencies with access to it.

e) The following list contains the types of queries which may be performed in CFRO in the descending order of their frequency of use:

- Name
- Address
- Firearm serial number
- Licence number
- Certificate number

Telephone number

Owner

Firearm identification number, FIN

Corporate

f) Over the last quarter, an average of more than 5,000 queries have been made daily to CFRO. Each query generates a response and provides useful information that can be used by the police to assess public and officer safety risks or determine whether enforcement or other interventions are needed.

¹ 2004 Report of the Commissioner of Firearms, tabled in the House of Commons, July 20, 2005

² Statistics Canada table 254-0002, September 9, 2005

Question No. 180—**Mr. Loyola Hearn:**

SWith regard to the U.S. booster rocket that was launched over Newfoundland and Labrador in May of 2005: (a) when was the government notified that the rocket was to be launched; (b) what was the government's initial reaction to the notification of the launching of this rocket; (c) was there a request made by the government that the rocket not be launched and, if so, was the request an official request and was it oral or written; (d) was a Canadian environmental assessment performed before the launch of this rocket; (e) has a Canadian environmental assessment been performed since the launch of the rocket; (f) are there plans to do an environmental assessment; (g) what chemicals, if any, were deposited into the ocean as a result of the launching of this rocket; (h) was a clean-up of any chemicals performed as a result of the launching of this rocket and, if so, by whom and at what cost; (i) does the government have any scientific reports of the effects of the booster rocket chemicals on marine life; (j) is the government aware if the U.S. intends to launch future rockets over similar areas of our coastline and, if so, when will these rockets be launched; (k) has the booster been retrieved from the ocean floor; and (l) are there plans to retrieve the booster from the ocean floor and, if so, when and at what cost?

Hon. Roy Cullen (Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, the reply is as follows:

a) The Government of Canada was notified of the U.S. rocket launch on March 31st, 2005.

b) The government's initial reaction to the notification of the launch was to advise the emergency management organization, EMO, Province of Newfoundland/Labrador on March 31st, of the potential launch of April 11 as well as of the possible launch hazard area.

c) There was no request made by the government not to launch the rocket.

d) According to Environment Canada, no Canadian environmental assessment was performed. There are no requirements to perform an environmental assessment under the Canadian Environmental Assessment Act. A U.S. environmental assessment was completed involving the U.S. Air Force and NASA. While copies of the U.S. government environmental assessment, EA, were not available for security reasons, it was confirmed to PSEPC by the U.S. council of environmental quality that an EA was completed.

e) According to Environment Canada no Canadian environmental assessment has been performed since the launch of the rocket. There are no requirements to perform an environmental assessment post project.

Routine Proceedings

f) According to Environment Canada there are no plans to do an environmental assessment.

g) Environment Canada stated that in the case of the Titan rocket, there was a possibility that the residual fuel (Aerozine – 50) might be released into the surrounding marine environment. Although no Canadian environmental assessment was conducted, Environment Canada scientists were convened to evaluate and examine in detail the potential impacts of the release of the fuel, and possible release scenarios: the first being a complete breakup of the rocket booster on impact and the second in which the booster rocket would survive the impact of hitting the ocean surface, sink to the bottom and slowly leak its remaining fuel. In both of these scenarios, the fuel was expected to be short-lived in the ocean environment and to be rapidly dispersed due to evaporation and ocean currents. Environment Canada's experts concluded that long-term environmental impacts were very unlikely.

h) Based on the scenarios examined for potential release of the fuel into the marine environment, no chemical recovery is feasible.

i) Environment Canada is unaware of any scientific reports of the effects of the booster rocket chemicals on marine life.

j) The U.S. has several launches listed on the NASA public web site but the Government of Canada is not aware if the U.S. intends to launch future rockets over similar areas of our coastlines.

k) The booster has not been retrieved from the ocean floor.

l) There are no plans to retrieve the booster from the ocean floor.

Question No. 182—Mr. Scott Reid:

Since December 2003, how many removal orders have been issued by the Department of Citizenship and Immigration to detain and expel foreign citizens, providing: (a) the total number of removal orders issued in this period; and (b) the total number of removal orders issued in which the stated reason was that the individual is known to be a violent or sexual offender by his/her homeland authorities?

Hon. Roy Cullen (Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, the reply is as follows:

Since December 2003, the responsibility for the Immigration and Refugee Protection Act, IRPA, has been shared between the Canada Border Services Agency, CBSA, and Citizenship and Immigration Canada. Enforcement actions, such as the issuance of removal orders have become the sole responsibility of the CBSA.

a) From December 2003 to the end of September 2005, the CBSA has issued 49,650 removal orders. The majority of removal orders are issued to foreign nationals claiming asylum who lack the proper documentation to enter Canada when arriving at our borders.

b) From December 2003 to the end of September 2005, the CBSA issued 372 removal orders due to a criminal offence that if it had been committed in Canada, it would have been punishable by a maximum term of imprisonment of at least 10 years and would constitute serious criminality.

Question No. 199—Mr. Inky Mark:

With respect to the firearms registry: (a) how many Possession-Only Licences (POL's) have expired within the last 3 years; and (b) what follow up has been undertaken by the government for those who have not renewed their POL's?

Hon. Roy Cullen (Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, the reply is as follows:

a) The following is a breakdown of possession only licences, POLs, that have expired within the last three years for which there has been no renewal. The numbers shown are directly related to the increase in the number of POLs issued five years ago, which are now due for renewal.

| | |
|------------------------------|--------|
| September 2002 – August 2003 | 0 |
| September 2003 – August 2004 | 856 |
| September 2004 – August 2005 | 16 460 |
| Total | 17 316 |

b) The government undertakes a number of activities to help firearms owners stay in compliance with the Firearms Act. Specifically:

—Ninety days prior to the expiration date of a POL, the Canada Firearms Centre mails the client a firearm licence application form which is pre-populated with client information and a notice reminding them that their licence is due to expire.

—If no application has been received 30 days prior to the expiration of the licence, a second reminder notice is mailed to the client.

If the firearm owner does not renew his/her POL, the Canada Firearms Centre takes action to initiate the lawful disposal of the firearms. Specifically,

—The Canada Firearms Centre begins the process to revoke any firearm registration certificates associated with that licence.

—A notice of refusal / revocation is sent to clients via registered mail, informing them of the revocation of their registration certificates, their appeal rights and the acceptable options for disposal of the affected firearms, such as transfer, deactivation, export or surrender to a police agency.

—A copy of the revocation notice is sent to the respective Chief Firearms Officer and the local police agency to ensure awareness and coordination.

If records indicate that the client possesses any or all of, an authorization to carry, ATC, special authority to possess, SAP, or authorization to transport, ATT, a separate notification is sent to the Chief Firearms Officer as a reminder that these permits should also be revoked.

If within 30 days, the Canada Firearms Centre receives no appeal request from the client, has no indication of lawful disposition of the client's firearms, and all administrative measures have been exhausted, the matter is referred to the local police for their action.

*Government Orders**[English]*

Hon. Dominic LeBlanc: Madam Speaker, I ask that all remaining questions be allowed to stand.

The Acting Speaker (Hon. Jean Augustine): Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS*[English]***SPIRIT DRINKS TRADE ACT**

The House proceeded to the consideration of Bill S-38, An Act respecting the implementation of international trade commitments by Canada regarding spirit drinks of foreign countries, as reported, without amendment, from the committee.

Hon. Mauril Bélanger (for the Minister of Agriculture and Agri-Food and Minister of State for Federal Economic Development Initiative for Northern Ontario) moved that the bill be concurred in at report stage.

The Acting Speaker (Hon. Jean Augustine): The question is on the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to)

The Acting Speaker (Hon. Jean Augustine): When shall the bill be read the third time? By leave, now?

Some hon. members: Agreed.

Hon. Mauril Bélanger (for the Minister of Agriculture and Agri-Food and Minister of State for Federal Economic Development Initiative for Northern Ontario) moved that the bill be read the third time and passed.

Hon. Peter Adams (Parliamentary Secretary to the Minister of Human Resources and Skills Development and Minister responsible for Democratic Renewal, Lib.): Madam Speaker, I am very pleased to begin the debate this morning on Bill S-38, this initiative of the Standing Committee on Agriculture and Agri-Food. It is good to see something positive like this coming forward and to see the committee having being involved with it, particularly in these times when with respect to certain commodities across our border with the United States the negotiations have not been very successful, to say the least.

Also, it is something which is very positive at a time when all sectors of our economy are watching the WTO negotiations coming to a peak. These negotiations, which will culminate in Hong Kong at the beginning of December, represent all sectors of the community but particularly the agriculture community, which is represented in this small but very important step of negotiated settlements, the way things should be done. We should not constantly be faced with appeals and counter-appeals and so on.

As I have said, we have seen in recent weeks how adversarial trade negotiations can become, but this bill shows us just what can be done when people sit down, negotiate and accept that those negotiations are a win for both parties concerned.

Bill S-38 and the Canada-European Union agreements on wines and spirits, which it brings into force, are the product of close collaboration, not adversarial debate, on a number of different levels. One is the international level, which I have just been addressing. One is the federal-provincial level. By the way, so much in agriculture involves the federal government and the provinces and is different from one region of the country to another. Another is the government to industry level, in this case with the commodity group concerned. There is the parliamentary level, the standing committee which I just mentioned, and there is the interdepartmental level.

Many different jurisdictions have worked hard to bring this legislation forward for the benefit of the entire Canadian wines and spirits sector, from the processors to the producers to the thousands of Canadians employed in the sector, and indeed to consumers here in Canada and around the world who enjoy our world class wines and spirits. I must note here that although I will be mentioning the main wine producing areas of Canada, specifically British Columbia, Ontario and Quebec, we know that wine producing is a developing industry. Prince Edward County, for example, is a northward extension of the Niagara wine belt.

In my region, the Kawartha grape growers association is working with cold-resistant vines to extend our wine industry. The nature of this bill is important for those growers because it has to do with protecting geographic designations of wines and spirits. Thus, as the member for Peterborough, I am very pleased to be dealing with this bill.

In short, Bill S-38 is an example of very effective trade policy. It shows what is indeed possible when negotiations go well and when people put aside differences for the greater mutual gain.

The expedient manner in which members of the House have advanced this legislation is an example of what I am talking about. I would like to thank the members for the support that they have already given.

I was pleased to hear that a member from southwestern Ontario said at second reading that her party will support Bill S-38 because of the benefits it will bring to rural Canada. I have already spoken to that as a member for a rural area which is not yet a traditional wine growing area but which we hope one day will be.

She is right. It is going to bring benefits to rural Canada, where we need benefits at the present time. We know what the migration of people from rural areas to the cities is doing to the economies of many of our rural areas.

Likewise, I was happy to hear support for this same bill from a member from western Canada, from British Columbia, one of our great grape growing and wine producing areas.

●(1015)

As hon. members may know, there is some urgency dictating a timely passage of the bill because Canada has agreed to comply to the areas outlined in the bill by June 2006, but I sense that the will of this House is to move the bill forward for the benefit of the sector, for the benefit, as this member I have quoted said, of rural Canada and of all Canadians.

Government Orders

To understand Bill S-38, one has to put it in the context of the broader Canada-European Union agreement. The bill we have before us would allow Canada to implement an important obligation that we made in the bilateral agreement ratified by Canada and the European Union in 2003 after more than two years of negotiations.

This bilateral agreement is widely held to be a win for both Canada and the European Union. It covers a number of issues related to trade in wines and spirit drinks, including the protection of wine and spirit geographical indications. That is the aspect I referred to before. It also includes the mutual recognition of wine standards, including ice wine. We all know that Canada is not the only producer of ice wine but it certainly has been a pioneer in the area of ice wine and we all want to be sure that whatever is marketed in the name of ice wine is truly ice wine. As well, it includes the establishment of a dispute settlement process to resolve conflicts in the trade in wines and spirits.

For the Europeans, the agreement provides greater protection in Canada for their geographical indications, for wines such as Bordeaux and Moselle.

For the Canadian wines and spirits sectors, the gains under the Canada-European Union agreement are substantial. For example, the bilateral agreement allows the wineries of British Columbia and Ontario to continue to make direct sales from their wineries. It also allows Quebec to maintain its requirement that wine sold in grocery stores in that province be bottled in Quebec. It recognizes Canadian wine-making practices and labelling rules for the Vintners Quality Alliance, or VQA, the Canadian wine appellation system. It protects Canadian wine and spirit names in the European Union, notably Canadian whisky and rye whisky, both products in which I have a great personal interest, by the way.

The sector as a whole is very supportive both of the bilateral agreement and of Bill S-38, which would bring it into force. The Canadian industry has been consulted extensively during the development of this bill and is very happy with the results. The sector believes that this initiative, with a whole lot of upside potential and with little if any downside or negative impact domestically, is of great value to it.

The Canadian wines and spirits sectors are important to Canada's economy, with over \$400 million in annual wine sales and over \$1 billion in spirits sales. The wine industry believes that on the strength of this agreement it will be able to increase wine exports from about \$1.5 million annually to some \$5 million annually over the next 10 years.

We know that our remarkable agriculture industry as a whole, of which the great producers are only one part, is in essence an exporting business. More than 55% of the farm income of farmers across Canada comes from exports. Like the grape producers, they must export to maintain their quality of life and to maintain our quality of life. At the same time, we need a strong domestic agricultural industry in all sectors for our own security, so that we get good quality, healthy, low cost food to maintain our standard of living.

As well as bolstering export market opportunities internationally, here in Canada the agreement will help foster the growth of agri-

tourism throughout our wine growing regions from Atlantic Canada to British Columbia. I regret that I did not mention the Atlantic Canada region earlier in my remarks, because it too, like the other regions and including my own, is a region where wine is produced, although we tend to think of Quebec, Ontario and British Columbia as the main areas.

• (1020)

To speak briefly to the technical details, Bill S-38 would fulfill those remaining commitments on Canada's part that were not addressed before the bilateral agreement came into force last June. The bill would protect the names of five European spirit drinks in the Canadian market; names such as ouzo from Greece, grappa from Italy and pacharan from Spain. These names could not be protected under existing legislation such as the Trade-marks Act because that particular legislation is not designed to protect generic names. Nor does it provide state enforced protection, something that is required under this agreement.

To clarify some confusion that arose during second reading, Bill S-38 deals with only one element of the implementation of the broader bilateral agreement, the protection of foreign spirit drink names in Canada. As for wine and spirit geographical indications, such as a Bordeaux or Beaujolais, these will be protected under the Trade-marks Act, as are Canadian geographical indications such as Canadian whisky, Okanagan Valley, Niagara Peninsula and Lake Erie North Shore. As well, I hope one day Kawartha region wines will be protected.

The proposed act will also house existing trade obligations to protect other foreign spirit drink names. This includes Canada's obligations under NAFTA to protect certain Mexican and United States spirit drink names such as tequila and bourbon whisky. Members should also be aware that the bill was amended in the other place, it is of course Bill S-38, based on interventions from both Spirits Canada and International Trade Canada.

Spirits Canada has made it very clear to us that it is in full support of the bill in its current amended form.

I again thank all members for their support of this important legislation. As has been said on a number of occasions, the bill is a win for Canadian wine and spirit producers and the growers who supply them. It is a win for rural Canada and it is a win for Canadian consumers.

For all these reasons, I urge all sides of the House to continue to support timely passage, and that is of the essence, of Bill S-38 into law.

• (1025)

Mr. Gerald Keddy (South Shore—St. Margaret's, CPC): Madam Speaker, I rise in the House to speak in support of Bill S-38 today. Upon careful review, there are some glitches in the bill and more amendments will be needed. The gist and thrust of the bill are certainly something that the Conservative Party will support.

It is important to note that the bill would implement the final part of a bilateral agreement between Canada and the European community to provide wine and spirits with more certain trade rules and a framework for managing any future grievances in a cooperative manner.

Government Orders

It is also very important to note that the Conservative Party of Canada always has been in favour of rules based trading. This agreement is an example of that. It is meant to offer a simplified certification process for the export of Canadian wine and, more important, protection for Canadian and European wine and spirits geographical indicators.

Examples of Canadian designations that will benefit from these protections include the Okanagan Valley, the Niagara Peninsula, Canadian rye whiskey and grapes that are grown in the Annapolis Valley of great province of Nova Scotia. Most of the provisions of the agreement were implemented prior to the agreement coming into force in June of last year.

Bill S-38 would protect certain foreign spirit drink names by recognizing that these spirit drinks are exclusive products of the countries indicated in the schedule belonging to Bill S-38. Under the terms of the Canadian-European community agreement, the measures spelled out in Bill S-38 must be completed by June 2006.

Bill S-38 also would house existing trade obligations to protect other foreign spirit drink names, such as Canada's obligation under the North American Free Trade Agreement to protect certain Mexico and U.S. spirit drink names. The previous speaker already mentioned those names, tequila and bourbon whiskey. Provisions to protect these names are currently part of the food and drug regulations. However, it is important to note that Justice Canada has advised that these provisions are more than likely ultra vires the Food and Drugs Act. That means in layman's terms that they are beyond the power or authority of the Food and Drugs Act.

The bill would prohibit the use of certain spirit drink names other than in accordance with the schedule in the act. It also would provide for exceptions, including for existing trademarks which were registered or applied for before the January 1, 1996 date.

Bill S-38 would allow for cabinet to amend the schedule to allow for implementation of similar obligations in the future, international trade agreements. It also would imbue cabinet with regulation making authority to carry out provisions of the act. Of all the categories of the act, that is probably the most important. It would allow for cabinet, the government, to amend the schedule to allow for implementation of similar obligations in future international trade agreements. We have to give government the power to negotiate on behalf of Canadian industry. The bill would give the agriculture minister the power to designate inspectors and analysts for the purposes of enforcement of the act and spells out their powers and responsibilities.

Bill S-38 also includes provisions for offences and punishment. On summary conviction persons found guilty of contravening the act would be liable to a fine not exceeding \$50,000 and/or imprisonment not exceeding six months. These are fairly stiff penalties which should prevent anyone in contradiction of the act. On conviction or indictment persons guilty under this act would liable to a fine not exceeding a quarter of a million dollars and/or imprisonment not exceeding three years. Again, these are quite strict regulations and a serious detriment to anyone trying to break the regulations. This bill also stipulates that the act would come into force on June 1, 2006.

● (1030)

With respect to certain amendments, and as a matter of due diligence, the definitions section of the act fails to give an explicit definition of what a spirit drink is. This is a part of the act that we would want to look at further. For instance, the Excise Act defines a spirit as any material substance containing more than 0.5% absolute ethyl alcohol by volume other than: (a) beer; (b) wine; (c) vinegar; (d) denatured alcohol; (e) specially denatured alcohol; (f) an improved formulation; or (g) any product containing or manufactured from a material or substance referred to in paragraphs (b) and (f) that is not consumable as a beverage.

As the bill contains a provision to allow cabinet to expand the act's schedule to accommodate future international agreements, there might be a need, and I believe there is a need, to have an explicit and unambiguous definition of spirit drink to guide the interpretation of the act for its future possible expansion. At a minimum, there needs to be an explanation as to why the Excise Act gives such a definition, but the spirit drinks trade act fails to do so.

The provisions of this act with respect to foreign spirit drink names under NAFTA are being introduced in this act partially because Justice Canada has advised that Food and Drugs regulations, which currently have these provisions, are likely unenforceable. As a matter of legislative and regulatory housekeeping and as a possible amendment, there should be consideration given to a provision in Bill S-38 that repeals the relevant portions of the Food and Drugs regulations.

Again, once passed, this act comes into force on June 1, 2006 and the government has not explained what allowances, if any, would be made with respect to old or pre-existing non-compliant inventories after this date. Would spirit drink vendors who have pre-existing inventories be fully subject to the offence and punishment regime of Bill S-38? Would they have to destroy these inventories to avoid fines and possible imprisonment? Are there no known, non-conforming spirit drink products in the Canadian market right now? It is a very remote scenario, I admit, but it is a scenario that must be considered nonetheless.

All trade bills should bring more security to existing trade related jobs and create new employment opportunities. Our trade agenda must focus on diversifying both the products we sell abroad and the markets into which we sell those products. We need to secure access to international markets through a rules based trading system.

A Conservative government would certainly strive to maximize all the benefits we have as a free trading nation, emphasizing the need to establish trading relationships beyond North America.

There also are financial implications under the act. Any fines levied under the act would generate revenue for the federal Treasury. As well, the bill is silent on how many analysts and inspectors the Minister of Agriculture may designate for enforcement of the act, and on their levels of compensation.

Government Orders

Also policy considerations must be taken into consideration. According to the government, the agreement, which this legislation helps implement, will uphold existing provincial Liquor Board policies and facilitate access to the European Union market for Canadian wine and spirits. The government asserts that the agreement has the support of stakeholders, Canadian wine and spirit producers. The government also maintains that the legislation will have no negative impact on the Canadian spirits industry because the spirit drink names protected under the legislation are not currently used on Canadian spirit drink products.

In terms of long term economic impact, the legislation would prevent the emergence of new, non-compliant spirit drink products on the Canadian market. It must be stated that Canada's existing system of protection for geographical indicators will not be undermined by this act.

•(1035)

It is all well and good to take the government's word on the limitations and the parameters of this bill, but as members of Parliament we need to accurately and clearly check its parameters to ensure that it will do what the governments says it will do.

Parliament's focus should be on due diligence and housekeeping amendments to ensure that a spirit drink is defined in the bill. We should also consider a provision that would suspend the portions of the food and drug regulations that this bill would replace and which have been declared by the justice department *ultra vires* under the Food and Drugs Act.

With respect to the remote possibility of pre-existing, non-compliant inventories, we might want to inquire as to what the government's thinking is on this issue. I would be very interested to know that. I would also like to know what allowances the government would be prepared to make for vendors with these pre-existing inventories.

Conservatives are supportive of rules-based trading systems which would help secure international markets for products produced in Canada and would help ensure that Canadian consumers have access to high quality products produced in other countries. In general, we support the thrust of this bill and the agreement that it would help to implement.

For the purposes of due diligence and legislative housekeeping, we are prepared to consider amendments to this legislation to make it better. As such, we have a couple of ideas which I have already mentioned.

We want clear assurances from the government about its assumption that there are currently no instances of products in Canada that are non-compliant with this bill. We also want clear assurances from the government that vendors would not be unfairly penalized once this bill comes into existence.

Hon. Peter Adams (Parliamentary Secretary to the Minister of Human Resources and Skills Development and Minister responsible for Democratic Renewal, Lib.): Madam Speaker, my colleague's point about housekeeping changes was right on. This is the time to identify problems and deal with any problems associated with the bill. Time is of the essence, but on the other hand, we do not want to put something through which has errors in it.

In the spirit of that, no pun intended, I wonder if he would discuss the general definition of spirit drinks. If I can give him some thoughts, then perhaps he could give me some thoughts back.

After consideration of this matter, the feeling is that this legislation focuses on specific products. It does not focus on spirit drinks in general. We do not need a general definition in the legislation because it deals with specific ones. If a definition were put in the bill, it would not affect the protection of the specific ones because they are listed in the bill, but it might affect further negotiations or the names and other geographic indicators, which we might want in Canada. By putting a general definition in the bill, we affect the effectiveness of future negotiations.

Another point that has been made is that most of the stakeholders, the producers and processors, the people in the retail business, sufficiently understand for the purpose of this legislation the definition of a spirit drink.

Those are the arguments on the other side. I know my colleague was making the point that there might well be a general definition as well. For the sake of the record and the people who are following this debate, I wonder if he would give us his thoughts.

•(1040)

Mr. Gerald Keddy: Madam Speaker, the issue of general definitions is one that we should not take lightly. I do not think a general definition would affect any future definitions of possible new products going into new marketplaces. That would be the most important aspect of having a definition. We know the parameters of our products going into existing marketplaces, but we do not know the parameters of our products that would go into new marketplaces. I would want to fully explore that.

Pre-existing inventories or inventories that are not included under the bill after June 1, 2006 have been left out of the bill. We need to make arrangements, through this piece of legislation, to ensure that vendors who own pre-existing inventories after June 1, 2006 are not found in non-compliance of the act.

[*Translation*]

Mr. Réal Lapierre (Lévis—Bellechasse, BQ): Madam Speaker, I welcome this opportunity to speak on Bill S-38, an act respecting the implementation of international trade commitments by Canada regarding spirit drinks of foreign countries.

To ensure the flow of their respective products, countries have to enter into marketing arrangements. Several existing international agreements are designed to facilitate international trade. For example, the free trade agreements and the WTO imply that, like its partners, Canada has to meet its commitments and that, in return, it enjoys the privileges associated with its participation in the specific agreement.

One of these commitments is a commitment to promote the trading of wines and spirits among all the signatories, including the Caribbean and the European Community. These agreements do not affect in any way the need to protect individual terroirs. At the same time, they provide guidance to help consumers make knowledgeable decisions about certain types of products based on the relevant information made available to them about their origin and composition.

Government Orders

The Bloc Québécois acknowledges that Bill S-38 is consistent with Quebec's policy on the labelling and recognition of local products. It should be remembered that, in Quebec, transparency and consumer choice are integral elements of product marketing. Where the problem arises with this bill under consideration today, as with the others that preceded it, is that the Canadian government is tempted to sign these international agreements without first consulting Parliament. In acting this way, it is depriving itself of a key element, namely the opinion of the duly elected representatives of the people, the hon. members, who are here to facilitate and not to impede. It is depriving itself, and in so doing, the entire population of the most important democratic instrument at its disposal.

To illustrate, it would be appropriate to briefly review the legal scope of certain agreements reached between Canada and its partners.

According to the provisions of section 2, chapter 3 and chapter 8 of NAFTA, which concern trade of wines and distilled spirits, there are specific measures which determine listing, pricing and distribution practices, blending requirements, and labelling standards and requirements affecting various products. This is an approach which aims for equal treatment in the marketing of Canadian and American wines and spirits.

Under this agreement, the signatory countries are committed to respecting the protection of certain names, such as tequila, bourbon whiskey or Tennessee whiskey. With the introduction of such guidelines, consumers are in no danger of being disappointed with the product they buy, as its originality and quality are guaranteed when consumers make their choice.

The name "Caribbean rum", for example, derives precisely from the protection of that product under an agreement signed between Canada and the Caribbean countries in 1985. The reputation of this product stems precisely from the fact that consumers immediately know the taste they can expect and have no doubt as to what exactly the product is.

The impact of the 1985 agreement is felt in all the other southern countries. In the protection of their products' names they see a kind of aid to economic development.

● (1045)

The recognition of the distinctiveness of these products gives them the opportunity to distinguish themselves on foreign markets. This is a fine example of the positive effects of a unique and controlled trade name.

Similarly, the most recent of the accords between Canada and the European Community on trade in wines and spirits was designed to boost sales of their products while protecting certain trade names. This would apply to ouzo from Greece, Irish whisky, cognac brandy and armagnac brandy from France, Canadian rye whisky and Spanish pacharan.

In addition to this association between region and name, the agreement in question facilitates access to Europe for Canadian exports on the one hand, and on the other, internally, the use by wine producers of points of sale for exclusively Canadian products. Incidentally, the requirement for all wines sold in Quebec grocery stores to be bottled in Quebec is also protected by this agreement.

Although the Bloc Québécois considers Bill S-38 an improvement and a step toward better policies on the labelling and recognition of local products, it also feels that the government's initiative does not go far enough. Allow me to explain.

Not only is the geographic designation essential, product ingredients must be clearly and specifically identified for at least two reasons. First, consumers are entitled to know what they are consuming. Second, international consumers need a clear reference with regard to the quality of the product on the market. This is ultimately what creates a brand image, is it not?

For example, drinkers of bourbon whiskey know that it contains at least 51% corn and that it is made exclusively in the United States. What about Canadian whisky?

Rye whisky must contain at least 51% rye. However, Canada does not specify the percentage of rye in its product. Are we not—particularly foreign consumers—entitled to ask if this is indeed whisky being marketed?

Accordingly, we can say that an exclusive designation should necessarily specify the exact quantities of the ingredients in the product. Do these ingredients not attest to the product's quality and true nature? Rye whisky is then a Canadian whisky, but this label is merely a geographic reference. Without an indication of the percentage of rye in rye whisky, no assumptions about its quality can be made, and this is a disadvantage in terms of competition, particularly on the international market where it is supposedly less well known.

Apart from the lack of specific guidelines on quality standards for our wines and spirits, the Canadian government is failing to be transparent in the House by negotiating all kinds of international agreements or commitments without considering the informed opinions of the members. Is this not a tool that it could use to its advantage?

Would it not be normal for international agreements concluded in good faith among countries to be submitted to Parliament before being signed?

Without opposing the principle of the bill, the Bloc Québécois considers this failure to consult a serious breach of democratic principles and values.

● (1050)

Bill S-38 is one more step toward the recognition of the various local products by suggesting among other things a better labelling policy associating the name of the region where the product is produced.

Consumers are entitled to know what they are buying. They therefore need the tools to be able to do so, and to really assess the quality and composition of their wines and spirits. This is along the same lines as Quebec's demands year after year relating to GMOs, trans fats and dairy products, among others.

Government Orders

As far as genetically modified organisms are concerned, several studies have shown that Quebeckers and Canadians want GMOs clearly identified. On the other hand, the food processing industry refers to the threat of job losses if it is forced to spend more, as it claims it will be, on labelling.

Let us face it; food processors are not always guided by a concern for transparency. Think of all the recent studies on the harmful effects of trans fats on health. Yet we are still not in a position to know the trans fat content of the food we eat.

How can this be acceptable, when we know that the government has a mandate to protect the population? If some current legislation has shortcomings, does the government not have a duty to improve it, as it could have readily done with Bill S-38, An Act respecting the implementation of international trade commitments by Canada regarding spirit drinks of foreign countries. The Food and Drugs Act sets out labelling and advertising standards, but at the present time there is nothing to require processors and retailers to disclose the trans fat content in their products.

If, in the short and medium term, food companies both large and small are going to be required to identify products high in trans fats, we do not see how companies specializing in wines and spirits could not be subjected to an identical process starting immediately.

The same approach could easily, and advantageously, be applied in the near future to identifying all dairy-based products.

With the GMOs, trans fats and dairy products, we see a new trend developing: better consumer information on the composition of food products. This trend is also valid for wines, which are becoming more of a presence at our tables and social gatherings, and for spirits.

We have to recognize that people have become more concerned about what they eat, hence the interest and the need for greater clarity in product definitions.

The Food and Drugs Act could be used in argument against what I have said. It prohibits the false and misleading labelling, advertising and sale of food in terms of its qualities, composition, value, benefits and wholesomeness. That would lead us to think that, as Aldous Huxley the British naturalist put it, it is all for the best in the best of worlds.

But, careful. Only the guide to food and drug labelling and advertising can help us separate the true from the false.

• (1055)

Unfortunately, however, it is not enforceable, and so we are left in the dark, not really any further ahead. Is it a falsehood to omit the amount of rye in Canadian whisky? It could be considered misleading at least. We can certainly be criticized for it by any inhabitant of the vast world beyond our borders without it being a personal judgment on the value of the product.

A good example of the sea of contradictions we are navigating at the moment can be found in Canada's not integrating nationally the rules it has supported internationally on the terminology in the Codex Alimentarius with respect to dairy products.

As national and international communities are demanding greater precision in product labelling, especially in the case of food, why not

head in that direction post haste? No time must be wasted getting there, regardless of what the processors may think.

Would it not be smarter and more economical under the circumstances to proceed with legislation covering the whole field of responsible labelling, while looking for ways to make the life of the processors easier without putting them at risk?

Canada is lagging behind Europe in terms of labelling provisions. And yet, this is one of the biggest markets, especially when it comes to wines and spirits. Has it thought about the potential economic losses that could result from the lack of clarity and precision in its bill?

Canada wants to ratify the agreement, but it is not ready to get in step with the other nations it is dealing with. It keeps claiming to be a leader on the international stage.

Canada does ratify treaties. That said, it does nothing more than join the chorus and sing from the same songbook as the other nations, and in this case it seems to be singing off key.

The European Community made the effort to hold a meeting to define pizza and determine its ingredients in 2003 because the composition of food is important, as we know. Furthermore, a precise definition informs us on the nature and quality of a food item. This precision prevents misunderstandings about nutritional value and also prevents any fraud related to the actual products.

Where is the government singing off key, one might ask? It is off key in its laxity in not requiring content to be labelled.

In such an open global market, we cannot leave any doubt about the composition of our products, especially those sold abroad. On one hand, this helps inform the client on what we are selling, whether it is real whisky or real maple syrup. On the other hand, this helps reinforce the brand power of the product and to set it apart from other products on the shelves and enhance its reputation.

What is more, given Canada's visibility and recognition internationally, we must lead by example, especially in developing countries that are trying, and rightly so, to enter the market.

Considering the government's laxness with labelling standards, we maintain that there are still some grey areas in the Liberal governance, in a party that claims to be transparent.

Nevertheless, we support Bill S-38, which is a small step for Canadian legislation and for Quebeckers and Canadians. Who knows, it might be a big step in the eyes of the Liberals.

Government Orders

• (1100)

Mr. Peter Julian (Burnaby—New Westminster, NDP): Madam Speaker, I thank the hon. member for his very interesting comments.

He alluded to the government's lack of rigour. We are well aware that this government has lacked rigour regarding trade issues. That is also the case with Bill S-38. As for NAFTA, we saw the government's reaction or, rather, lack of reaction when President Bush and his administration made a mockery of our dispute settlement mechanism. This important NAFTA component was abused. Moreover, there was no reaction on the part of this government. We have been waiting for the past two months. One telephone call was made and that was it. There has been no action, just a lot of rhetoric.

The government is trying to avoid helping the softwood lumber industry. We had to go through this period because of the government's lack of reaction and rigour.

I have a question for the hon. member. The government has shown no initiative to support the softwood lumber industry. Moreover, it has done absolutely nothing to make the Bush administration respect NAFTA and the dispute settlement process that is clearly enunciated in that agreement. In light of all this, does the hon. member think that there is also a lack of rigour on the part of this Liberal government as regards the NAFTA issue?

• (1105)

Mr. Réal Lapierre: Madam Speaker, I want to thank the hon. member opposite for his question. I have to admit that his premises are a true reflection of the reality.

As we can see, when it comes to international trade, particularly when the United States is involved, if the rules are not completely defined, there is a risk of being disappointed. This is why we are saying that, in this bill, it might be appropriate to go beyond the product's geographical recognition. We should know all about the product, including its components, if only to eventually further control the quality of our products, and set even more specific benchmarks for international trade.

Ms. Diane Finley (Haldimand—Norfolk, CPC): Madam Speaker, I heard some very interesting points in the hon. member's speech. He has referred to bottle labeling. There is already pressure on behalf of clear labelling of the alcohol content of wines and spirits. The hon. member has called for more information on the label. I would like to ask him what else he wants on there?

Mr. Réal Lapierre: Madam Speaker, I thank the hon. member for her question. Quite simply, what I want is an indication of the ingredients required to produce spirit drinks, such as corn and rye. The percentage of these grains that make up constituent parts of a Canadian whisky, for example, would have to be specified, to ensure the rules were understood.

Even if there were a geographical identification, this would not necessarily validate the product as far as the intrinsic value of the component parts was concerned.

Mr. Robert Vincent (Shefford, BQ): Madam Speaker, in his speech, the hon. member said a few things that stand out regarding the international marketing and export of our Canadian wines to make them known internationally. That is a good idea. I believe that

we have excellent wines in Canada, and particularly in Quebec. We would be well advised to promote them internationally. It would therefore be desirable to move the bill forward. The Bloc Québécois would be in favour of that.

Reference was also made to labelling. It is important to know what we are drinking. Why could we not label wines and spirits like we do everything else?

In addition, my hon. colleague noted that the government had once again failed to consult the members of this House, to see whether or not we were in favour. We always come last. It would seem that the government has forgotten us. In fact, it is forgetting everyone.

Since I am getting the signal to wrap it up, I shall be brief.

Why not serve only Canadian wines, wines from every province of Canada, on Parliament Hill? These wines would be available here, on Parliament Hill. I think that would be a good idea. This wine list could include a "parliamentary" vintage like Cuvée des patriotes, in a "sneaky red" or a "pure as snow" white.

What does my hon. colleague think of that idea? Would it be desirable that only Canadian wines, domestic wines, be served on Parliament Hill?

• (1110)

Mr. Réal Lapierre: Madam Speaker, I thank my hon. colleague for his question.

Obviously, it would be hard to disagree with the principle. If we could advertise in every renowned location, we would. For instance, if our wine selection included wines from the three leading wine-producing provinces in Canada, that would be a plus. I can hardly imagine that it could be wrong; in fact, it would be desirable. We could make sure that every effort is made to promote our Canadian wines and spirits.

[*English*]

Mr. Gerald Keddy (South Shore—St. Margaret's, CPC): Madam Speaker, it is interesting that the hon. member began his speech talking about chapter 8 of NAFTA, which deals with wines and liquors but specifically with cataloguing, price setting and distribution. We have heard a little bit of discussion here about NAFTA but, by and large, I think the member would have to agree that the parameters of NAFTA have worked well for most products.

What we have seen more recently with the question about softwood lumber is the failure of government to negotiate with the Americans and the Mexicans on a one to one basis with some respect for both parties. This legislation does not really deal with that.

Would the member be supportive of an amendment to the legislation to deal with leftover inventories of liquor that vendors may have that would be pre-June 1, 2006? Would he agree with a general definition of spirits? Would he expect, as we would expect, that the provisions of the Food and Drugs Act that now deal with spirits would be revoked under this legislation, so we would only have one department dealing with it?

Government Orders

[Translation]

Mr. Réal Lapierre: Madam Speaker, I thank my dear colleague for his question.

I will talk about measures that should be used for products that could still be in storage and that may have been made before the bill is passed.

We will certainly need to agree on a measure in order to determine the best scenario for disposing of the products in question, if necessary, until they are completely gone from the shelves.

In any event, it is important to take the necessary measures for the future. In my opinion, the real purpose here is to ensure that beyond the recognition and quality of the products, the agreements we sign are fully respected.

• (1115)

[English]

The Acting Speaker (Hon. Jean Augustine): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Hon. Jean Augustine): The question is on the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

The Acting Speaker (Hon. Jean Augustine): I declare the motion carried.

(Motion agreed to, bill read the third time and passed)

* * *

[Translation]

AIR CANADA PUBLIC PARTICIPATION ACT

Hon. John Godfrey (for the Minister of Transport) moved that Bill C-47, An Act to amend the Air Canada Public Participation Act, be read the second time and referred to a committee.

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): Madam Speaker, I am honoured to speak today on behalf of the Minister of Transport and the government.

I am interested in this issue because, of course, I have been a member of the Standing Committee on Transport since my arrival in the House. I am also interested in it because many Air Canada employees live in my riding. There are easily three families, at least one member of whom works for this airline, in my little neighbourhood.

Obviously, Bill C-47 seeks to amend the Air Canada Public Participation Act. These amendments will update the legislation to respond to Air Canada's new corporate structure, and will contribute to the February 2, 2004, Speech from the Throne commitment to nurture Canada's linguistic duality.

The Government of Canada was reassured to see Air Canada successfully emerge from bankruptcy protection on September 30, 2004. Over a period of 18 months, Air Canada, with the dedication and cooperation of its unions, suppliers and other key stakeholders,

made significant progress in finding a private sector solution to restructure its operations and reduce the cost gap vis-à-vis low-cost carriers.

The Government of Canada recognizes that significant changes have taken place in the airline industry over the past few years. In view of changes in the marketplace, and in timely response to issues faced by Air Canada during its restructuring, the Government of Canada has moved ahead on many fronts to support both a successful Air Canada going forward, and a competitive Canadian air industry in a global market.

In the face of this new competitive environment, we have given serious consideration to the continued need for past measures.

Today, I wish to recall for the House the history behind the Air Canada Public Participation Act, and the continued relevance and importance of this legislation. Specifically, I will speak to the continued importance of the protection of official languages to the social fabric of Canada.

[English]

Second, I will recount the history of Air Canada, Canada's national airline, and its continued commitment to the provision of service to Canadians in both official languages.

Lastly, I will speak to specific aspects of the proposed bill before us.

The emblem of the Office of the Commissioner of Official Languages depicts Canada's linguistic duality as a fabric woven of many threads. Those of us who speak English and those of us who speak French, ourselves made up of many different elements, have joined together to weave a social fabric called Canada.

• (1120)

[Translation]

Canada's linguistic duality has been a defining feature of our nation since Confederation. In recognition of this shared national heritage, in 1969, the Government of Canada adopted the Official Languages Act, which provided formal mechanisms to ensure the protection of both English and French language rights, nationally.

Canada's commitment to the formal recognition of both English and French was reaffirmed in 1982, with the entrenchment of the right to linguistic equality in the Canadian Charter of Rights and Freedoms.

I would also note that, in recognition of the desire of consumers for service in the official language of their choice, Canadian air carriers are choosing to provide services to the public in both French and English.

As we know, Air Canada was established by Parliament in April 1937 as the national airline to provide essential air transportation, cargo and mail services across Canada. As a crown corporation, Air Canada has been subject to the Official Languages Act since that legislation came into effect in 1969.

Government Orders

●(1125)

In 1988, under the Conservative government of the Right Honourable Brian Mulroney, then Prime Minister of Canada, Air Canada was privatized under the authority of the Air Canada Public Participation Act, which authorized the sale of the Government of Canada's shareholdings in the air carrier.

At that time, the Conservative government imposed official language obligations on Air Canada through the Air Canada Public Participation Act in recognition of the importance of preserving language rights for the travelling public and Air Canada employees, and as a result of the carrier's history as a federal crown corporation.

Responding to Canadians in 2000, the Government of Canada amended the act when Air Canada acquired Canadian Airlines to include an obligation on Air Canada to ensure that its subsidiaries provided air services to the public in both official languages.

Today, due to Air Canada's restructuring and its new corporate structure as of October 1, 2004, without government action Canadians and Air Canada employees will face a situation where the Air Canada Public Participation Act applies to a reduced Air Canada in terms of both operations and number of employees.

While the Air Canada Public Participation Act continues to apply to Air Canada mainline, the principal air carrier, its obligations and those of the Official Languages Act no longer apply to the operations that have been moved out from under Air Canada and are now affiliates of Air Canada.

This includes Jazz Air Limited Partnership—the regional air carrier serving many designated francophone communities throughout Canada. Jazz was formerly a subsidiary of Air Canada, and, as such, Air Canada was obligated to ensure that Jazz provided service to the public in both official languages. Today, Jazz Air Limited Partnership is a limited partnership controlled by ACE Aviation Holdings Incorporated, the newly created parent company of Air Canada. Under this new corporate structure, Jazz has no official language obligations.

Furthermore, ACE Aviation Holdings Incorporated, the parent company that controls directly and indirectly all the entities within the new corporate structure of Air Canada, is not covered by language obligations or a requirement related to its head office location.

On several occasions, Air Canada has publicly stated that it is committed to providing service to the public in both official languages regardless of the law, as it is in its best interests to serve the public in the language of its choice. The Government of Canada acknowledges and applauds Air Canada's commitment to Canadians. Through this bill, the Government of Canada will ensure that Air Canada fulfills this commitment.

While Air Canada is the only air carrier in Canada subject to the Official Languages Act, I would like to point out that other Canadian air carriers recognize the importance of serving the public in both official languages. As other carriers recognize the business advantage of offering bilingual services, the cost differential between Air Canada and other Canadian air carriers for the provision of these services is diminishing.

[English]

Notwithstanding the fine example that Air Canada has and will continue to set in provision of service to Canadians in both official languages in the Canadian air industry, Air Canada has not provided the Government of Canada with the same assurance that it will continue to uphold the official obligations of language of work. It is also unclear whether the commitment by Air Canada is intended to cover entities in the new corporate structure other than Air Canada.

On October 5, 2004, in his address in reply to the Speech from the Throne, the Prime Minister stated that we as Canadians must be vigilant to prevent the erosion of our linguistic duality. The Government of Canada believes that monitoring and enforcement of Air Canada's commitment to official languages is necessary. Through this bill we are following through on the Prime Minister's commitment to Canadians of that vigilance.

On October 19, 2004, the Commissioner of Official Languages tabled her fifth annual report which recommended:

Transport Canada propose the adoption of the necessary legal amendments to preserve and protect the language rights of the public and Air Canada's employees, regardless of the modifications that are made to the structure and organization of the air transportation industry.

Through this bill Transport Canada is responding to that recommendation.

[Translation]

As hon. members may recall, the implications of Air Canada's restructuring became an issue during the federal election campaign. At that time, in response to Canadians, the Prime Minister made a public commitment that there would be no erosion in the application of the Air Canada Public Participation Act, and specifically the official languages obligations.

This issue has been raised on several occasions since then, and the Minister of Transport has publicly reiterated the Government of Canada's commitment to introduce legislation to ensure the status quo—no more, no less—on Air Canada. Today, through this bill, the Government of Canada is following through on this important commitment.

I would now like to share with the House the specific aspects of this bill that will achieve our objectives to ensure the continued protection of the official languages and maintain the status quo under the Air Canada Public Participation Act.

In order to preserve the status quo, this bill will ensure that full official language obligations would continue to be applied to Air Canada and would be retained for the former internal divisions of Air Canada that have been spun off and that are federally regulated undertakings.

In addition, Jazz Air Limited Partnership would be made subject to part IV—service to the public—of the Official Languages Act. As I have already noted, prior to restructuring, Air Canada was required to ensure that its subsidiaries providing air services offered services in both official languages.

Government Orders

However, as Jazz is now an affiliate of Air Canada, and not a subsidiary, the former obligation will now be placed directly on Jazz. Jazz will also be subject to parts VIII, IX and X—the enforcement mechanisms and policies—of the Official Languages Act. This ensures continued compliance with official languages obligations, a responsibility for which Air Canada was directly answerable previously.

The bill would require ACE Aviation Holdings Incorporated, the holding company, to provide communications to the public in both official languages and to keep its head office in Montreal. This would ensure that obligations consistent with those applied to Air Canada, as head body of the corporation, are extended to the new parent company owning and controlling, either directly or indirectly, all of the affiliates within the new structure.

• (1130)

[English]

As well, in order to maintain the status quo, any future airline subsidiaries established in Canada by ACE Aviation Holdings Inc. or Air Canada would be required to provide service to the public in both official languages. To ensure that these proposed amendments do not extend beyond the status quo, the following qualifications are included within the provision.

First, the language obligations would only apply to affiliates of Air Canada that ACE Aviation Holdings Inc. controls. Once control is lost through an outright sale or through the sale of a controlling interest, these obligations would cease. In addition, language requirements would not be extended to a future airline affiliate that provides air services exclusively outside of Canada. This ensures that Canada's air liberalization agenda does not adversely affect the ability of Air Canada to compete in foreign markets.

In conclusion, the adoption of the bill will respond to the Government of Canada's commitment to Canadians for the continued protection of Canada's linguistic duality and will update the legislation to respond to Air Canada's new corporate structure.

[Translation]

Mr. Robert Carrier (Alfred-Pellan, BQ): Madam Speaker, I listened with interest to the comments of my colleague from Lac-Saint-Louis, with whom I work together on the Standing Committee on Transport.

In his comments, he mentioned that the status quo would be maintained in regard to the official languages. In light of his own demonstrated bilingualism, I would like to ask whether he thinks that this is enough under the circumstances. We know very well that Air Canada has been criticized on a number of occasions for failing to meet its obligations regarding the official languages of Canada. A number of examples have been cited, including in committee.

We must keep in mind the air liberalization agenda, which the government wants to apply to the air transport sector as well. Air Canada is the only company required to comply with the Official Languages Act, and the role that it plays will be diluted even more than it is now. Does my colleague not think that it would have been a good idea to take advantage of this bill in order to require other companies than just Air Canada to comply with official languages legislation? Since it was privatized, it has been playing an ever

smaller role and it must compete with several American companies as the skies become increasingly open.

Mr. Francis Scarpaleggia: Mr. Speaker, I would like to thank my colleague for his question. As he well knows since we sit on the same committee, I am very concerned about bilingualism in the Canadian airline industry.

We must bear in mind, though, that this is not an omnibus bill. It deals with a very specific case, that of Air Canada, and the situation that prevails in the wake of its restructuring as a result of economic conditions over the last few years. This bill is aimed, therefore, at a particular case, that of Air Canada.

My colleague's other question had to do with bilingualism in all Canadian airlines. I would like to point out that Air Canada is able to provide bilingual service as a result of its history and the fact that it used to be a crown corporation subject to the Official Languages Act. It is the largest airline in Canada, and as such it sets an example for the others. In my view, it sets a good example. If we look at the market, we see that more and more airlines are providing bilingual service, especially when they serve Quebec.

In conclusion, I would like to emphasize that this bill is limited to one specific case. It ensures that Air Canada will remain bilingual, providing service in Canada in both official languages and setting an example to our other airlines.

• (1135)

[English]

Mr. Lloyd St. Amand (Brant, Lib.): Madam Speaker, I wish to commend the member for his typically thoughtful and insightful speech on this issue. He has properly and persuasively commented on the wonderful linguistic duality that exists in Canada. He himself as a fluently bilingual individual represents the best that Canada has and certainly reflects the linguistic duality that is Canada.

I would like to ask the member with respect to his own constituency how he sees the value of this bill vis-à-vis his own constituents.

Mr. Francis Scarpaleggia: Madam Speaker, my colleague's question is an interesting one.

One of the competitive advantages that Air Canada offers in addition to the quality service it has been recognized for in North America in terms of its domestic service offerings and its international service offerings is its bilingual service. It is essential that this service continue.

Anything that bolsters the competitive advantage of Air Canada is good for my constituency. As I mentioned at the outset of my speech, a great many of my constituents work for Air Canada. My constituency borders on the airport in Montreal. Many of my constituents are bilingual Canadians, and anything that ensures the bilingual nature of Air Canada is good for them as employees. I believe that my constituents greatly welcome this legislation.

[Translation]

Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC): Madam Speaker, I am happy to speak on behalf of the official opposition in support of Bill C-47, an act to amend the Air Canada Public Participation Act.

Government Orders

Basically Bill C-47 is an administrative response to the restructuring of Air Canada that took place last year. In that restructuring, Air Canada, a former crown corporation, became a subsidiary of ACE Aviation Holdings Inc.

Bill C-47 requires that the provisions of the Air Canada Public Participation Act in respect of the Official Languages Act and the location of Air Canada's head office in Montreal be applied also to ACE Aviation Holdings Inc.

Air Canada has never given any indication that it intends to abandon Montreal and a few months ago, the company signed a long-term lease in that city.

Air Canada, furthermore, views its language proficiency as a competitive advantage. Like Air Transat, Air Canada is a private sector airline with its head office in Montreal, its hub in Toronto and employees who strive to speak both of our official languages correctly.

Air Canada is committed to using both of Canada's official languages. It is also committed to remaining in Montreal.

The Conservative Party caucus is in favour of this bill because its spirit flows directly from subsection 91(i) of the Conservative Party of Canada Policy Declaration, which reads as follows:

A Conservative Government will support the Official Languages Act ensuring that English and French have equality of status and equal rights and privileges—

If English and French truly have equality of status and equal rights and privileges, these obligations must apply to the leading national air carrier, especially since it is the only one to offer service to many international destinations.

Finally, Bill C-47 is largely a housekeeping bill, its spirit flows from the Conservative Party of Canada Policy Declaration, and Air Canada is not opposed to it.

We will accordingly support Bill C-47.

• (1140)

[*English*]

This having been said, I wonder whether Air Canada's government relations department continues its enthusiastic support of the Liberal government.

Senator David Angus, a former Air Canada board member, has informed me that legislation such as the present bill would subject Air Canada to a much higher level of official languages compliance than what is required of Air Transat. He informed me that the difference between Air Transat's version of bilingualism and Air Canada's compliance with the Official Languages Act costs Air Canada some \$11 million a year. Clearly, this issue falls within the expertise of the official languages committee, not the transport committee. It would be my recommendation that Bill C-47 be referred to that committee instead of the transport committee.

At the same time, given that virtually every current and former member of Air Canada's government relations team—let me repeat that every current and former member of Air Canada's government relations team—virtually every single one of them has worked either for a Liberal MP or for the Liberal Party during the last election. I

can only assume that Robert Milton and Montie Brewer and Air Canada's senior management support Bill C-47.

As transport critic for the official opposition and a very frequent Air Canada passenger, I have official and unofficial contact with Air Canada at many different levels and I can say that its support of the Liberal government is truly bizarre.

Even as recently as October 31, Liberal Senator Percy Downe called on the Senate to examine current government imposed operating requirements on Air Canada. In particular, he is concerned that Air Canada serves Charlottetown from Montreal instead of Toronto. He told the press:

My inquiry will examine the current, government-imposed operating requirements on Air Canada and the responsibility and opportunity for the Government of Canada to impose additional conditions on Air Canada so all Canadians can enjoy reasonably comparable levels of air service at reasonably comparable levels of cost, no matter where they live.

His statement ignores the fact that Air Canada's Charlottetown service now flies from Montreal in accordance with the transport minister's advice that airlines concerned about high rent at Pearson airport move flights to Montreal. He also ignores the fact that WestJet now offers Toronto-Charlottetown non-stop service with much bigger planes than Air Canada offers.

Nonetheless, the Liberal senator argues, "It is entirely within the power of the federal government to impose service and operating conditions on Air Canada". In fact, such is the Liberal Party's fascination with regulating Air Canada that in the past three years the airline has been mentioned by name in four separate government initiated bills, Bill C-38, Bill C-26, Bill C-44 and Bill C-47. The company has been mentioned by name in the House some 360 times since the 2000 election.

Based on statements made in the House by Liberal and NDP MPs, they want to tell Air Canada what planes to buy, where to maintain them, where to fly them, what ticket prices to charge, how to advertise and how to manage their businesses. Perhaps MPs with these concerns should go ahead and buy Air Canada stock. Personally, given that Air Canada is a private company, I believe that these decisions are best made by Air Canada management. As a result, I believe that Air Canada probably wants as little government attention as possible.

For example, in June 2003 after Air Canada's first Montreal-Beirut flight had taken off, the government cancelled Air Canada's permission to fly the route. Air Canada had promoted the route for several months and informed the government that the national airlines of France, Germany, Holland, Italy and the U.K. were all serving Beirut. Nonetheless, at the last minute the Liberal government cancelled the route, citing security concerns.

Government Orders

A similar situation happened this past July. The federal government had given Air Canada permission to operate Toronto-Calgary-Shanghai freighter service. At the time Air Canada did not have a suitable aircraft so it leased one from California based World Airways. Here it was following the lead of Canada's military, which leases Russian cargo planes to fly our troops and supplies overseas.

A couple of days before the first flight was to depart, Ajay K. Virmani, whose company Starjet flew the Prime Minister during the last election, complained. He said that Air Canada would compete unfairly against him on the Toronto-Calgary portion of that flight. The Minister of Transport ignored the fact that Air Canada is allowed to fly any size plane it wants on any route within Canada and agreed instead with the Prime Minister's friend. Air Canada was forced to cancel the Calgary stop on its flight to Shanghai as a result.

The cancellation of the Calgary stop on the Toronto-Shanghai service had negative financial consequences for Air Canada in the same way that the company was hurt by the previous decision to cancel the Montreal-Beirut service at the last minute.

• (1145)

However, when the Liberals do not directly target Air Canada, their ill-conceived policies can cost the airline significant amounts of money. For example, Air Canada's major hub is Toronto's Lester B. Pearson International Airport. Air Canada and its affiliate Jazz operate up to 660 daily flights and departures at Pearson airport, serving more than 100 destinations, representing approximately 35% of Air Canada's total operations.

From Pearson, Air Canada flies non-stop to three other continents, Asia, Europe and South America. In this respect, Air Canada's operations at Pearson compete directly against United's hub at Chicago O'Hare, Delta's hub at Atlanta Hartsfield-Jackson and those of Northwest Airlines at the Detroit Metro Airport.

When it comes to Air Canada's Toronto operations, the current Minister of Transport is Air Canada's arch-enemy. He is well aware that federal airport rents and charges together with federal agencies that use free space at Pearson have helped to make Pearson airport the most expensive airport in the world. However, he does not care. He thinks that airlines that are concerned about high rents and taxes at Pearson should fly instead to Montreal.

The transport minister wants us to believe that he has Air Canada's best interests at heart. However, on May 9 when he introduced a package to cut airport rents nationwide, he offered average savings of 52% to Canada's larger airports while only offering 6% to Pearson. This unfairness was underlined by the fact that while other airports faced an immediate rent reduction, Toronto's rent actually increased this year due to a requirement to repay the deferred costs of the SARS crisis of 2003.

Compounding the problem is the fact that when Delta sells a Peruvian customer a Lima-Frankfurt ticket, the routing goes via Delta's hub in Atlanta, which has one of the lowest landing fees of any major U.S. airport. If Air Canada sells the same passenger a Lima-Frankfurt ticket, the routing passes through the world's most expensive airport, Toronto Pearson.

Both Toronto Pearson and Atlanta Hartsfield-Jackson are large well-run airports. However, this year Pearson will pay a staggering

\$144 million to Ottawa as a result of the transport minister's airport rent, airport taxes policy. On the other hand, Atlanta receives airport support of up to \$47 million a year in grants from the U.S. government. The difference has a huge impact on landing fees, taxes and passenger traffic.

As Air Canada and Delta compete for the business of the Lima-Frankfurt traveller, both airlines have similar aircraft and similar costs. However, because of the difference in airport taxes, Air Canada either has to charge more to cover Toronto's high landing fees or make less profit in order to match Delta's price.

By continuing to ignore this situation, the Minister of Transport is delivering a slap in the face to Air Canada's 12,000 Toronto based employees and telling them, "You have to work harder for less so that Air Canada can pay my taxes and compete with foreign carriers". Unfortunately, although the minister has been made aware of this problem several times, he has chosen to turn a deaf ear.

At transport committee on October 27, one week ago today, in response to yet another call for rent relief at Pearson airport, the minister said, "I have never met a normal person who has talked to me about airport rent unless they have a vested interest".

I can tell this House that my office is aware of the following vested interests who have called for urgent rent relief in order to let Air Canada compete on a level playing field with its international competitors. They include: the Air Transport Association of Canada; the International Air Transport Association; the Association of Airline Representatives in Canada; the Canadian Airports Council; the Canadian Courier & Messenger Association; the Association of Canadian Travel Agencies; the Canadian International Freight Forwarders Association; the Greater Toronto Hotel Association; and the Tourism Industry Association of Canada.

However, seven significant non-vested interests have joined the call for rent relief as well. They include: the City of Toronto, including council and Liberal Mayor David Miller; the City of Toronto Economic Development Committee; the City of Brampton, Mayor Fennell; the Province of Ontario, including Liberal Premier Dalton McGuinty; the House of Commons Standing Committee on Transport; the Canadian Chamber of Commerce; the Toronto Board of Trade; the Brampton Board of Trade.

It appears there is no way at all to wake up the transport minister or to convince him to move forward to cut Toronto's rent. I want Canadians to understand that no one should be able to claim to be our national transportation minister while undermining the ability of a major Canadian international airline to compete against foreign carriers.

Let me be clear to this House and to all Canadians, a Conservative government would quickly deal with the tremendous unfairness and the oppressive rents that the federal Liberals are charging Air Canada's Toronto hub.

Government Orders

If Bill C-47 is the transport minister's idea of legislation to assist Air Canada, let me paint a very different picture.

● (1150)

A Conservative government would negotiate an open skies agreement with the United States with a view to promoting increased economic opportunities for Canadian air carriers. One way to do this would be for Canada and the U.S. to grant modified sixth freedom rights to each other's countries.

Modified sixth freedom is a way of describing the situation where a Vancouver passenger buys a Vancouver-Minneapolis round trip ticket on Northwest and a round trip Minneapolis-Montreal ticket also on Northwest and combines both tickets to fly Vancouver-Minneapolis-Montreal round trip.

The granting of sixth freedom rights is attractive because they do not require airlines to offer a single new flight, but offers them increasing flexibility to sell seats on any flights that they offer. For Air Canada, modified sixth freedoms would offer increased revenue opportunities in particular at its Toronto hub.

Like many major Canadian airports, Pearson has Canadian customs facilities as well as U.S. preclearance facilities. Typically, U.S. bound Canadians preclear U.S. customs before departure in Canada, but clear Canadian customs after they return to Canada. Often Canadian and American customs and immigration facilities are actually located side by side in the same airport. This operating reality means it would be theoretically possible for an airline passenger arriving in Toronto from Los Angeles to stay in the U.S. precleared in transit zone and board a connecting flight to New York on Air Canada without ever having to step foot on Canadian soil legally.

Given that Air Canada offers non-stop daily flights to 41 U.S. cities from Toronto, as compared to the 60 U.S. cities served by US Airways from Pittsburgh, granting Air Canada modified sixth freedom rights would allow it to make Toronto a mid-size U.S. hub almost immediately and with virtually no additional cost.

Given that the revenue calculations of Air Canada's 41 Toronto U.S. routes are based on transborder and U.S. international traffic, the income from exploiting its potential modified sixth freedom rights would go straight to the bottom line.

Further, given Toronto's geographic location and the impressive number of U.S. destinations that Air Canada serves from it, the potential economic benefit to Air Canada of modified sixth freedoms is quite significant.

Research was done last May by Professor Richard Janda and students Shy Kurtz and David Dubrovsky of McGill University Institute of Air and Space Law. They argue that for the top 15 U.S. domestic pairs, a routing via Toronto would be competitive with a routing via most U.S. domestic hubs. In other words, as a U.S. hub, Toronto would be competitive with Chicago, Detroit, Minneapolis and Pittsburgh.

All that is required for this to happen and to move forward is a forward thinking negotiation and a dramatic reduction in airport rents that the Liberal government currently charges at Pearson airport. The Liberals prefer to see Pearson airport instead as a major

cash cow to be exploited, while they take Toronto voters for granted. The Conservatives see Pearson as an engine for economic growth to be nurtured and built upon.

Bill C-47 would require Air Canada to offer bilingual service on all of its flights around the world. Air Canada management willingly embraces this initiative and sees its ability to serve customers in various languages as a competitive advantage, yet another way to lure international travellers to fly Air Canada. This is a positive thing. We have no problem with this as Conservatives. We embrace official bilingualism.

The global airline industry is intensely competitive. The impact of government policy on the major airports that airlines use as hubs cannot be understated. The fact that Amsterdam is served by flights from countries in South America that are not also served from Toronto is symbolic of the problem. Dutch government backed Schiphol airport in Amsterdam has some of the lowest fees in the world, while Toronto has the world's most expensive. This reality and aggressive marketing allowed KLM to profitably serve from Amsterdam destinations which are not flyable from Toronto due to government costs.

Through visionary thinking the Dutch government has positioned Amsterdam's Schiphol airport as a truly global gateway and a major engine for economic growth for its country. For example, the greater Toronto area has three times the population of greater Amsterdam, yet Amsterdam's Schiphol airport is significantly bigger than Pearson and handles nearly 50% more passengers. Amsterdam's airport has flights to 251 destinations, over 100 of which are outside of Europe. Pearson on the other hand has flights to 110 destinations, only 42 of which are outside of Canada and the United States.

I understand that the size of an airport and the number of flights it receives are dependent on a number of factors, such as geography, history and the economic development of the area. Nonetheless, forward thinking Dutch aviation policy has allowed Amsterdam to grow into the world's ninth busiest airport. This is particularly impressive when we realize how close it is to London Heathrow, Paris Charles de Gaulle, and Frankfurt, all of which are among the world's top eight busiest airports.

● (1155)

I would like to suggest that part of the reason Amsterdam's airport is so successful is that the Dutch government has been at the forefront of negotiating open skies agreements with other countries. In addition, the Dutch government sees Amsterdam airport as a major driver of that country's economy and that is reflected in various government policies which support the development of the airport.

Government Orders

[Translation]

This House will soon pass Bill C-47, an act to amend the Air Canada Public Participation Act. The Minister of Transport will be happy to see Air Canada providing bilingual service wherever in the world he flies.

In the meantime, this same minister must do everything he can to further the economic opportunities for Air Canada and the other Canadian airlines by enacting the measures proposed in this House. From Air Canada's perspective, the minister may well want to address this issue, but his progress to date has been less than impressive.

Mr. Yvon Godin (Acadie—Bathurst, NDP): Madam Speaker, I have listened with much interest to the speech by our colleague from Port Moody—Westwood—Port Coquitlam. I would like to ask him a question. First, he says quite clearly that his party will be supporting Bill C-47. Now, that bill stipulates:

This enactment extends the application of the Official Languages Act to certain affiliates of Air Canada and deems the articles of ACE Aviation Holdings Inc. to include provisions respecting the location of its head office and the right of persons to communicate with that corporation in both official languages.

In my view, this is the important part of the bill. For some time, Air Canada was owned by the Canadian taxpayers. In 1988, when the Conservative Party of Brian Mulroney was in power, Air Canada was privatized.

As I listened to his speech, I noticed that he had done a lot of research. That was interesting. He spoke to us about Air Canada and almost all the airports in the world. He is indeed very familiar with this issue.

However, in all of the research that he passed on to us, I heard no complaint about Air Canada's failure to respect the official languages. A published report mentions the ten institutions—including departments and other institutions—that are most often cited, that is, those that receive the most complaints. The company that heads the list is Air Canada. It is curious that his speech made no mention of the complaints about Air Canada and its failure to comply with the Official Languages Act, and its continuing failure to comply. Yet it is a Canadian company which is obliged to operate under the Official Languages Act.

I agree with my colleague when he says that the Conservative Party respects the official languages and will be supporting Bill C-47.

In his speech he spoke of how badly the government is behaving in this regard. Naturally I am not taking the government's side on this subject. He also said that the government wants to interfere with Air Canada. Yet he said nothing about how Air Canada has not respected and continues not to respect the official languages. That is why it is so important to be in favour of Bill C-47. For it is Air Canada that most contravenes the provisions of the Official Languages Act in Canada. It is the company that receives the most complaints, and does so continually.

So I would like to hear his opinion on this.

● (1200)

[English]

Mr. James Moore: Madam Speaker, when my colleague make a blanket statement that Air Canada is not abiding by the Official Languages Act, I do not think that statement in its totality is quite true.

Air Canada receives the most complaints about not complying with the Official Languages Act, certainly in his home province of New Brunswick and in parts of Quebec, principally because 65% of all flights in this country are Air Canada flights. Whenever we hear a plane flying overhead, no matter where we are in this country, odds are that two out of three of those flights are Air Canada. Because of the volume of all air traffic in this country that is constituted by Air Canada traffic, of course it will have the most complaints, more than any other carrier, but that does not mean it is not abiding by the Official Languages Act.

Abiding by the Official Languages Act right now is costing Air Canada anywhere between \$10 million to \$12 million a year in terms of compliance. I have heard the complaints raised by members of the Bloc and by the member and, most important, the complaints raised by the Canadian people through the Official Languages Commissioner about Air Canada not abiding by the Official Languages Act.

However I do not think the problem is with Air Canada. I think the problem is that the Liberal government is not enforcing the regulations that it set out. This happens over and over again in all sorts of areas that we see in aviation policy and so on.

It goes too far to say that Air Canada is not abiding by the Official Languages Act. It may make mistakes and may not be doing its due diligence in certain circumstances but should it be held accountable to the standards imposed on it by law? That is certainly the case.

[Translation]

If he believes, as I do, that Canada is a country where two official languages co-exist, and that the House of Commons and the government ought to respect those two languages, the question that ought to be asked is this: why is there a standard for official languages for Air Canada when there is none for CanJet, for example? CanJet works out of Montreal and is not subjected to the standard on official languages. The same goes for WestJet, which operates daily in Quebec and in his province of New Brunswick. These airlines are not required to provide services in French. Only Air Canada is.

[English]

If we really believe in the official language policies of this country, we should be holding everyone to the same standard. The Conservative Party believes in the official bilingualism reality of this country and we support the Official Languages Act. We support Bill C-47 but we also support a government that applies regulations equally across the air industry and that is not what we are seeing from the government.

Government Orders

Mr. Yvon Godin: Madam Speaker, it is true that only Air Canada is subjected to the Official Languages Act, not the other carriers, but we cannot compare Air Canada with CanJet or WestJet because CanJet and WestJet do not come under the regulations of the Official Languages Act.

It was the Conservative Party that privatized Air Canada in 1988 but it did not pass any bill at that time to ensure that all air carriers in Canada had to be bilingual. When I said that most complaints were about Air Canada, I was comparing it to a federal institution, not other carriers. As a carrier that is under the Official Languages Act, it is the one that receives the most complaints because it does not comply with the laws of this country.

I listened to the member very carefully and felt he had some good documentation. However I do not agree with supporting Air Canada if it continues to violate the law by not offering bilingual services. This is not only the case in New Brunswick and Quebec. What about those people who leave the east coast or Quebec and go to work in Alberta? That is what our country is all about. The Official Languages Act is not only for the Atlantic provinces and for Quebec, it is for all of Canada from coast to coast to coast.

I have no respect for Air Canada because it has violated and it continues to violate the Official Languages Act. The people who bought Air Canada did not have to buy it but when they did decide to buy it they knew that one of the rules was that they had to respect the Official Languages Act. However Air Canada has not respected the law for the last 30 years and it continues to not respect the law.

• (1205)

Mr. James Moore: Mr. Speaker, I appreciate the response but I think the member is using hyperbolic language when he says that Air Canada has never respected the law. It is not true. Does it have its violations? Yes, it does and those have been made very public. Does the Conservative Party support people breaking the law? Of course we do not. I think it goes without saying that no member in the House supports people breaking the law.

If the member really believes in this, then I look forward to his party standing up at the transport committee or the official languages committee, which we have recommended the bill be referred to, and offer up some amendments in order to make the bill tougher.

Bill C-47 is the government's own legislation that deals with official bilingualism with regard to Air Canada or the air industry in any regard whatsoever. If the member believes in amending it, in making penalties tougher, in expanding its purview, in making the requirements more stringent and in all the things that he is saying, I would encourage him, his party and his transport critic, the member for Burnaby—New Westminster, to show up at the transport committee, instead of just coming into the House and making his points, as he did, which are certainly with principle and with clarity, and actually walk their talk.

I encourage the member opposite and his party to put forward some concrete amendments. They should take pen and paper, write some amendments down and bring them to the transport committee. We will discuss them and if he sees a purpose for this legislation, we, as Conservatives who believe in official bilingualism and who believe in this legislation, are certainly prepared to entertain that and to make it happen.

I want to make mention of one thing though. The member said, I think with some disdain, that the previous Conservative government privatized Air Canada and since then we have had all kinds of problems. The truth is that Air Canada's privatization has been a massive success for this country. More people are flying today than ever before and they are doing it with more choice, more opportunity, more freedom, more frequency and at lower prices than ever before. Air liberalization has worked for Canada. It was our idea and we are proud of it, and we are continuing to build on it.

As a Conservative government we will expand our open skies and give Canadians even more choice.

[*Translation*]

Mr. Robert Carrier (Alfred-Pellan, BQ): Mr. Speaker, I am pleased to speak today. Since my election to the House of Commons, I have been a member of the Standing Committee on Transport, so I am particularly concerned about this bill.

We are, as you know, at the second reading stage of this bill, which amends the Air Canada Public Participation Act.

The Bloc Québécois feels that, regardless of its legal structure, Air Canada must be subject to three conditions: a maintenance centre must continue to be located in Montreal; it must continue to have its head office in Montreal; the Official Languages Act must continue to apply to its airline activities. Since this bill sets out some of these obligations, the Bloc Québécois is in favour of it in principle. We do, however, regret certain shortcomings, which may be remedied during the committee study.

I will not go into all the details on the bill, as my colleagues have already done so. I would just like to give a brief historical overview of Air Canada as a company.

An article in *La Presse* in late November 2004 reported on the sad state of our national air carrier. It reminded readers of the Air Canada ad campaign that ran during the Athens Olympics last year. Hon. members will recall the bicycle racer with a squeaky wheel, who is helped out by a Greek grandmother with some olive oil—a rather unfortunate image for an airline on the verge of bankruptcy. The message sent by the ad was, overall, a somewhat honest one. It was as if Air Canada were saying “We can bounce back. With a bit of imagination, we can accomplish great things”. That was the gist of it, and it was a pretty good reflection of the reality of our national carrier as reported by *La Presse*.

Government Orders

Air Canada was waiting for a miracle. However, we must remember that this miracle came at the expense of numerous jobs sacrificed in the recovery plan. Today, if you lose one of your bags or a package on an Air Canada flight, do not be surprised if the representative you speak to is working in an office in India. Since late 2004, WNS Global Services, of Bombay, has taken over from the 52 agents responsible for finding lost bags and packages. This company is replacing employees who, until then, worked in the Air Canada offices on Maisonneuve boulevard in Montreal. As I said earlier, the miracle came at a price, and the workers in Montreal were the ones who had to pay it. The workers affected by international subcontracting—offshoring, as we call it—will be able to continue to work for the Montreal carrier. Air Canada has offered them jobs at the Dorval airport or with its cargo service. Here again, Air Canada has opened the door to a transfer of jobs outside Montreal or even Canada.

On the other hand, early this spring, Air Canada announced some good news. Since May, Air Canada Technical Services has been responsible for maintaining Delta Air Lines' 200 Boeing 757s and 767s. This five-year \$300 million U.S. contract will create approximately 300 jobs in Vancouver. It was the second largest contract in three months for this now autonomous entity following Air Canada's restructuring.

On December 13, Air Canada Technical Services announced its largest maintenance contract since the airline emerged from bankruptcy protection. This is a non-exclusive five-year agreement with International Lease Finance Corporation. Under the service contract, the financial details of which have not been disclosed, ACTS is responsible for maintaining the components, reactors and landing gear on the fleet of Boeing 737s and 767s and Airbus A320s, A330s and A340s belonging to the largest aircraft rental company in the world. ILFC has a fleet of nearly 700 aircraft.

Yesterday, the media reported that Air Canada is likely the most profitable airline in North America. Earnings by ACE Aviation, the holding company for Air Canada, Air Jazz and Aeroplan, reached \$270 million from June to September inclusively. This represents a turnaround over the \$81 million loss during the same quarter the previous year.

● (1210)

In comparison, the other major airlines on this continent have quarterly deficits varying between tens of millions of U.S. dollars and a billion dollars in the case of United Airlines.

The Bloc Québécois is very happy with how well Air Canada is doing. There are several reasons why we are eager for it to survive and be successful.

In 1988-89, the federal government deregulated the air industry and Air Canada was privatized through the Air Canada Public Participation Act and the sale of the Canadian government's shares in Air Canada.

At the time of its privatization, Air Canada had a number of obligations required of it under the act in view of the importance of maintaining the official languages rights of Canadians and Air Canada employees and also in view of its previous status as a crown corporation. Provisions were included to ensure that Air Canada

continued to comply with the linguistic requirements in the Official Languages Act and continued to have its headquarters in Montreal.

There was an article in *Le Soleil* last November 26 stating that in view of the steady stream of complaints about its compliance with the Official Languages Act, Air Canada was asking the federal government for financial assistance to help it meet its bilingual obligations. Ottawa's response was not long in coming. The main airline in the country would have to get by on its own.

Mr. Duncan Dee, the company's vice-president of corporate affairs, appeared before the Standing Committee on Official Languages of the House of Commons in the fall of 2004. He said: "It is difficult to accept that we are considered a federal institution for the purposes of enforcement and regulation but not for the purposes of access to financial resources to get the job done".

We know that discussions are underway with the U.S. government with a view toward further liberalization of the skies. For example, American airlines would be allowed to fly between their country, Quebec and Canada, and another country. Air Canada's traditional role of providing Canadians with flights in both official languages would be diluted even more than it is today.

The witnesses heard during the hearings on open skies said, with various degrees of conviction, that all airlines should have the same obligations to provide service in both languages.

In regard to the Air Canada arrangements, the holding company, ACE Aviation Inc., is required to keep its headquarters in the Montreal metropolitan area as well as its maintenance centres in Montreal, Winnipeg and Mississauga. We feel that this legislative protection is not very strong. There does not seem to be anything that would prevent Air Canada from eventually changing its statutes to get out of its official languages obligations and obligation to keep its headquarters in Montreal. Eventual legal conflicts could be avoided if this were specified in the bill.

Furthermore, since the advent of Air Canada Technical Services as a limited partnership, the requirement that Air Canada keep a maintenance centre in Montreal rings hollow because Air Canada Technical Services is under no such obligation. Ultimately, all the provisions on keeping headquarters in Montreal can easily be circumvented.

It would be advisable to find ways of strengthening these provisions to ensure that they are effective.

We support this bill but obviously we would like to be sure that it really means something.

● (1215)

Mr. Roger Clavet (Louis-Hébert, BQ): Mr. Speaker, I thank my colleague from Alfred-Pellan for his intervention on this bill, which may be worthwhile, as has just been mentioned, on the condition that Air Canada meets its obligations, in particular its language obligations.

Government Orders

We parliamentarians often have to travel, in Quebec and Canada—pretty well all over. We often see that Air Canada has a very hard time meeting its language obligations. My colleagues and other members of this House will agree that it is hard to get proper treatment in one's own language.

French is sometimes recorded. The crew tell us they do not speak French properly or try to convince us they do. Has my colleague had this experience with flight attendants?

It is essential to at least be able to speak properly in one of the two official languages. In Quebec, the language is French. In our opinion, we have to be able to take a plane and be served in the language of our choice. That applies to Quebec and to Canada in the case of minority language communities. It would be common decency on the part of the government to pressure Air Canada to meet its obligations under the Official Languages Act. Canada has in fact signed an agreement in this regard and has linguistic obligations.

I know how interested my colleague is in transportation issues. He has obviously spoken about them to the Minister of Transport, who should also oversee the interests of Quebecers and Canadians in the area of transport.

Would it not be possible in what has been proposed to call for greater respect of Canada's language obligations, as this is true for all airports? Airlines such as Air Canada appear to take a certain wicked pleasure in saying that there are, finally, two official languages in Canada, but one of them always seems a little more official.

I would like to hear what my colleague from Alfred-Pellan has to say.

• (1220)

Mr. Robert Carrier: Mr. Speaker, I thank the hon. member for Louis-Hébert for his excellent question.

As was already mentioned, the government is not showing consistency by forcing Air Canada to respect both official languages, but not providing that company with the budget or subsidies that would allow it to provide services in those two languages.

Therefore, it is not surprising that Air Canada would downplay its obligations to respect our two official languages.

All my colleagues frequently notice that, as soon as we travel outside Quebec, French is the language most often forgotten, because it is harder to find bilingual employees in certain regions of Canada. If the government showed true leadership when it comes to respecting the Official Languages Act, it would give Air Canada a substantial subsidy to allow it to respect this legislation. By refusing to give the company any additional subsidy, the government is sending the message that, if Air Canada can respect the act, fine; otherwise, it can let things slide a little bit.

In any case, what is most important is not to target only Air Canada. We have noticed that, following the changes that are currently taking place in the airline industry, Air Canada will reduce all its air services. Therefore, if it is serious about the obligation to respect our two official languages, the government should extend the scope of the Official Languages Act to all airline companies.

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, I am pleased to speak today to Bill C-47. We can see that the opposition

and the government agree on this bill. We should pass it at third reading and send it to the Senate as soon as possible in order to have legislation enacted for Air Canada to respect the official languages.

[*English*]

It is a pleasure to speak to Bill C-47, an act to amend the Air Canada Public Participation Act, tabled at the beginning of May by the Minister of Transport.

Trans-Canada Airlines was established by Parliament on April 10, 1937 as the national airline to provide essential air transportation, cargo and mail services across Canada. Since 1969 Air Canada has been subject to the Official Languages Act.

During 1988 and 1989 Air Canada was privatized under the authority of the Air Canada Public Participation Act and through the sale of the Government of Canada's share in the air carrier. Upon privatization certain obligations were imposed on Air Canada through the act in recognition of the importance to preserve official language rights for the Canadian public and Air Canada's employees, and because of the history of the federal crown corporation.

In early 2000 Air Canada acquired Canadian Airlines and to protect public interest, Parliament passed legislation that included amendments to the Air Canada Public Participation Act and imposed an obligation on Air Canada to ensure that its air service subsidiaries, such as Jazz and Zip, would comply with part IV of the Official Languages Act by providing service to the public in both official languages. Since those transactions, the Commissioner of Official Languages has received many complaints about Air Canada and the bilingual services of its subsidiaries.

After the September 11 terrorist attack, Air Canada had many problems and filed for bankruptcy protection on April 1, 2003. After 18 months of restructuring, the company emerged from bankruptcy protection on September 30, 2004.

• (1225)

[*Translation*]

On September 30, 2004, ACE Aviation Holdings Inc. became the parent company of Air Canada and all of its subsidiaries. In addition to Air Canada, ACE Aviation Holdings Inc. also took control over Aeroplan, Jazz, Destina and Air Canada Vacations.

[*English*]

As a component of its restructuring, a new corporate structure came into effect on October 1, 2004. The new structure is intended to promote improvements in productivity and efficiency, and facilitate future equity investment.

Government Orders

Air Canada has become a wholly-owned subsidiary of a newly created parent company, ACE Aviation Holdings Inc. In addition, several previous internal divisions and former subsidiaries of Air Canada have been spun off into a limited partnership under the direct or indirect control of ACE Aviation Holdings Inc. Right now, ACE Aviation Holdings Inc. is not covered by the official languages obligation or requirements related to the head office location.

[Translation]

Bill C-47 stipulates in clause 10.3:

The articles of ACE Aviation Holdings Inc., a body corporate incorporated on June 29, 2004 under the Canada Business Corporations Act, are deemed to contain:

- (a) provisions requiring ACE Aviation Holdings Inc. to ensure that any member of the public can communicate in either official language with and obtain available services from its head office, and any of its other offices or facilities where there is a significant demand for communications with and services from that office or facility in both official languages, having regard to the public served; and
- (b) provisions specifying that the head office of ACE Aviation Holdings Inc. is to be situated in the Greater Montreal area.

[English]

For that matter, the NDP understands why the federal government has introduced this bill to rectify the situation. We generally agree with the spirit of this bill.

[Translation]

Nonetheless, Aeroplan, an Air Canada subsidiary, offers travel bonuses, privileges and rewards for heavy travellers. This subsidiary is exempt from the Official Languages Act since it does not provide "air services, including incidental services" under section 10(10) of the Act. The Commissioner of Official Languages, Dyane Adam, seems to think that Aeroplan is subject to the Official Languages Act. This matter is currently before the courts.

I realize this bill still targets only Air Canada and its subsidiaries. Why not expand the parameters and apply the same rules to all the air carriers in the country and make it a uniform requirement?

Another point I want to raise is the fact that Air Canada is very slow to provide training to its staff when there is demand for bilingual services in a given region. Air Canada argues that it is waiting for special funding from the federal government allocated specifically for such bilingual training. The government and Air Canada have taken a wait and see attitude as to who will react first. In the meantime, travellers are being denied an essential service.

[English]

As I said earlier, the Commissioner of Official Languages has been receiving a lot of complaints about Air Canada's bilingual services. In 2001, I was a member of the Standing Committee on Official Languages which studied many of these complaints.

[Translation]

For more than 30 years now, successive Commissioners of Official Languages have reported on the shortcomings of Air Canada with respect to its obligations and its lack of cooperation in response to complaints.

Following these complaints, the government has introduced a number of amendments to update the Air Canada Public Participation Act. These amendments will extend to the former internal

divisions of Air Canada. Some of those obligations, as well as the requirement to keep Air Canada's head office in Montreal, will apply to ACE Aviation Holdings Inc. as the parent company of Air Canada.

The government has received ample notice on this issue. The Commissioner of Official Languages stated in 2003: "For me, it is important that, regardless of the changes that may occur in the coming months involving Air Canada, there be no diminution of the language rights of the travelling Canadian public."

Also, the former Minister of Transport, David Collenette, stated in April 2003: "We totally and unequivocally support the Official Languages Act and its application to the national transportation system, and in particular to Air Canada."

Here we are in 2005 and today we are once more talking about Air Canada, a company that is subject to the Official Languages Act and the one that has received the highest number of complaints in Canada.

We have here statistics from the period April 1, 2004 to March 31, 2005, which show Air Canada in first place with regard to complaints. They received 84 complaints, 77 of which are under investigation. Five were well founded and one was unfounded. So there were six complaints on which the investigations have been completed and five out of the six were justified.

I do not think we are talking through our hat. In fact, an article stated that Air Canada had appeared before the Office of the Commissioner of Official Languages. The Quebec National Assembly is also scheduled today to consider a motion by the Liberal Party urging Ottawa to respect the linguistic balance in air transport in Canada. The Liberal Party of Quebec introduced this motion after l'Association des gens de l'air du Québec had submitted a complaint to the Commissioner of Official Languages accusing Air Canada of contravening the Official Languages Act.

According to the association, which has released a damning document on the airline's language practices, only 9% of the managers in charge of air transport activities are francophones. The president of the association, Serge Martel, talks of injustice and even claims that the situation has deteriorated over the past 20 years.

Air Canada has a subsidiary called Air Nova, which serves the Quebec regions and of which only 4% of the pilots are francophone. During this period, the number of francophone pilots has remained stagnant at 15% and the number of francophone employees at 17%. You will note that it does not work because Air Canada is not willing to respect the official languages.

I have in front of me the July 2002 edition of *En route* magazine. Complaints with respect to Air Canada have been filed with the Standing Committee on Official Languages. They have been discussed and studies have also been done.

Government Orders

•(1230)

I recall Robert Milton, the president and CEO of Air Canada. At the Standing Committee on Official Languages, one of my colleagues in the Bloc Québécois suggested that, in the seat pockets aboard that carrier's aircraft, there be a form which people could fill out if they had a complaint. The representatives of Air Canada were pleased with that suggestion.

•(1235)

[English]

On the president's page of the in flight magazine, Mr. Milton says, "Canada official languages, the choice is yours. The pleasure to serve is ours. Air Canada is pleased to offer you service in English and French".

[Translation]

So we were able to find the complaint form in that little pocket. Then Air Canada began receiving complaints. Since the spring, however, I have found that form only once. I deliberately went from seat to seat, looking in the pockets, but I could not find it. Imagine how many complaints Air Canada would be receiving if these forms were at each seat and people were given the chance to file their complaint in writing.

So I wrote a letter to Air Canada, asking where their complaint forms had gone. Air Canada responded that it was sorry, but that it just so happened that I could not find any forms that day, and said the comments it was now receiving were about the good service it was providing. I would surely like to see all of those comments!

All the same, I could no longer find the little message about official languages in the *enRoute* magazine. So I filed a complaint. I asked where that message had gone, and I told Air Canada that if it wanted to comply with the Official Languages Act, the message had to be there. Air Canada replied with its apologies. The message has reappeared: it is now in the October 2005 issue.

[English]

It says, "Air Canada is pleased to offer your service in English and French".

[Translation]

However, the "official languages" are no longer mentioned. The title "Official Languages of Canada" has disappeared.

[English]

About the official languages, it is gone from *En Route*. Does that mean it likes to service us in both languages, but it is not ready to follow the Official Languages Act? It goes further.

[Translation]

When Air Canada was privatized in 1988 and became a crown corporation, it knew that there was a law about this. What is more, the government required that services be offered in both official languages.

When you buy, you buy the whole package. Now, Air Canada says it can no longer be competitive. In a way, it is true that when the government merged Air Canada and Canadian, it could have established a program that might have helped it along in the area of

the official languages. This was suggested in the Standing Committee on Official Languages.

It is true that Bill C-47 should go further and that all national carriers, going from one end of the country to the other, ought to be subject to the Official Languages Act.

I am not sure it is correct to say that, so far as competition is concerned, when a carrier complies with the Official Languages Act and provides services in both languages, more people or customers will make use of its services. If an air ticket from Bathurst to Ottawa costs \$1,400 and the same ticket costs \$500 at CanJet, it is my impression that, given the \$900 difference, the official languages will not be a consideration that day. Now we are served one glass of pop and a cookie, and we can't even talk to the attendant any more. And indeed, there is nothing to ask for. There are no more meals served. There is nothing now. Not even much communication.

Nonetheless, the basic covenants of our country must be respected. There are two official languages here in this country, and they have to be respected. That respect is lacking.

Take the Thibodeau case. He took the plane from Montreal to Ottawa and was sitting near the window. He asked the flight attendant for "*une cannette de Seven-Up*". The attendant said, "I don't speak French". He said again that he wanted "*une cannette de Seven-Up*". The word *cannette* sounds a lot like the word "can". Insofar as Seven-Up is concerned, so far as I can see *Seven* means seven and *Up* means up. It sounds a lot like English. An argument broke out about this during the flight, and when the plane landed in Ottawa, the police were waiting for Mr. Thibodeau. He was arrested.

He took his case to the federal courts. When he won, Air Canada appealed the ruling in favour of its customer, Mr. Thibodeau. He argued but did not fight with the attendant. His wife was sitting on the aisle and he was by the window. He just argued for his rights. In addition, three-quarters of what he said was in English. The police arrested him when he got off the plane in Ottawa. This was a flight from Montreal to Ottawa, not a flight to New Brunswick, Nova Scotia or British Columbia. It was here. This shows Air Canada's lack of respect for our country's two official languages.

It is time for this Parliament to pass Bill C-47 as quickly as possible. It is time for the Canadian government to tell Air Canada, "Enough is enough. You are going to stop breaking the law. You are going to comply with the Official Languages Act, both ways". An anglophone from Vancouver who is flying to Montreal has the right to be served in his mother tongue just as does a francophone flying from New Brunswick or Quebec to Vancouver.

For the record, let us look at what is happening in British Columbia. There are more francophones there than ever. French has become an important language in British Columbia. It is the same in Alberta. As a result of our country's economy, people are leaving Quebec and New Brunswick and going to Alberta to work. Francophones are moving, as they say, from sea to sea.

All we ask is that Air Canada stop some of its actions that are in violation of the Official Languages Act. The Liberal government has a responsibility to ensure that the act is upheld. Bill C-47 must be passed as quickly as possible to tell Air Canada once and for all that it must respect both the official languages of our country .

Government Orders

• (1240)

Mr. Roger Clavet (Louis-Hébert, BQ): Mr. Speaker, I want to congratulate my colleague from Acadie—Bathurst for his enthusiasm. Each time we talk about the rights of French language minority groups, he does not just give a speech, he speaks with enthusiasm and honesty. Based on his and all our experience, we all still feel as if the francophones of this country are second class citizens.

Imagine people who cannot speak the other official language. It still happens since we cannot blame people for not speaking English. They travel from somewhere in Acadia, Quebec or Ontario and have trouble being served in their language.

I want to ask my colleague from Acadie—Bathurst the following question. Does he believe that this bill has the potential to provide even greater protection for linguistic progress, since this issue affects him and numerous Quebecers and Canadians across Canada? Could we ask the legislator to make this bill even tougher to ensure respect for the francophones right here?

Mr. Yvon Godin: Mr. Speaker, I thank the hon. member. Earlier, I listened to the speech of Conservative members who spoke in support of the people in the Atlantic and Quebec regions.

I do not intend to get away from the hon. member's question. I will answer it, but first I would like to give an example.

About three weeks ago, I arrived in Moncton around 9 p.m. Here, I do not want to blame the flight attendant, who is not responsible for his schedule, since it is Air Canada that establishes it. That flight attendant did not speak a word of French. I decided to speak in French to see where this would take me. Finally, when I was getting off the aircraft, I dealt with a person who was not wearing a uniform, which means that this person was no longer on duty. That person had to fill in for the flight attendant by speaking to me in French. In other words, that person volunteered for Air Canada. However, had that person already left Moncton airport, it would have been impossible for me to get served in French. I reported this incident to the Commissioner of Official Languages.

Earlier, I mentioned the incident involving a can of Seven Up. It happened between Montreal and Ottawa. If hon. members take a flight between Montreal and Toronto, they will see for themselves. It is obvious. The act could go further if we really want the two official languages to be respected in our country. As for airlines, this legislation should be extended to all other carriers, so as to create a level playing field in this regard. I think this would really be good.

Antonine Maillet once said that we do not want to turn English people into French people, nor do we want to turn French people into English people. We simply want the service. There are people who can get in and provide that service. There should be room for everyone. There are jobs within the government administration that involve dealing with the public, but that are in areas where employees do not have to use both languages. However, if employees are in contact with the public, they should be able to provide the service in both official languages. That is the government's responsibility.

So, during its review of the bill, the Committee on Transport will have to strengthen it by extending its scope to other airlines, so that everyone get equal treatment.

• (1245)

[English]

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

Some hon. members: Question.

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

Some hon. members: Agreed.

The Deputy Speaker: I declared the motion carried. Accordingly, the bill stands referred to the Standing Committee on Transport.

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

* * *

FIRST NATIONS OIL AND GAS AND MONEYS MANAGEMENT ACT

The House proceeded to the consideration of Bill C-54, An Act to provide first nations with the option of managing and regulating oil and gas exploration and exploitation and of receiving moneys otherwise held for them by Canada, as reported (without amendment) from the committee.

Hon. Mauril Bélanger (for the Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians) moved that the bill be concurred in.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Deputy Speaker: Call in the members.

And the bells having rung:

• (1255)

The Deputy Speaker: The hon. government whip has asked that this vote be deferred until the end of government orders on November 14.

Government Orders

Hon. Karen Redman (Kitchener Centre, Lib.): Mr. Speaker, discussions have taken place and I believe if you were to seek it, you would find unanimous consent that the report stage vote of C-54 be deemed to have been taken and carried, and we proceed with third reading.

The Deputy Speaker: Is there unanimous consent?

Some hon. members: Agreed.

(Motion agreed to)

Hon. John Godfrey (Minister of State (Infrastructure and Communities), Lib.) moved that the bill be read the third time and passed.

Hon. Larry Bagnell (Parliamentary Secretary to the Minister of Natural Resources, Lib.): Mr. Speaker, unfortunately, I just received the news that the United States senate has vote 51 to 48 in favour of drilling in the ANWR, but that will not stop Canada's fight against that. It is just a lost stage. We are going to keep up our fight.

The bill before us today would make a positive difference in the communities that choose to use it by allowing the first nations to assume complete management and control of their oil and gas revenues. The legislation will ultimately enhance job creation in the expanding oil and gas sector and spur economic activity on reserves. It also has an important second element which will allow first nations who wish to do so, to retrieve moneys held for them in the Consolidated Revenue Fund under the Indian Act.

As part of the transformative agenda to close the gap in the socio-economic conditions between aboriginal people and other Canadians, the government signed a political accord with the Assembly of First Nations at the May 31 policy retreat that underlined a shared commitment to help first nations exercise greater control over their social and economic aspirations. The bill which we call by its acronym, FNOGMMA, is just one of the several initiatives that the government has advanced to meet this goal.

Legislative and regulatory renewal is the key element of the government's commitment to helping first nations develop economic opportunities. The First Nations Oil and Gas and Moneys Management Act is another step in this process, following on the heels of recent legislative successes in this area such as the recent First Nations Fiscal and Statistical Management Act which was given royal assent last March.

Bill C-54 enjoys widespread support. This is a reflection of the importance all parties attach to the active participation of first nations in the development of this legislation with the best interests of their communities at heart. Against this background, I would like to thank my colleagues across the floor for their agreement to consider this legislation expeditiously.

Oil and gas development on first nation reserve lands is currently regulated under the Indian Act and the Indian Oil and Gas Act and its regulations. These regulations were amended in 1995 to reflect the broader first nation involvement in the management of these resources. However, the amendments did not provide for first nations management authority.

The first breakthrough leading to this legislation before us came in 1999 with the passage of the First Nations Land Management Act. That act was the first of a series of flexible sectoral self-government arrangements. It allows for first nations to opt out of the land management provisions of the Indian Act and establish their own land and resource management regimes. However, the First Nations Land Management Act did not extend to the particular needs of surface and sub-surface management of oil and gas resources.

To their credit, three first nations, the White Bear First Nations from Saskatchewan and the Blood Tribe and Siksika Nation from Alberta, began working diligently to fill this gap through a pilot project overseen by a steering committee composed of representatives from Indian Oil and Gas Canada, Indian and Northern Affairs Canada, the Indian Resource Council, and the three first nations chiefs. They have spent the last decade acquiring the skills and knowledge, and building the management capacity to assume the authorities contained in the First Nations Oil and Gas and Moneys Management Act.

It is important to point out that through this exercise the sponsoring first nations have reached a point where they are fully prepared to control their own oil and gas resources. This pilot project gave them the opportunity to both help design this legislation and develop the necessary capacity to implement its provisions. There were several stages and all parties involved learned along the way.

The first stage of co-management involved specific oil and gas training and capacity building exercises to begin to transfer knowledge of first nations where they would jointly approve all the administrative and management decisions with Indian Oil and Gas Canada.

● (1300)

The second phase, enhanced co-management, involved developing a process for transferring control of oil and gas resources to the participating first nations and a more rigorous communications process. This phase involved three review periods and an independent assessment at the end of the phase.

The third and final phase, full management and control, involved the development and implementation of an arrangement for transfer of complete management and control over oil and gas resources from Indian Oil and Gas Canada to the first nations.

A clear benefit of the pilot program was that it was designed to be reflective of and responsive to each community's needs and values.

Government Orders

When this bill was discussed before the Standing Committee on Aboriginal Affairs and Northern Development, the first nation proponents testified that they had developed the bill with their own particular needs and the aspirations of their communities in mind.

There are over 130 first nations across Canada with the potential for oil and gas production and approximately 50 first nations with active petroleum leases or permits. It is my hope that some of these first nations may one day decide to take advantage of the various elements of the legislation, although there is no obligation for any first nation to do so.

I must point out that not all first nations may want or be ready to take advantage of these potential new powers, including those first nations with oil and gas reserves. However, others, even without these resources on their lands, may want to assume the important moneys management authorities contained in this bill, which I will explore more fully in a moment.

I have talked about the basic elements of the bill. Now I would like to be a bit more specific.

We have already talked about the fact that the bill provides first nations with an option to assume control of petroleum resources on reserve lands and related revenues. In order to gain these authorities, first nation governments must first demonstrate their desire to assume such control. They must also be backed by a community vote endorsing their decision to take responsibility over either oil and gas and related revenues management or management of other moneys, or both.

A first nation must take the steps and pass the financial code that is required in this legislation before accessing its oil and gas resources or accessing the money. The financial code will, among other elements, deal with the method of holding money, the manner in which money is to be collected and distributed and to whom it is to be distributed, and it will deal with the resolution of conflicts of interest.

First nations that meet the criteria and opt into the oil and gas provisions of the legislation will acquire a new range of powers and responsibilities. They will have authority to make laws regarding exploration and exploitation of oil and gas. They will assume responsibility for oil and gas management, regulation and enforcement. They will also take over the obligations of Canada with respect to on reserve oil and gas contracts and they will control moneys related to oil and gas activity.

An important aspect of the governance provisions of this bill is that it recognizes the importance of the protection of the environment by including provisions to require first nations, in the development of their laws, to set standards that are at least equal to the requirements of the province in which the reserve is situated and the Canadian Environmental Assessment Act.

The other elements of this legislation have important implications for all first nations, not just those who may have access to oil and gas development. The moneys provisions of the bill before us today provide an alternative to sections 61 to 69 of the Indian Act, which many first nations consider to be overly bureaucratic, archaic and restrictive. Many first nations may want to be able to directly control the Indian moneys that belong to their reserve but which would

otherwise be held in the consolidated revenue fund to support governance and broader opportunities for economic development in their communities.

This legislation places decision making with the first nations, allowing them to better respond to the needs at the community level and to tailor their moneys management regime to best meet those needs. If a first nation opts in to the moneys provision of this bill and meets the transfer requirements, their trust moneys will be transferred out of the consolidated revenue fund and will cease to be Indian moneys.

• (1305)

Once transferred, responsibility for such moneys would rest with the first nation and would be non-revocable, but members of the House can rest assured that this is not being forced on all first nations. As I said earlier, only first nations who hold a successful community vote endorsing the decision to take responsibility over the management of their moneys would be able to do so. Communities that do not choose to avail themselves of the money provisions of the bill would retain their moneys in the consolidated revenue fund.

The first nations oil and gas and moneys management act responds to the first nations commitment to work with government to explore new ways to improve the livelihood of their members. The White Bear First Nation, the Blood Tribe and the Siksika Nation have clearly demonstrated their determination by sustaining this initiative over the last decade.

Bill C-54 also reinforces the partnership between the Government of Canada and the first nations by developing legislation that responds to community aspirations to better manage community affairs.

I am proud to be able to represent the government in the House in moving this initiative forward and proud to have the support of so many colleagues in the House in doing so.

For all these reasons, I want to acknowledge the tremendous support this legislation has had from all parties in the House. With this bill we are giving communities that choose to opt in the tools they can use to get on with the job of building stronger communities and a brighter future for their members.

• (1310)

Mr. Jeremy Harrison (Desnethé—Missinippi—Churchill River, CPC): Mr. Speaker, I listened with interest to the comments on Bill C-54 by the hon. member opposite. I know that the parliamentary secretary represents Yukon and has in his constituency a fairly significant number of first nations people.

In light of what we have seen over the last week and a half to two weeks in Kashechewan and in the Kwicksutaineuk First Nation, where every single home on the reserve is condemned, I would like the member to comment. We have seen the pictures of the incredible problems in Kashechewan.

Government Orders

I wonder if the member would recognize and admit what we have not seen from the Minister of Indian Affairs: that there are deep and systemic problems faced by first nations across the country.

In my constituency in northern Saskatchewan there are over 100 reserves. I know that Kashechewan and Kwikwitsutaineuk are not isolated incidents. As for the challenges faced by first nations, by these people who are living in what is literally third world poverty, I know that individuals from other parts of the country were shocked by seeing the pictures of living conditions in Kashechewan.

Quite frankly, the housing conditions and the water conditions are challenges faced by first nations right across the country. I am wondering if we can finally have an admission of that from the government.

Hon. Larry Bagnell: Mr. Speaker, I appreciate the hon. member's question and of course always love to talk about my riding so I am glad he mentioned it.

I hope, however, that the member does not fall into the trap that some of us who have been here for a while also fall into, that is, getting off topic. We all agree that there are problems. This legislation addresses a particular problem. Hopefully, at least, the most effective members of Parliament will use their time to deal with the question at hand without getting into other areas.

In this particular case, I will answer the question. In the future, I will have less tolerance for this because we are trying to solve a particular problem. We have a good solution that all parties agree with, I think, so hopefully we can deal with that, but I would be delighted to talk about the question at hand because he mentioned my riding.

In relation to first nations water, it is obviously a basic need and everyone in this House would like it to be dealt with. I am not sure if in the debate so far it has come out that several years ago we put a program in place to audit first nations water all across this country and put in management plans to move that forward.

We have obviously been working on this for a number of years. I think all members of the House would want us to move forward as quickly as possible. I have urged that in the past, so this is nothing new. We have been working on this right across the country. Hopefully we will work faster in some areas where need be so we do not again have the unfortunate situation that we have had.

In relation to my particular riding, which the member asked about, it is a good chance for me to once again let Canadians, members of Parliament and everyone know that we have a unique land claim in Yukon, which has been settled. What that of course gives is a land claim and self-government agreement. I think virtually every member in this House believes that to solve the many problems the member has talked about, the ultimate best solution is to transfer—once again, as it was for centuries—management back to those peoples, who at one time ran their own governments and communities with great success.

We have self-government agreements across the country and that is exactly what we have in the Yukon. My personal opinion is that since we have put them in place there have been dramatic improvements in all the areas the member talked about, including the socio-economic area, because first nations have large govern-

ments taking on both the authority and the responsibility for dealing with those problems very successfully in their communities.

All I would ask is that the member opposite and his party, in its present form, be more supportive of such agreements. I know that a previous incarnation voted against this deal. I will not hold that against him. More recently, that party voted against the Tlicho self-government agreement. I think that support would help move these situations forward.

● (1315)

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, I have a question that relates directly to treaty negotiation and the issues around having resources available for first nations people.

In my riding, the Hul'qumi'num treaty group is an unusual position, where there is very little crown land. For example, oil and gas are not present in my riding, and I am sure there are other ridings throughout the country where there is not a large amount of crown land. As we are talking about resources and oil and gas and other resource management, would this bill deal with issues where perhaps there is virtually no public land for first nations to have access to?

Hon. Larry Bagnell: Mr. Speaker, that is a fascinating question. I had a discussion with some of our first nations over breakfast this morning about that exact problem.

The quick answer is no. The bill is specifically targeted to one small thing and that is for those first nations, particularly the three that asked for it, to have their oil and gas resources transferred to them and the management. They have had oil and gas for over a decade. This applies to any of the other 120 that want it. The second part is for those, where Indian Affairs has money in the consolidated revenue fund from whatever source, not just oil and gas, who might want to manage it.

As much as I boast about our agreement in Yukon, as the member rightly points out, it was much easier for us because we had all sorts of land that had not heretofore had third party interests. We could make some wonderful deals.

The member has pointed out a structural problem. It will be a great challenge for any government in Canada. When there is no land in Canada, where a third party has not already spoken for it, or not a lot of Crown land available, it will take all the creativity and goodwill of all parties involved to come up with something that will work for everyone. It will take the tremendous goodwill of negotiators in all orders of government, and there are such people across the country. Hopefully, in as many situations as possible, they can come together and come up with something that would work and would provide reasonable benefits for the first nations without infringing unduly on someone else's rights as well.

Government Orders

Mr. Jeremy Harrison (Desnethé—Missinippi—Churchill River, CPC): Mr. Speaker, I would like to comment on a couple of the points that were made by the parliamentary secretary.

I would agree that self-government is the way to go. Our party has had that position for quite some time. It was a Conservative government that recognized the inherent right to self-government. It was not the Liberal government or the Liberal Party.

I would put the Conservative record on first nations aboriginal issues up against the Liberal record any day of the week. It was the Conservative Party that signed the treaties in the first place. It was the Conservative Party that recognized the inherent right to self-government. It was the Conservative Party that brought in the treaty land entitlement. It was the Conservative Party that gave first nations the vote in the first place, not the Liberal Party.

I also take issue with the hon. member's comments about the great Liberal plan for water treatment plants, which they have been aggressively pursuing. The plan has been a failure. We have 95 reserves under boil water advisories right now. Seventy-five per cent of first nations have problems with their drinking water. If that is a success, I would hate to see a failure.

Hon. Larry Bagnell: Mr. Speaker, I realize the hon. member is new. However, the record on aboriginal affairs is absolutely embarrassing. It is amazing that the member could stand up and talk about it, having recently rejected the Tlicho land claim agreement. Some members, not all, voted against the Westbank agreement. They voted against all Yukon first nations self-government agreements. I am not holding this against the people who were not there and did not vote.

I really think it is disingenuous and embarrassing for members to stand up and try to be the champion for first nations when they know that they voted against many initiatives that have been put forward in the House for first nations.

• (1320)

Mr. Ted Menzies (Macleod, CPC): Mr. Speaker, I would like to start off by recognizing the great amount of work that has gone into the drafting of this legislation and the advice that has come from the three first nations. They should be recognized for their leadership. The leaders of the three tribes have taken some flak at home from other treaty nations, but their forward-looking initiatives will pay off very well in the long term.

I would like to recognize the leadership of the White Bear nation in the Moose Mountains in southeastern Saskatchewan, the Blood Tribe and the Siksika First Nation as well. Two of these nations are resident in my riding and I know them very well.

The White Bear First Nation has one of the finest golf courses in Saskatchewan. I had a wonderful opportunity a couple of summers ago to play a round of golf there. There is a wonderful hotel and casino complex for evening entertainment. It is a great place to visit if one has the time.

I am pleased to speak today to Bill C-54, an act to provide first nations the option of managing and regulating oil and gas exploration and of receiving moneys otherwise held for them by Canada. The bill would give the White Bear First Nation, the Blood Tribe and the Siksika First Nation the authority to manage and

regulate all their oil and gas resources and moneys currently administered on their behalf by Indian Oil and Gas Canada.

Although these three first nations are currently the only signatories to this, the bill would enable other first nations to similarly access their oil and gas resources and moneys providing they meet the legislative conditions. By doing so, the bill lays the groundwork for true economic independence and autonomy for Canada's first nations.

For generations Canada has recognized the unique situation of its first nations. I might suggest we have not always addressed them, but we have recognized them. Various measures have been taken over the years to improve the economic condition of first nations.

Some may say that past actions to address first nations economic needs have been overly maternalistic. Some may consider too encouraging of a culture of dependence. Others may feel that before autonomy is granted, complete self-sufficiency must be demonstrated. How can a group of people become more self-sufficient by continuing to rely on government funding?

The reality is, the years of allocating government funding has done little to encourage economic growth within Canada's first nations communities. While this approach was thought to be the most effective one, it has not worked. Without direct control over the resources that generate the revenue, true economic independence is not possible.

For all the millions of dollars that go into first nations communities in Canada, there are still many reserves living in abject poverty with a lack of adequate and proper housing and, as has been referred to very eloquently in the papers and in the House as of late, a lack of safe drinking water. There are still reserves with exceedingly high levels of unemployment and critically low levels of education. There are still reserves ripe with social problems and violence.

While this legislation is not a panacea, it is the next logical step in carrying out Canada's commitments to its first nations. It embodies the concept of sustainable development. It puts power in the hands of the resource owners, giving them the autonomy to develop and reap the benefits of economic self-sufficiency. It is a well known fact that the performance and accountability of aboriginal self-government is enhanced when those who receive services contribute to the cost of those services.

Government Orders

•(1325)

Bill C-54 would allow first nations to achieve greater self-reliance and to benefit from improved governance tools. It would provide the means for first nations to create a unique process and framework of laws within which to exercise full control of their oil and gas resources. It also would demonstrate the ability of first nations and the Government of Canada to address the issue of accountability. On this side of the House we put a lot of credence in accountability. That is why we recognize the value in the bill because it does bring accountability. As this relates of course to the self-management of resources, that is the accountability to which we are referring in the bill.

There are five nations within my riding of Macleod including, as I mentioned, two of the signatories to the act, the Blood Tribe and Siksika First Nation. Naturally the legislation is important to me and to my first nations constituents. I am confident that the first nations that have signed on to this act will be very successful and that they will be the example for other first nations to follow.

These two signatories already have embraced some very unique and promising economic initiatives. For example, the Blood Tribe in southern Alberta, which is under the direction and leadership of Chief Charles WeaselHead at this point, already is active in the oil and gas sector. Western Lakota Drilling, an Alberta based company, approached the Blood Band with an offer to partner on a purchase of a drilling rig. The Blood also has been very active in agriculture. Last year, for example, the Blood Tribe entered into an agreement to market their long fibre hay products to Japan and also to other Pacific Rim countries with a multinational corporation.

The Siksika First Nation is in the midst of creating a world class tourism and interpretive centre. The date has not been set, but sometime in January it is my understanding there will be a grand opening for this interpretive centre. This interpretive centre, called the Blackfoot Crossing, is the historic site of the signing of Treaty 7. It is of national and international historical and archeological significance, and I am proud to say that it is in my riding of Macleod. It has been designated as a national heritage site and is recommended also to be a world heritage site. As a matter of interest, if this is successful in its bid, it will put two world heritage sites on the map in the riding of Macleod, another item of which I am quite proud.

It is easy to see how the legislation is a natural progression for both the Blood Tribe and the Siksika First Nation. It gives these first nations the authority to manage both their oil and gas revenues as well as their money.

Statistics show that status Indians living on reserves represent about 61% of the status Indian population in Canada. That translates to 445,436 on reserve status Indians and 285,139 who live off reserve. In addition, the on reserve status Indian population is expected to increase by almost 58% from 2003 to 2021. This compares with an increase of about 12% for the Canadian population as a whole. About 40% of the status Indian population is under the age of 19 compared with 25% for the entire Canadian population.

As we can see from the numbers Canada's aboriginal communities are young and they are experiencing significant population growth.

For this reason it is so very important that our aboriginal communities become more self-sufficient.

We need to ensure that our first nations have the capacity now for future economic strength in the Canadian as well as in the global marketplace. Bill C-54 would help achieve this.

•(1330)

I will now talk about the implementation of the act. First, the legislation is entirely voluntary, which is one of the most important features of this. Although three nations are involved in it at this point, it is through voluntary membership that other nations will be encouraged to sign on to this opportunity. Only those first nations who meet the legislative requirements can proceed with joining on to this program. It requires an affirmative vote by any first nation, a referendum of all eligible voters and an approval by a majority of the majority is required.

Accountability is a key consideration as well. Accountability measures will include annual financial statements in accordance with the generally accepted accounting principles of the Canadian Institute of Chartered Accountants. Annual audits of the financial statements, in accordance with the generally accepted auditing standards, will also be required for those first nations choosing to opt in to the legislation.

A lot of other issues come to mind when we talk about the first nations. We have certainly heard a lot about the drinking water issues in Kashechewan and the negligence of the Liberal government in recognizing how dire a situation those people were put into. It is absolutely deplorable that this is actually allowed to happen in this modern age and in our rich country.

In today's newspaper we read again about the United Nations chastizing Canada once again for not resuming talks on a land claim settlement that has been in discussion for some seven years. It is amazing that we let something that serious drag on for so long. The people who inhabit these reserves deserve much more than what the government has been offering them.

I would like to recognize two colleagues of mine who have been very active in working on the legislation and helping to guide it through. Although it is a government bill, we need to recognize that our Indian and Northern Affairs critic has been very instrumental in making sure, before it was ever drafted, that it would actually acquire the support it needed and would address the issues that it was meant to address.

It is also interesting that we are hearing today about troubles within the first nations among their leadership. I would certainly encourage and hope that they can come together in some sort of agreement and be able to attend the first ministers meeting in Kelowna in the near future with a united front to help the government recognize how much it has forgotten about our first nations and how important they are.

I would like to talk a bit more about the two first nations within my riding. I spoke briefly about the Blood Tribe. I have become good friends with Charlie WeaselHead. He has been a wonderful host when I have been invited to the Blood Tribe for visits.

Government Orders

The Blood Tribe is doing something very unique. For many years its farmland has all been leased out to other farmers. This year it has pulled back about 2,500 acres and it is being leased to some of the members of the band. The band has an irrigation project with somewhere in the neighbourhood of, and correct me if I am wrong, over 50 pivot irrigation systems. More and more of these will be under the control of the band itself.

It is only fitting that the band is strengthening its position in agriculture as a way of providing resources to fund the health projects and the education projects that the band wants to put together on its own reserve and Bill C-54 would provide the band with the resources it needs.

• (1335)

I spoke earlier to their partnership on a drilling rig. My understanding is that this drill rig is not very far from being completely paid off, so there will be great profits not only to the company that they are in partnership with but also to the band itself. I applaud the Blood Tribe for its efforts to ensure that it will some day be self-sufficient. I think that is fundamental to its success and its future.

The Siksika Band, which is just east of Calgary on the Bow River where Treaty 7 was signed, had an incredible issue with flooding this past spring. A lot of the houses on the reserve were, if not destroyed, certainly damaged badly. We are still working with the band and helping it to get these houses back in shape.

However I understand those are not the only first nation houses at issue. I heard my colleague talk about some of the ones in northern Saskatchewan and other places. It is a common problem, not only the flooding but the lack of funding and direction from the federal government.

Another colleague of mine from southeastern Saskatchewan, who is part of the White Bear Nation, which is, as I mentioned, another very forward thinking first nation, has played a pivotal role in helping to put this together.

I would like to sum up by saying that this bill reflects 10 years of consultations with first nations and it follows a very successful pilot project. It is time for the aboriginal government to be given the power to raise its own revenues to reduce the cycle of dependency. Bill C-54, in my estimation, would achieve that.

Bill C-54 would build stronger and more self-reliant aboriginal communities. Bill C-54 would enhance the accountability of band councils through requirements to develop and ratify both an oil and gas code and an environmental code. That is something we have not talked much about but there are environmental requirements and very restrictive environmental controls within this.

I think it is pretty clear that I support the bill and I encourage other hon. members to do the same.

[*Translation*]

Mr. Bernard Cleary (Louis-Saint-Laurent, BQ): Mr. Speaker, it gives me great pleasure to speak to Bill C-54, the First Nations Oil and Gas and Moneys Management Act. This bill will open up access to the natural resources and the immeasurable wealth of the first

nations' ancestral lands, allowing the money to be used for our aboriginal nations.

The intent of Bill C-54 is to give first nations the opportunity to manage and regulate oil and gas exploration and exploitation, and to receive the moneys that Canada retains for them. This bill was introduced in the House of Commons on June 1, 2005. It allows for the transfer, to the first nations named therein, of the management and control of the oil and gas resources found on their lands and the payment to the first nations of the moneys held in trust for them by the Crown.

The Bloc Québécois supports this bill. Although not perfect, it will give first nations the tools they need to achieve greater self-sufficiency when they have oil and gas resources on their lands. The first nations who opt to take advantage of the services provided for under this bill will be able to participate more actively in their economy and strengthen their autonomy. The first nations' demands for the authority to manage their own affairs are a matter of interest to the Bloc Québécois. Self-management can be achieved only when a nation controls the levers of its own economy.

The Government of Canada must not use Bill C-54 as a way of evading its fiduciary responsibilities towards the first nations. It bears a responsibility to rectify the inequalities between aboriginals and non-aboriginals.

I am very happy to be able to talk about the importance to a first nation of being able to participate in the economic development of its own territory. We know that the ancestors were always in favour of using their lands for their livelihood and their development. The impact on the life of the communities who are fortunate enough to participate in the development will be huge, in both social and economic terms.

The Bloc Québécois recognizes the aboriginal peoples' right to self-determination, as I noted in Geneva during a study session of the Commission studying the Declaration on the Rights of Indigenous Peoples.

The role of trustee and the expectations that we should have with regard to the Department of Indian Affairs in the area of economic development will allow us to develop industries drawing on the resources of the territories negotiated.

It is important to remember that the standard of living of aboriginal peoples is much lower than that of non-aboriginals in Canada. The importance of reducing this gap has been noted on many occasions, notably in the throne speech on October 5, 2004.

Many first nations believe that economic development is the key to achieving this goal. However, it is difficult for a first nation that has no control over its lands and resources to achieve this. In her report in November 2003, the Auditor General of Canada pointed out that one of the barriers to economic development resulted from the federal approach to institutional management and development.

• (1340)

This report also stated that "several First Nations consider the department's approach too slow, too short term, and on some occasions, poorly administered".

Government Orders

A large number of first nations and their organizations have worked diligently toward assuming greater responsibility for their lands and resources. Bill C-49, An Act providing for the ratification and the bringing into effect of the Framework Agreement on First Nations Land Management (First Nations Land Management Act), which received royal assent on June 17, 1999, is a good example of legislation giving participating first nations greater autonomy in the management of their lands. Under that legislation, any first nation may opt out of the land management provisions of the Indian Act and manage its lands using its own land management code. The First Nations Land Management Act, however, does not affect in any way the management of oil and gas resources on first nations lands.

The development of a new financial relationship between the first nations and the Government of Canada has always been the basis for discussions and analyses over the past 20 years or so.

Already in 1983, the Penner report, a report by the House of Commons Special Committee on Indian Self-Government, recommended that the fiscal relationship between the federal government and the first nations be redefined.

In 1996, the final report of the Royal Commission on Aboriginal Peoples also recommended a full review of the fiscal relationship between the federal government and the first nations. The proposed initiative focused on redefining this relationship within a broader context based on first nations self-government. The Tlicho self-government act that we had the honour of passing in this House is an example of this.

Bill C-54 will change the way oil and gas are developed and it will allow first nations which are self-reliant to develop these resources on their own land. To date, first nations have had to comply with the Indian Oil and Gas Act and its regulations, which has not allowed them to manage these resources directly.

The first nations oil and gas management initiative was launched in February 1995. This pilot project provided for the gradual transfer of management and control of oil and gas resources on the land of five first nations: the Blood tribe of Alberta, the Siksika first nation of Alberta, the White Bear first nation of Saskatchewan, the Horse Lake first nation of Alberta, and the Dene first nation of Alberta.

Only the Blood, the Siksika and the White Bear continue to participate in this initiative. The pilot project was directed by a steering committee composed of representatives of Indian and Northern Affairs, Indian Oil and Gas Canada, the participating first nations, and the Indian Claims Commission.

This project was divided in three phases: co-management, enhanced co-management and management and control by first nations. During the first phase, the administrative duties were shared between the first nations and IOGC, and decisions were made jointly.

● (1345)

In the second phase, IOGC maintained its authority and the first nations received the necessary training to perform IOGC functions. The pilot project is now in its final phase. It needs Bill C-54 to pass in order for the powers to be transferred to those first nations meeting the requirements in the legislation.

Bill C-54 will change the way oil and gas are developed and will allow first nations that are self-reliant to develop these resources on their own land. To date, first nations have had to comply with the Indian Oil and Gas Act and its regulations, which has not allowed them to manage these resources directly.

The first nations oil and gas management initiative was launched in February 1995. This pilot project provided for the gradual transfer of management and control of oil and gas resources.

Bill C-54 would allow first nations, that choose to do so, to be excluded from the application of the Indian Oil and Gas Act and its regulations. This act is currently the legislation governing the exploitation and exploration of the oil and gas resources on reserve land. This legislation does not allow first nations to manage the oil and gas resources on their land directly nor does it allow them to develop an appropriate regulatory framework.

However, Bill C-54 would allow any first nation, if it chooses to do so, to create regulations on oil and gas exploration and preservation, on the spending of moneys derived from the exploitation of these resources, and on the protection of the environment.

As for regulations to protect the environment, those established by first nations will have to at least meet the standards of Quebec or the province in which the aboriginal community is located.

As far as management of their finances are concerned, those first nations choosing to come under this new legislative framework will come under different rules as far as "Indian moneys" are concerned. These are currently defined in the Indian Act as all moneys collected, received or held by the federal government for the use and benefit of Indians or bands. For these first nations, the provisions of the Indian Act will no longer apply. They will therefore be able to directly administer the amounts collected rather than letting them be administered by the federal government. As a result, they will be able to make their own choices for investment in their communities instead of letting the Department of Indian Affairs and Northern Development dictate priorities to them. Auditor General Sheila Fraser pointed out in her 2004 report that this department is not doing a good job of administering the billions of dollars intended for the aboriginal communities.

If a first nation does not feel it would be advantageous to come under the new legislative regime, the current standards will continue to apply to it, so it will continue to benefit from the provisions of the Indian Act, including those that apply to the administration of Indian moneys.

Lastly, we wish to point out that the Bloc Québécois has endorsed the core recommendations of the Royal Commission on Aboriginal Peoples. The commission set forth an approach to the concept of self-government based on recognition of aboriginal governments as a level of government with jurisdiction over issues concerned with good governance and the well-being of their people.

Furthermore, the entire report is based on recognition of the aboriginal peoples as self-governing nations occupying a unique place in Canada.

S. O. 31

•(1350)

[English]

Hon. Sue Barnes (Parliamentary Secretary to the Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, I know that my hon. colleague across the floor has a great number of years of experience in his prior life.

This is a new start for these first nations who will have the capacity to take advantage of this legislation. It does necessitate a change in philosophy.

I want the member to tell the House and members of the public about those first nations who are ready to take this step, the health of those first nations and their desire to move forward with a new economic reality. This includes the management of the fiscal resources that will flow from their use of this legislation, which the member knows is optional even though it was piloted by some proponent first nations. If other first nations want to go forward with it, that ability will still be there.

I would like the member to draw upon his experiences and perhaps talk about some of the first nations that are ready to take this historic leap forward.

•(1355)

[Translation]

Mr. Bernard Cleary: Mr. Speaker, as I mentioned during study at first reading, this bill is a historic moment in the economic development of the aboriginal nations.

It is in fact an accomplishment of which many elders have dreamed for years. These people have always wanted to regain their ancestral lands and benefit from the economic resources there, so that they are not supported forever, but capable of living off the resources that belong to them.

Around these resources of the aboriginal lands, negotiated or ceded back for the nations' development, shall be built a vision that will help correct many of the social ills on our reserves. We will also be able to put aboriginal youth to work and at least give them a future. This future will be based not on assistance of some kind, but on working the resources that have belonged to them since the dawn of time.

[English]

Mr. Jeremy Harrison (Desnethé—Missinippi—Churchill River, CPC): Mr. Speaker, the member is a dedicated and diligent member of the aboriginal affairs committee. I know he is very committed to seeing first nations and aboriginal people succeed.

There was very good cooperation among all the parties in pushing the bill through the House and also in working at committee to move it along very quickly.

Earlier we heard the Parliamentary Secretary to the Minister of National Resources assert that the government has been very successful in its water management strategy for first nations. Of course, we have seen Kashechewan and there are 95 reserves currently under boil water advisories. Seventy-five per cent of first

nations have problems with their drinking water. The minister himself asserted in question period not that long ago that the government has been very successful in managing the water on first nations. I would beg to differ. Perhaps the hon. member could comment on that.

[Translation]

Mr. Bernard Cleary: Speaker, it is clear that, at this time, what I consider important is this bill which we are now discussing. As my colleague who is a committee member points out, other issues will have other opportunities for thorough consideration by the committee, and for decisions which I hope can ensure that these problems—such as the water problem—are fully resolved, so that our communities are at least on an equal footing with the general Canadian population.

It is unacceptable that 75% of water systems are not operating under ideal conditions. What I sincerely hope is that the work is done, and I will be watching to see that it is. It is fine to say that it is going well, but that is not true. We will have to make the necessary decisions to ensure that aboriginal people can drink water like the majority of Canadians.

STATEMENTS BY MEMBERS

•(1400)

[English]

IRAN

Mrs. Susan Kadis (Thornhill, Lib.): Mr. Speaker, tomorrow marks the 10th anniversary of the murder of former Israeli prime minister Yitzhak Rabin, a hero who worked courageously toward peace.

Now while many work tirelessly toward carrying his legacy of peace, others like the President of Iran shockingly call for Israel to be wiped off the map.

We cannot dismiss comments by a president as a rhetorical exercise disconnected from policy. We cannot repeat the mistakes of the past.

I call on our government to ask the Iranian representative in Ottawa to clarify Iranian foreign policy vis-à-vis Israel and find out in writing whether Iran is bent on the destruction of a UN member as a matter of policy.

* * *

HEALTH

Mr. James Lunney (Nanaimo—Alberni, CPC): Mr. Speaker, reports indicate that *C. difficile* infections in Montreal area hospitals alone may cause up to 1,000 deaths a year. Explanations focused on three aspects: the need for hand washing, overcrowding, and overuse of antibiotics.

Early reports spoke of a fourth factor, patients who were concurrently taking a common class of medication. Proton pump inhibitors reduce gastric acidity and are used to treat heartburn or so-called GERD disease. Researchers writing in the CMA journal estimate the risk of serious infection is a whopping 250% higher if the patient is on these medications.

I asked the Minister of Health what the department was doing to warn doctors and patients about this serious situation? I received a written response from Health Canada. What did it do? It asked the drug companies, and guess what. They did not see anything wrong. Based on the response from the manufacturers, Health Canada decided no warnings were necessary.

Why would Health Canada ignore independent research when the lives of Canadians are at risk? When will action be taken to warn doctors and the public?

* * *

YEAR OF THE VETERAN

Hon. Judy Sgro (York West, Lib.): Mr. Speaker, I rise today to recognize November 11 as a very special Remembrance Day as we celebrate the Year of the Veteran.

Canadian veterans from all wars are honoured especially this year for their sacrifice and their service to our country.

From November 5 to November 11 we will be marking Veterans Week by remembering how important it is to pay tribute to our veterans by teaching our children and grandchildren what our heroes have done for us.

The greatest tribute we can make to our veterans is to build a better world and to carry on the proud tradition of Canada in their memory.

On this Remembrance Day I would like to thank our forces, both in Canada and abroad, and honour our veterans from all wars for their courage, sacrifice and devotion to our great country.

* * *

[Translation]

HUMAN RIGHTS

Mr. Bernard Cleary (Louis-Saint-Laurent, BQ): Mr. Speaker, as an aboriginal living on the Mashteuiatsh reserve, I am not entitled to file a human rights complaint against any action relating to the Indian Act or made pursuant to that act.

How can Canada, in all conscience, promote respect for human rights around the world and yet deny those same rights to the first nations? This has been going on for 28 years.

The Canadian Human Rights Commission is calling, in a special report, for the repeal of section 67 of the Canadian Human Rights Act because it believes that this section violates the charter and numerous international human rights conventions to which Canada has acceded.

This is the consideration Canada gives its first nations.

S. O. 31

[English]

MISSING PERSONS INDEX

Mr. Gary Lunn (Saanich—Gulf Islands, CPC): Mr. Speaker, the creation of a DNA missing persons index is long overdue, but the public safety minister is standing in the way.

The missing persons index would provide law enforcement agencies with an important tool to investigate missing persons files and bring closure to grieving families.

In order for the database to work, we need to be able to match the DNA of missing persons with the over 20,000 unidentified DNA profiles obtained from crime scenes across the country.

Yet access to information documents revealed that the government deliberately removed all reference to this discussion from its own public consultation. In its place was an internal memo from which I quote, "The question will not arise because we won't let it". This blatant partisan inference is another example of how the government views public consultations.

Federal and provincial ministers will be meeting next week in Whitehorse. This is a chance for the minister to undo the damage she has done to the public consultation. I urge her to commit to a fair discussion on the merits of linkage so we can start finding the 7,000-plus missing people in Canada.

* * *

● (1405)

VIOLENCE AGAINST WOMEN

Ms. Nancy Karetak-Lindell (Nunavut, Lib.): Mr. Speaker, in September the federal, provincial and territorial ministers responsible for the status of women agreed to host a policy forum with aboriginal women in 2006 to discuss violence.

The objective of the forum is to give aboriginal women an opportunity to share their experiences and make suggestions for solutions. It will also strengthen the collective capacity to address issues of violence and mobilize governments and aboriginal organizations to develop policy initiatives to help reduce the rate of violent incidences.

Violence against anyone is unacceptable, but the violence experienced by women is part of a wider social problem that requires special attention. Providing a forum to explore ways to deal with this issue is another step toward finding effective solutions. Unfortunately, violence against women is a significant and persistent social and economic problem in our country.

I ask my hon. colleagues to join me in commending the ministers for initiating this event.

S. O. 31

[*Translation*]

JACQUES DEMERS

Ms. Denise Poirier-Rivard (Châteauguay—Saint-Constant, BQ): Mr. Speaker, people in Quebec and the sports world in general are reeling from the shock wave that hit like lightning yesterday. In his newly released biography written by Mario Leclerc, Jacques Demers admits that he is illiterate.

It is hard to imagine that he reached such heights despite his handicap. He was a professional coach in St. Louis, Detroit and Tampa Bay, where he was also general manager, before leading the Montreal Canadians, the “Glorious ones”, to their last Stanley Cup victory in 1993.

We salute his courage and we hope that he will serve as an example to the millions of illiterate Quebecers. Hats off to Mr. Demers. The Bloc Québécois salutes your unparalleled honesty and courage.

* * *

[*English*]

NORTHERN ONTARIO SCHOOL OF MEDICINE

Mr. Ken Boshcoff (Thunder Bay—Rainy River, Lib.): Mr. Speaker, it is with great pride that I rise today to announce the opening of the first new medical school in Canada in over 30 years. The Northern Ontario School of Medicine is a partnership between Laurentian University in Sudbury and Lakehead University in Thunder Bay.

With a special emphasis on rural and remote medicine, the Northern Ontario School of Medicine will pioneer the marriage of technology, education, research and health care delivery. The school is based on the premise that medical students tend to practise where they have studied and graduates will contribute to reducing the critical shortage of physicians in northern Ontario.

I would like to extend my heartfelt congratulations to founding dean Dr. Roger Strasser and his dedicated team who have worked tirelessly for the past three years to see this dream come true.

I ask members to please join me in applauding Canada's newest medical school, the Northern Ontario School of Medicine.

* * *

VETERANS

Mr. Peter MacKay (Central Nova, CPC): Mr. Speaker, on November 11 Canadians everywhere will attend Remembrance Day services to pay respect and thank our veterans for the enormous sacrifices made in conflicts and peacekeeping missions around the globe.

Last week I had the opportunity to attend such a remembrance service in Tracadie, a community in Central Nova. Later I visited with Reg Connors, a highly decorated veteran who served with the North Nova Scotia Highlanders in the United Kingdom and Germany, and participated in the liberation of Holland. He and so many other proud Nova Scotians gave so much to Canada and the cause of peace through selfless service and sacrifice.

As time marches on and our war veterans grow older, it becomes increasingly important for the public to keep alive the stories and the memories of those like Reg Connors and thousands of Canadian vets who gave so selflessly for the freedoms of things that we enjoy today.

It is critically important as well for the current and future generations to take up the torch and ensure that our veterans and their families are cared for, honoured and respected and that their sacrifice is not forgotten. It is the least we can do.

We keep in our thoughts and prayers the memories of those who continue that proud tradition of military service and we will be forever grateful.

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YOUNG ACHIEVERS

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): Mr. Speaker, I ask the House to join me in congratulating three remarkable young people from my riding of Lac-Saint-Louis, Muhammad Ahsan Khan, Nazish Noor Khan and Seharish Noor Khan, for recently receiving young achievers awards.

At age 11 Muhammad is working to promote a no bullying policy at St. Anthony's school. He has also helped to raise more than \$8,000 for the Terry Fox Foundation and has worked to collect donations for the tsunami relief fund. I also understand he is a spirited soccer player and has been teaching children in his neighbourhood to play cricket.

Nazish is 13 years old and is already one of my community's strongest literacy advocates. Last year she was named the top reader in a local readathon contest and has been commended repeatedly for her humanitarian work. She spends much of her time helping children with learning disabilities.

At 15 Seharish harbours a remarkable passion for volunteer work, fundraising on behalf of the Multiple Sclerosis Society, the Terry Fox cancer research centre, the Montreal Children's Hospital and the tsunami relief fund. Seharish also volunteers at the Lakeshore General Hospital and tutors special needs students at St. Anthony's school.

Once again, I congratulate these three youth and indeed all young achievers for the inspiring work they do every day to enrich the life of my community and our country.

* * *

● (1410)

[*Translation*]

APM DIESEL

Hon. Denis Paradis (Brome—Missisquoi, Lib.): Mr. Speaker, I would like today to congratulate APM Diesel of Brome—Missisquoi, which has just won a contract from the Department of National Defence in the amount of \$12 million to refurbish 400 military vehicles.

The contract will entail an investment of nearly \$1 million to expand the Cowansville shop and create 20 new jobs.

I recall the first federal government contract APM Diesel won through the MERX system of tendering on the Internet. The system is a transparent, open and public one that businesses may use to obtain government contracts.

This is happening in Quebec, in the regions, with the Canadian army. Good job, APM Diesel.

* * *

[English]

ROY BATTAGELLO

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, it is with much sadness that I rise today to pay tribute to a man whose political and social work have been a source of local pride and admiration for over 40 years in my community of Windsor.

“Battling” Roy Battagello died Saturday after a long and courageous fight with prostate cancer. When I was first elected to city council, I heard many stories about Roy's tireless efforts and accomplishments for the city, as he was elected as a city councillor for many terms in the 1960s and 1970s. As a councillor and after, he fought tirelessly for what he called “our sacred trust”, Windsor's waterfront.

Roy Battagello was an accomplished athlete, playing football for the Ottawa Roughriders, receiving awards and accolades for his athletic accomplishments. He served for over 15 years on the Windsor Utilities Commission. He is remembered as a great teacher, coach and principal for his work at local schools over the many years.

I know I speak on behalf of all the people of Windsor and the House when I express my deepest condolences to his wife Nancy, children Lisa and Dave, and his six grandchildren. Windsor will remember and honour the legacy that Roy has left with us and are thankful to his family for sharing his energy, passion and time with us.

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[Translation]

CANADA POST

Mr. Brian Pallister (Portage—Lisgar, CPC): Mr. Speaker, at noon today, the chair of the Quebec Conservative caucus, Josée Verner, announced that a Conservative Party government would review Canada Post's decision to close the Quebec City sorting centre.

It is unthinkable to us that the Montreal centre alone can provide consistent service quality across the province. The people of eastern Quebec deserve quality postal service, equivalent to that provided in the rest of the province.

The Conservative Party therefore opposes the decision. We are proud of the work done by Josée Verner in this matter. We firmly intend to carry on the work in order to meet the needs of Quebecers and deliver quality public service.

S. O. 31

SPONSORSHIP PROGRAM

Ms. Nicole Demers (Laval, BQ): Mr. Speaker, the Prime Minister may say and claim he did not know anything about the sponsorship scandal, he has zero credibility.

Even Jean Chrétien confirmed that the former Minister of Finance was aware, as he himself was aware and as the other ministers were aware.

Moreover, Jean Chrétien confirmed that the sponsorship program was approved by cabinet, and that the \$50 million allocated annually, in an attempt to buy Quebec, were included in the budget by the Minister of Finance.

The evidence is damning. Not only was the current Prime Minister aware, he was also at the very centre of the strategy that led to the sponsorship scandal. The Prime Minister has been unmasked. Quebec is outraged. This Prime Minister no longer has the moral authority to govern.

* * *

[English]

SPONSORSHIP PROGRAM

Mr. Pierre Poilievre (Nepean—Carleton, CPC): He said no, Mr. Speaker. He refused to sign the dirty contracts, he alerted authorities to the Liberal ad scam and for him wilful blindness was just not good enough. Allan Cutler spoke out and exposed the breadth of Liberal theft and Liberal fraud.

For that, the Liberal government sought a pound of flesh from him. It moved Cutler out of his job, declared him surplus and denied him promotion. Ironically, he has suffered more punishment for exposing the ad scam than Liberal officials have endured for perpetrating it.

Now Gomery has vindicated him and it is time that Allan Cutler was restored. Today, I call on the government to reimburse Cutler for lost pay and missed professional opportunities. On behalf of law-abiding Canadians, I intend to nominate him for the Order of Canada.

Thanks very much, Allan Cutler, for doing the right thing.

* * *

● (1415)

ISLAMIC FOUNDATION OF TORONTO

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, I rise today to acknowledge the tremendous efforts of the Islamic Foundation of Toronto, Canada's largest mosque, in responding to the earthquake in Kashmir. To date, the foundation has raised \$414,000 to aid in the recovery of the region. Of course, with matched funding, that amount effectively doubles.

However, there is more. Within six days of the disaster, the foundation sent a team of four doctors into Kashmir to help treat survivors. Dr. Akram Syed, Dr. Asif Pathan, Dr. Sayz Malam and Dr. Khuram Sher have been on the ground for over three weeks now, often hiking into the more remote parts of the region to treat those cut off from the main lines of assistance.

Oral Questions

These young Canadian men, along with our community that supports them in the middle of Ramadan, stand as a testament to the best that we as Canadians aspire to be. We are proud of them and wish them well in their work in Kashmir, and a safe return.

* * *

HOUSING

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, in the 2005 Social Watch report, Canadian economist Armine Yalnizyan says that:

— despite unparalleled economic and fiscal capacity, Canada has failed to make serious progress in the fight against poverty and inequality.

It was the NDP that forced the federal Liberals to commit \$4.6 billion for social and environmental investment, including \$1.6 billion for housing. However, Canadians are still waiting for access to affordable housing.

Even existing low income housing is at risk because the government has withdrawn subsidies for co-op housing and countless low income Canadians are at risk. The minister says that he will fix the problem, but co-ops are fed up waiting.

The appalling housing conditions for so many aboriginal people is a national disgrace, as so hauntingly exposed in Kashechewan.

The National Housing and Homeless Network has given the federal government a failing grade in its 2005 report card, and still the government will not commit to ongoing funding of important programs like SCPI.

We in the NDP believe accessible, affordable and safe housing is a fundamental human right. Time is running out for the government.

ORAL QUESTIONS*[Translation]***SPONSORSHIP PROGRAM**

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, the Prime Minister says he rejects the Gomery report finding that the Liberal Party is responsible for the scandal. Justice Gomery wrote that “The Liberal Party as an institution cannot escape responsibility for the misconduct of its officers and representatives”.

Will the Prime Minister admit that he is wrong, and Justice Gomery right, and that that legal proceedings should be instituted against the Liberal Party to recover the money stolen from the taxpayers?

Hon. Jean Lapierre (Minister of Transport, Lib.): Mr. Speaker, the Prime Minister has been very clear. We agree with Justice Gomery's findings because he is the specialist in this matter. He has studied it from all angles, and we subscribe to his conclusions.

[English]

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, the fact is the government is rejecting the recommendations and conclusions of Gomery.

Gomery concluded that the Liberal Party, as an institution, is responsible. That is the very premise the Prime Minister rejected in

the House yesterday. The judge has said that the Liberal Party is responsible for the misconduct of its officers and representatives.

Once again, will the Prime Minister admit that he is wrong, that the judge is right and that he has a responsibility to sue the Liberal Party for the millions of dollars that were stolen and still unaccounted for?

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, our party has repaid the Canadian Treasury every penny that was received inappropriately. We based our calculations on Justice Gomery's report. Whereas, the Conservatives and the Bloc have been pulling figures out of thin air.

Yesterday, they were talking \$45 million. The day before, they were talking \$5.4 million. Earlier this week, the leader was talking about \$700,000.

We support Justice Gomery's work. That is why we based our analysis on his facts.

● (1420)

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, the Liberal Party somehow believes it can make a plea bargain with itself. It is trying to be above the law.

This scheme was not set up for the benefit of a few bit players or a few ad companies. This was a scam, first and foremost, by the Liberal Party, of the Liberal Party and for the Liberal Party.

Will the Prime Minister get up and admit that he has a responsibility to go after every single cent of the \$40 million that are still missing and to go after the Liberal Party—

The Speaker: The hon. Minister of Public Works and Government Services.

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, once again, the party was guided by the facts in the Gomery report. The party has returned \$789,000, specifically identified by Justice Gomery's inquiry as having been improperly received. Further, the party has also remitted to the taxpayers \$354,000 of money, properly receipted, but received from agencies against whom Justice Gomery specifically assigned blame in relation to their conduct.

The Liberal Party has accepted its responsibility and has repaid the Canadian taxpayer any funds received inappropriately.

Mr. Peter MacKay (Central Nova, CPC): Mr. Speaker, the Prime Minister has taken the incredibly harsh step of banning 10 Liberal organizers from the Liberal Party. Ouch, that has got to hurt. Passing out stolen sponsorship money is okay, but it is not fine to use it.

We know from testimony that the illegal kickback cash was used by the campaigns of H el ene Scherrer, now the principal secretary to the Prime Minister, and Yvon Charbonneau, now the ambassador to UNESCO.

Elections were stolen, using dirty money, and the law was broken. Yet, like his mentor, Mr. Chr tien, the Prime Minister rewards Liberal cronies and unethical behaviour. When will this stop?

Oral Questions

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, the first thing the Prime Minister did upon receiving Justice Gomery's report was to refer it to the RCMP. The RCMP is the appropriate party to conduct further investigations into this.

The Conservative Party, we know, does not trust the work of the RCMP. In fact, the deputy leader of the Conservative Party earlier this week accused the RCMP of being partisan.

Canadians trust Justice Gomery. Canadians trust the RCMP. They do not trust the Conservative Party, its deputy leader nor its leader.

Mr. Peter MacKay (Central Nova, CPC): Mr. Speaker, there is nothing more rigorous in defence of a Liberal than a recent convert.

The Prime Minister's pledge that there would be no more "Who do you know in the PMO" was just another phony promise. His democratic deficit has now widened to an integrity deficit. Dingwall broke lobbying rules and awaits his severance entitlement from the Mint. Francis Fox and Art Eggleton got their rewards with Senate appointments because of who they knew in the PMO.

The Prime Minister has not called the RCMP to investigate cases where kickback money was used by Liberals, but clearly, the culture of entitlement has continued.

Will the Prime Minister launch a lawsuit against his own party and—

The Speaker: The hon. Minister of Public Works and Government Services.

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, as a government, we have launched lawsuits against 28 firms and individuals to recover \$57 million. However beyond that typically what would happen in these cases is that the government would determine what an appropriate figure would be and what the right figure would be based on facts, in this case the facts in Justice Gomery's report. It would then sue the party if in fact the party did not pay the money.

The fact is that in this case the Liberal Party has paid the money so why would we sue it?

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the Prime Minister has decided to ban for life a number of members of the Liberal Party, including Marc-Yvan Côté. Justice Gomery's inquiry has shown that M. Côté gave dirty money to Liberal candidates in eastern Quebec ridings in the 1997 election.

Since the Liberal Party of Canada banned Marc-Yvan Côté on the grounds that he had handed out dirty money, does the Prime Minister intend to identify those candidates who benefited from this dirty money and ban them for life, like Marc-Yvan Côté?

Hon. Jean Lapierre (Minister of Transport, Lib.): Mr. Speaker, once again, the leader of the Bloc Québécois is trying to go further than Justice Gomery did. Justice Gomery had Marc-Yvan Côté and all the other witnesses appear before him. He got to ask all the questions he wanted to ask and he drew his conclusions. We trust Justice Gomery's conclusions and we support them. But we do not want to have a second Gomery inquiry just because the leader of the Bloc Québécois is not happy with the results of the first one.

• (1425)

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, during Justice Gomery's inquiry, the lawyer for the Liberal Party objected to Marc-Yvan Côté naming names.

Now, the government is taking measures following the Gomery inquiry. These are announced by the Prime Minister with great fanfare. Ten individuals were banned, seven of whom are no longer members, including Marc-Yvan Côté, on the grounds of having handed out dirty money.

I assume that logic would have it that both the person who gave the money and those who received it illegally ought to be banned.

Following the Gomery inquiry and the measures that have been announced, will the government be consistent?

Hon. Jean Lapierre (Minister of Transport, Lib.): Mr. Speaker, the most consistent thing to do following Justice Gomery's inquiry is to read his report and follow his indications. Justice Gomery identified individuals who he thought were responsible for misappropriating funds. He identified them, and we banned them.

Mr. Michel Gauthier (Roberval—Lac-Saint-Jean, BQ): Mr. Speaker, let us be clear.

In response to the Gomery report, the Prime Minister asked the Liberal Party to ban Michel Béliveau, who had given money, and to ban Marc-Yvan Côté for life for having transported the money.

Would it also not be appropriate to dismiss in perpetuity from the Liberal Party those who received money and pocketed it?

Hon. Jean Lapierre (Minister of Transport, Lib.): Mr. Speaker, the Bloc Québécois House leader is going a little too far.

I would like him to make such accusations—that he knows people received money and put it in their pockets—outside the House. If he is serious, let him repeat this and name the people outside, rather than abuse his parliamentary privilege.

Mr. Michel Gauthier (Roberval—Lac-Saint-Jean, BQ): Mr. Speaker, the Minister of Transport has to understand that, while it is pretty serious for someone to provide money, someone to transport it and for these two to be banned by the Liberal Party, is it possible that some people received this money?

That is what I am asking him. Will he release the list of the people who received the money? They are just as guilty as the person who transported the money and the person who provided it. That is our point of view.

Hon. Jean Lapierre (Minister of Transport, Lib.): Mr. Speaker, I realize the Bloc Québécois wants an army. Now it wants a police force to investigate instead of the RCMP, which has the Gomery report in its possession and can take whatever action it deems appropriate. We are confident the RCMP will do a proper criminal investigation. It is not up to the member to do it.

*Oral Questions**[English]*

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, I would like to return to the broader question of the culture of entitlement that Justice Gomery identified, and it really speaks to the credibility of the Prime Minister, someone who speaks passionately about how he is going to end corruption, the same passion that he used when he said that he would relegate the whole practice of cronyism to history.

Does the government believe that the Prime Minister has kept his promise to end the culture of cronyism, yes or no?

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, the answer to that question is quite simple. The answer is yes.

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, yes is what we are hearing. That answer has zero credibility.

The communications director of the PMO is an ambassador to Costa Rica. Losing Liberal candidates have choice posts even though the House of Commons said they should not get those posts. Liberal bagmen are in the Senate.

I would like the minister to tell me how this culture of cronyism has ended. I would like the minister to give me an example and give Canadians some proof.

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, it was this Prime Minister who determined that all Canadians had the right to know what happened in relationship to the sponsorship program. It was this Prime Minister who put Mr. Justice Gomery in place. This Prime Minister accepts the findings of Mr. Justice Gomery's first report. This Prime Minister has referred that report to the RCMP. This Prime Minister has ensured that our party has written a cheque for \$1.14 million to go back to the Canadian taxpayer. This Prime—

• (1430)

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

Mr. Gary Lunn (Saanich—Gulf Islands, CPC): Mr. Speaker, let us talk about the findings of Justice Gomery. This Minister of Public Works has very selective memory. The Kroll audit, part of the Gomery commission, identified \$40 million were still missing and unaccounted for. Justice Gomery also stated that because of the cash they could not come up with the exact number. Nobody knows for sure. We do not know the number. The only way to get the real number is to sue the Liberal Party of Canada and let it defend the numbers in court.

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, the hon. member once again is pulling figures out of the air. We prefer to base our analysis on Justice Gomery's facts.

We do not trust the Conservatives or the Bloc with their figures. They have talked about \$45 million. They have talked about \$5.4 million. They have talked about \$700,000. I prefer to trust Justice Gomery. The analysis of his facts lead to a figure that is credible and right at \$1.14 million, which has been paid in full to the Canadian taxpayer.

Mr. Gary Lunn (Saanich—Gulf Islands, CPC): Mr. Speaker, all that rhetoric. The minister can read Gomery's report. The Kroll audit is part of that. The Kroll audit clearly states that \$40 million are still missing.

Justice Gomery also states in his report that it is impossible to give an exact number because they do not know, that there is no paper trail for the cash and that it could be millions of dollars. The Canadian public are the shareholders and they deserve every last penny to be returned. The government has no option but to sue the Liberal Party—

The Speaker: The hon. Minister of Public Works and Government Services.

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, once again it would be highly unusual for the Government of Canada to sue an entity that has already paid the Government of Canada what it owed.

One does not sue based on figures that are pulled out of the air. One actually takes action to defend the interests of Canadian taxpayers based on facts, and in this case the facts in Justice Gomery's report. The Kroll Lindquist audit was part of over 28 million pages of documents that Justice Gomery considered and analyzed to give us his facts.

Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC): Mr. Speaker, all the money has not been returned and that is what taxpayers want to see happen.

Two of the people who the Prime Minister wants to ban from the Liberal Party are Michel Béliveau and Jacques Corriveau. They gave \$8,000 in illegal sponsorship cash to Hélène Scherrer, then a Liberal candidate and now the Prime Minister's principal secretary. Ms. Scherrer was elected as a Liberal MP with \$8,000 of illegal, dirty sponsorship money. The only way taxpayers can be certain that this money will be returned is if the Prime Minister takes civil action and sues to get it back. Will he do this, yes or no?

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, once again, the \$789,000 specifically identified by Justice Gomery's inquiry as having been improperly received, in addition to the \$354,000 that was properly received and received from agencies against which Justice Gomery specifically assigned blame in relation to their conduct, creates a figure of \$1.14 million, which has been paid in full by the Liberal Party.

Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC): Mr. Speaker, the concern taxpayers have, quite frankly, if this minister has not figured it out, is that they do not trust the Liberal Party to clean up its own mess. That is the problem.

[Translation]

Perhaps if I put my question in French I would get an answer.

Will the Prime Minister initiate legal proceedings to recover the stolen money? Yes or no?

Oral Questions

Hon. Jean Lapierre (Minister of Transport, Lib.): Mr. Speaker, the Liberal Party of Canada has issued a cheque in the amount of \$1.143 million to the Receiver General for Canada to cover all of the money that went to the Liberal Party inappropriately, according to Justice Gomery. This amount covers everything in the Gomery report. Every cent of it was paid.

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, in his testimony at the Gomery inquiry, Marc-Yvan Côté, chief Liberal organizer, said that 18 ridings in eastern Quebec had received brown envelopes of dirty money and, in 9 of those, candidates received the money personally.

Since the Prime Minister keeps telling the world that he wants to clean up his party, will he agree to release the list of 18 ridings that received and used this money for the 1997 election campaign?

• (1435)

Hon. Jean Lapierre (Minister of Transport, Lib.): Mr. Speaker, in every case, I imagine that all the ridings and organizations submitted their financial reports to the returning officer, as required. That is where the audit needs to be done. The Royal Canadian Mounted Police has the mandate to look into any irregularities.

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, is the minister saying that a Liberal candidate has to declare receiving \$10,000 of dirty money in a brown envelope? That makes no sense. He should have listened to what Mr. Kingsley had to say yesterday about his inability to do anything about such situations under the current legislation.

I will ask the question again. How can the Prime Minister claim to be cleaning up his party when he is turning a blind eye to those who used this money for personal gains in the 1997 election under the Liberal Party of Canada banner?

Hon. Jean Lapierre (Minister of Transport, Lib.): Mr. Speaker, every dollar identified by Justice Gomery has been paid to the Receiver General of Canada for a total of \$1.143 million. The cheque was remitted yesterday to the Receiver General of Canada and everything has been reimbursed. No one can ask for more than complete integrity and respect for Justice Gomery's findings, and we acted immediately.

Mr. Benoît Sauvageau (Repentigny, BQ): Mr. Speaker, let us read from the Gomery report. On page 305, it states: "Mr. Côté divided the money into ten envelopes, which he gave to the candidates in need of assistance at the time the Liberal campaign was officially launched in Shawinigan, for payment of their personal expenses".

How can the Prime Minister claim to accept the Gomery report, announce a major cleanup of his party, and yet not take this compromising revelation into consideration?

Hon. Jean Lapierre (Minister of Transport, Lib.): Mr. Speaker, we have taken into consideration all the revelations recognized by Justice Gomery. Moreover, every dollar mentioned in the report that appears to have been an inappropriate donation to the Liberal Party has been paid back by that cheque for \$1.143 million.

Mr. Benoît Sauvageau (Repentigny, BQ): Mr. Speaker, things are not right. The Minister of Transport claims that the decision on the lifetime banishment of certain persons from the Liberal Party applied to all those directly or indirectly connected with the dirty

money by the Gomery report, yet a dozen or so Liberal Party of Canada candidates are directly implicated as having personally received some of the dirty money in 1997, according to that report.

Why would this lifetime ban not apply to those individuals? What makes them any different?

Hon. Jean Lapierre (Minister of Transport, Lib.): Mr. Speaker, all those identified by Justice Gomery as directly or indirectly connected with inappropriate funding have been banished, and all the money has been paid back to the Receiver General of Canada. We cannot make it any clearer than that. All those blamed by Gomery have been banished. We are, therefore, following Justice Gomery's recommendations to the letter. We have done everything required.

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[English]

PUBLIC SERVICE

Mr. Guy Lauzon (Stormont—Dundas—South Glengarry, CPC): Mr. Speaker, former deputy minister Arthur Kroeger has stated that the sponsorship scandal was created "outside of the rules". The Auditor General did not say more rules were needed; she said "every rule in the book was broken".

The President of the Treasury Board's response to the sponsorship scandal is to pile 238 new rules on bureaucrats and the Canadian public. Mr. Kroeger predicts the result will be a demoralized public service and worse service to the public.

Will the President of the Treasury Board admit that these 238 new rules are just a smokescreen for Liberal corruption?

Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, of course I will admit nothing of the sort. The reality is that what we are doing is modernizing the management of the Government of Canada. This is something that this Prime Minister has been deeply interested in for many years, something he instructed me to begin doing on December 12, 2003 and something that I take very seriously.

I can tell the House that the public servants of this country are anxious to have it done because they know how good they are and they know the kind of support this will give them. If the member would only read the report, he might understand it.

• (1440)

Mr. Guy Lauzon (Stormont—Dundas—South Glengarry, CPC): Mr. Speaker, let me tell this minister what Professor Ned Franks, an expert in government ethics and accountability, thinks of the plan. In reply to an observation that this plan looked like the work of one of his first year political science students, Mr. Franks said, "I think you're being unfair to political science 101 because I would have flunked a student who had presented the arguments in defence of the government's position that I see in the documents".

Oral Questions

This minister has failed the Canadian public and this government has failed the Canadian public. When will this Liberal government stop hiding behind phony announcements and simply stop breaking the rules?

Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, I noted that comment with some interest. Given that three of the authors of the document were Robert Marleau, Camille Montpetit and Donald Savoie, I am rather surprised at the mark that Mr. Franks would give them.

* * *

SPONSORSHIP PROGRAM

Mr. Jason Kenney (Calgary Southeast, CPC): Mr. Speaker, when corporate fraudsters at Enron and WorldCom abused the trust of their shareholders they were sent to jail with sentences of 15, 20 and 25 years.

The Liberal Party systematically violated the public trust and stole millions of public dollars and not one Liberal has been sent to jail. Now the government even refuses to launch a civil action against the Liberal Party to reclaim the money that is still missing.

Why does this government continue to confuse the Liberal Party with the Government of Canada? Why not put the interests of Canadians ahead of the interest of that party and sue the Liberal Party for the missing millions?

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, I understand why the hon. member is feeling litigious these days. I was reading earlier today in the *Globe and Mail* that his dear friend, ethics counsellor, mentor and spiritual leader, Conrad Black, Lord Black of Crossharbour, is in fact suing the U.S. government.

The Conservatives can take their guidance on ethical issues from Conrad Black. We would prefer to take ours from Justice Gomery.

Mr. Jason Kenney (Calgary Southeast, CPC): Mr. Speaker, a member of the party of Jacques Corrivé and Jean Chrétien is lecturing us about ethics. What Canadians want to know is why the Liberal Party continues to make the same mistake it did in setting up ad scam, which was to confuse the Government of Canada with the Liberal Party of Canada. The Liberals think the two are one and the same. That is how all these millions got stolen in the first place.

We are asking them to take a step back, to separate the interests of the Canadian taxpayer from those of the Liberal Party and to sue the Liberal Party for the missing millions, at least \$40 million of which is identified in the Gomery report. Will the—

The Speaker: The hon. Minister of Public Works and Government Services.

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, the fact is that Justice Gomery heard from 172 witnesses. He and his commission reviewed 28 million pages of documents. We based our analysis on his facts and his report.

Beyond that, lord penny of pompous pond over there, who wants to follow in Conrad Black's footsteps, ought to listen to Justice Gomery and not take his ethical guidance from Conrad Black.

ABORIGINAL AFFAIRS

Mr. Roger Valley (Kenora, Lib.): Mr. Speaker, Canadians want people living in communities like Kashechewan to enjoy the same standard of living enjoyed by all of us. One of the things that has emerged is that solutions for many rural and remote communities must include elements of health, education and housing, in addition to safe drinking water.

Could the minister update the House on measures the federal government is taking to ensure that solutions are found for the people of Kashechewan and other people in Canada so they can all look forward to a better tomorrow?

Hon. Andy Scott (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, our five point action plan will address housing, education, water, health and social services. It was developed with the community and its leadership.

We have addressed the water situation. We have additional health care workers.

A barge with building materials to renovate 35 homes will arrive in the community next week, with more to follow. We will build 50 new homes this year and each year for the next 10 years.

We said we would fix Kashechewan together and we will.

* * *

● (1445)

ETHICS

Hon. Ed Broadbent (Ottawa Centre, NDP): Mr. Speaker, my question is for the Deputy Prime Minister. Our leader has just asked a question, giving three specific illustrations of the continuation of a culture of Liberal entitlement. Instead of answers, he got evasions.

My question to the Deputy Prime Minister is this. Is it not true that the Prime Minister named a Liberal staffer as ambassador, appointed a Liberal bagman to the Senate and continues to allow Liberal lobbyists to collect illegal fees? In the name of ethics, answer the question.

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, I would hope the hon. member is not suggesting that those people are without merit. If so, I suggest—

Some hon. members: Oh, oh!

The Speaker: Order, please. The hon. member for Ottawa Centre asked his question of the Deputy Prime Minister, not of the official opposition. The answer is coming from the Deputy Prime Minister despite the help from the other side. Perhaps the member for Ottawa Centre will want to hear what the Deputy Prime Minister has to say and consult the opposition later.

Oral Questions

Hon. Anne McLellan: Mr. Speaker, as I said, I hope the hon. member is not suggesting that those people are without merit or casting aspersions upon the abilities of those people to carry out those jobs.

I would also remind the hon. member that recently the Prime Minister made an outstanding Senate appointment from the province of Saskatchewan and, if I remember correctly, that person was a New Democrat.

Hon. Ed Broadbent (Ottawa Centre, NDP): Mr. Speaker, there is no better illustration of the arrogant Liberal culture of entitlement than that answer. The Deputy Prime Minister equates Liberalness with competence. No one else in Canada does so.

I come back to the question. For four days we have asked specific questions about entitlement and for four days we have had evasions. Is this not the best illustration of the culture of Liberal arrogance being perpetuated?

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, I honestly find that the most amazing question. It was this Prime Minister and it was this government that decided to cancel the sponsorship program and put in place the Gomery inquiry so that all Canadians could know what happened. It was this Prime Minister who determined that we should pursue civilly a large number of people to get back dollars that were taken from the Canadian taxpayer.

That is not a culture of entitlement. That is a culture of responsibility.

* * *

DAVID DINGWALL

Mr. Brian Pallister (Portage—Lisgar, CPC): Mr. Speaker, let us learn, then, from Justice Gomery's work. How about reading page 284? There the judge states that David Dingwall called Chuck Guité into his office, introduced him to Jacques Corriveau and stated "look after him". Guité followed Dingwall's instructions and Corriveau went on to receive \$35 million in sponsorship grants and delivered kickbacks to the Liberal Party.

Now that Justice Gomery has so clearly linked David Dingwall to Corriveau, does the Prime Minister still insist on paying him severance?

Hon. John McCallum (Minister of National Revenue, Lib.): Mr. Speaker, the case of Mr. Dingwall is in discussion with lawyers. It is a legal matter, with questions of possible legal obligations, and the Prime Minister has issued instructions that the government pay the minimum amount required by law.

Mr. Brian Pallister (Portage—Lisgar, CPC): Mr. Speaker, it is becoming increasingly hard to take the erratic responses of the minister very seriously. After all, they come from a man who was confused enough not to know the difference between Vimy and Vichy, who believes that Saskatoon is a suburb of Portage la Prairie, and who believes that Dingwall should be rewarded and whistleblower Allan Cutler should be punished. He seems befuddled, Mr. Speaker.

Here is a friendly little question for the minister. Will he guarantee that the André Ouellet audit will be made public?

● (1450)

Hon. John McCallum (Minister of National Revenue, Lib.): Mr. Speaker, while the hon. member's behaviour might be characterized as bizarre, I think that one at least has to have a grudging respect for his bulldog tenacity. I would suggest to him that he might apologize for his misinformation on the matter, for example, of Mr. Dingwall—

Some hon. members: Oh, oh!

The Speaker: Order, please. The Minister of National Revenue has the floor. We must be able to hear his answer.

Hon. John McCallum: Mr. Speaker, I would simply say that if the hon. member is welcome over there, they are certainly welcome to him.

* * *

JUSTICE

Mr. Vic Toews (Provencher, CPC): Mr. Speaker, a horrific news story out of Winnipeg reports the discovery of a prostitution house involving 20 children as young as 12 years old.

While prostitution involving children is already illegal, is it any wonder that criminals feel free to engage in this activity when the Supreme Court of Canada last month upheld a sentence of house arrest for the rape of a 12 year old girl? What is the minister doing to ensure that a conviction for serious sexual assault never results in house arrest?

Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the hon. member knows that the legislation we introduced with regard to the reform of conditional sentences would preclude the application for instances of sexual assault.

Mr. Vic Toews (Provencher, CPC): Mr. Speaker, vulnerable children deserve the protection of the law and yet this minister continues to defend laws that provide for house arrest. It allows adults to escape conviction for having sex with a child between 12 and 13 years old when they think the person is 14 years old.

While prostitution with children is illegal, when will the minister finally understand that all young children should be protected from sexual predators and raise the age of sexual consent to 16?

Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I would agree with the hon. member opposite that any practice with regard to sexual assault on the most vulnerable, young children, is the most pernicious and predatory practice, but I would ask him to read the Criminal Code, where he will find that the age of consent for child prostitution is 18 years of age and not, as he said, 12 years of age.

Oral Questions

[Translation]

THE ENVIRONMENT

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Mr. Speaker, Minister Mulcair pointed out that the harsh reality is that Ottawa will be allowing Alberta to increase its greenhouse gas emissions until 2010, and that Quebec will have to pay for Alberta by reducing its emissions even more, this for a province that has no deficit and no debt, and that will generate a net profit of some \$8 billion to \$10 billion in a year.

The plan proposed by the Minister of the Environment is unfair to Quebec. How can this minister, who is from Quebec, justify working against the interests of his own province?

Hon. Stéphane Dion (Minister of the Environment, Lib.): Mr. Speaker, I am working to reconcile our lifestyle with our planet's capacity. Canada will do its part, and so will Quebec within Canada. This is what Quebecers want.

Of course, Quebec's contribution will not be as noticeable as that of some of the other provinces, because Quebec needs to eliminate fewer tonnes of greenhouse gases. Indeed, only three of the regulated 45 megatonnes for large final emitters will have to be eliminated in Quebec.

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Mr. Speaker, on May 17, the federal government committed \$538 million for climate change in Ontario. Considering the past efforts made by Quebec, Minister Mulcair is demanding at least a fair share of the money that the federal government earmarked for climate change.

Why is the Minister of the Environment so uncompromising, and why does he refuse to give Quebec, in all fairness, a fair share that would take into account the past efforts made by our province?

Hon. Stéphane Dion (Minister of the Environment, Lib.): Mr. Speaker, first, the plan is fair to all provinces, and it will become even fairer.

Second, in order to achieve that fairness, I will not negotiate publicly through the media and, third, I will definitely not do so by using the Bloc Québécois as an intermediate, because the Bloc Québécois is a useless intermediate which always distorts the facts.

● (1455)

Mr. James Lunney (Nanaimo—Alberni, CPC): Mr. Speaker, this Liberal government's bogus consultation on Ottawa's Green Plan are going nowhere. This government committed to objectives without a clear plan in place.

As the former Minister of Intergovernmental Affairs, the Minister of the Environment should have known that no plan can be imposed on the provinces without prior consultation. Why is he intent on dictating to the provinces the way to go and imposing unachievable objectives on them?

Hon. Stéphane Dion (Minister of the Environment, Lib.): Mr. Speaker, I can assure my hon. colleague that we are working very closely with the provinces and that we will be able very shortly to announce excellent initiatives in the various provinces to reduce greenhouse gas emissions.

I will remind him that climate change is a very important cause. It would be helpful that he speak to his own party and that they themselves agree that climate change is an urgent problem and that adhering to Kyoto is the right thing to do for Canada.

[English]

Mr. Bob Mills (Red Deer, CPC): Mr. Speaker, it is not a matter of our party not understanding that climate change is a problem, the Kyoto strategy is totally in shambles.

The environment minister is fighting with his counterparts in Quebec and Alberta about compliance. Mr. Tony Blair this week told him to his face that in fact he is very uneasy about the hard targets that have been set. Now he is going to host the world while our CO₂ emissions skyrocket and he fiddles without a workable plan.

When will the minister admit to Canadians that in fact it is impossible for Canada—

The Speaker: The hon. Minister of the Environment.

Hon. Stéphane Dion (Minister of the Environment, Lib.): Mr. Speaker, it is certainly possible because Canadians are able to do great things when they work together. Albertans, Quebecers and other Canadians will work together to ensure that Canada does its share for the planet because Canadians are good citizens of the world and we will show it to this party.

* * *

[Translation]

CANADA MORTGAGE AND HOUSING CORPORATION

Ms. Raymonde Folco (Laval—Les Îles, Lib.): Mr. Speaker, today one of the daily newspapers is defending the prudent use of the CMHC surplus by the Minister of Labour and Housing, who is responsible for that corporation.

According to the editorial, the Bloc Québécois member “is barking up the wrong tree when he says he is worried that CMHC surplus funds may have been put to purposes other than housing. There is nothing that says the profits generated by CMHC activities have to be ploughed back into housing subsidies”.

Can the minister remind the House of CMHC's legitimate business mission?

[English]

Hon. Joe Fontana (Minister of Labour and Housing, Lib.): Mr. Speaker, I wish to thank the member for her support in housing. Let me tell the House and I know it is shared by all Canadians that Canada Mortgage and Housing Corporation is a success story.

For over 60 years, it has made it possible, starting with veterans, to buy a home. Our program, which is not a subsidized program and operates on a commercial basis, has made it possible for over millions and millions of Canadians to own their first home. That in fact is at record highs.

Home ownership is an ideal that we want all people to attain. We are determined to do that. The Bloc never gets it. This is not a subsidized—

The Speaker: The hon. member for York—Simcoe.

AIRPORTS

Mr. Peter Van Loan (York—Simcoe, CPC): Mr. Speaker, the transport minister wants Toronto's airport to pay rent of \$144 million, which is two-thirds of all the airport rent in Canada. In contrast, competing U.S. airports actually receive millions of dollars from the government.

This discriminatory stealth tax threatens to force airlines to move, flying out of New York, Detroit or as the minister said, he prefers Montreal instead of Toronto. The cost will be huge with higher ticket prices, less choice for Canadian travellers, lost tourism and trade, and harm to the economy.

When will the government stop its hidden airport tax shakedown and treat Toronto residents—

The Speaker: The hon. Minister of Transport.

Hon. Jean Lapierre (Minister of Transport, Lib.): Mr. Speaker, the hon. member should know that the government has addressed the problem and has corrected some of the leases that were signed by the Conservative Party when it was in power.

We had to correct the mess that it put some of the airports in, so we reduced the rent by \$8 billion. Out of that \$8 billion reduction, \$5 billion will go to Toronto. That is quite a correction we had to make to a program that was started by a Conservative government.

* * *

• (1500)

SPONSORSHIP PROGRAM

Mr. Pierre Poilievre (Nepean—Carleton, CPC): Mr. Speaker, the government has punished whistleblower Allan Cutler more severely for exposing the ad scam than it has punished Liberals for perpetrating the ad scam. As such, Mr. Cutler should not have to beg for restoration. He should not have to ask for what is rightly his. The government should go to Mr. Cutler with an offer to reimburse him for pushing him out of his job and denying him his rightful promotions.

Why will the government not commit here and now to going to Mr. Cutler and offering him rightful reimbursement?

Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, this is all too familiar posturing by this particular member. He raised this issue with me privately yesterday. I told him at the time that Mr. Cutler had never raised this with us and that I would be more than willing to meet with him. So, if he wishes to follow through, I will also follow through.

* * *

[Translation]

SOFTWOOD LUMBER

Mr. Guy André (Berthier—Maskinongé, BQ): Mr. Speaker, the two Canadian softwood lumber negotiators, Paul Tellier and Gordon Ritchie, have reached the conclusion that there is nothing more to negotiate and last week, they announced their intention to resign.

Now that it is clear that this conflict will not be resolved any time soon, does the government intend to grant the loan guarantees that

Oral Questions

the softwood lumber industry has been demanding for a long time now?

Hon. Jim Peterson (Minister of International Trade, Lib.): Mr. Speaker, we have always maintained that we are considering a plan to help the workers, communities and companies in the softwood lumber industry. There have been some heavy discussions, and our reaction and final decision will be forthcoming in the near future.

* * *

[English]

HUMAN RESOURCES AND SKILLS DEVELOPMENT

Ms. Ruby Dhalla (Brampton—Springdale, Lib.): Mr. Speaker, over the last decade Canada has had the fastest job growth than any other G-7 country. A highly-skilled workforce is essential to Canada's economic growth and prosperity to promote innovation and, really, to ensure our economic competitiveness.

Can the Human Resources and Skills Development Minister please tell this House what the Government of Canada is doing to ensure that we have a highly-skilled workforce to ensure our nation's economic and competitive advantage in the international arena.

Hon. Belinda Stronach (Minister of Human Resources and Skills Development and Minister responsible for Democratic Renewal, Lib.): Mr. Speaker, I would like to thank the hon. member for her very important question that addresses the upcoming skilled worker shortage. We want to ensure that we have enough skilled workers, so that Canada can compete in this competitive global economy.

We have already committed \$125 million to a workplace skills strategy. I am pleased to remind the House that recently we launched the workplace partners panel, which is co-chaired by CME President Perrin Beatty and CLC President Ken Georgetti. It will bring business closer together with labour. We will have regional task forces. They will bring forward programs for each region to better address the future upcoming skilled worker shortage.

* * *

PRESENCE IN GALLERY

The Speaker: I would like to draw the attention of hon. members to the presence in the gallery of the Honourable Tom Hedderson, Minister of Education for Newfoundland and Labrador.

Some hon. members: Hear, hear!

[Translation]

The Speaker: I wish to draw the attention of members to the presence in our gallery of the recipients of the Governor General's performing arts awards.

[English]

For Lifetime Artistic Achievement in the Performing Arts: Peter Boneham, Jackie Burroughs, Marcel Dubé, Oliver Jones, Moses Znaimer.

Some hon. members: Hear, hear!

The Speaker: The Ramon John Hnatyshyn Award for Voluntarism in the Performing Arts: Gail Asper.

Privilege

Some hon. members: Hear, hear!

The Speaker: The National Arts Centre Award: k.d. lang.

Some hon. members: Hear, hear!

The Speaker: I invite all hon. members to meet the recipients at a reception about 3:15 or 3:20 p.m. in Room 216 North.

* * *

● (1505)

ROYAL ASSENT

The Speaker: I have the honour to inform the House that a communication has been received as follows: Rideau Hall
Ottawa

November 3, 2005

Mr. Speaker:

I have the honour to inform you that the Right Honourable Michaëlle Jean, Governor General of Canada, will proceed to the Senate Chamber today, the 3rd day of November, 2005 at 3:45 p.m., for the purpose of giving Royal Assent to certain bills of law.

Yours sincerely,

Barbara Uteck
Secretary to the Governor General

* * *

BUSINESS OF THE HOUSE

Mr. Jason Kenney (Calgary Southeast, CPC): Mr. Speaker, I have a simple question for the hon. House leader. Could he describe the government's plan for business of the House commencing this afternoon, tomorrow and the week following the constituency break? Will the government finally be furnishing the opposition parties with an opportunity, that has been denied them now for some five sitting weeks, for an opposition day tomorrow, so that we, on behalf of the 62% of Canadians who voted against the Liberals in the last election, may finally raise matters of urgent national priority?

[*Translation*]

Hon. Tony Valeri (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, this afternoon, we will continue the debate at third reading of Bill C-54, the first nations resources bill.

[*English*]

When this is complete, we will consider reference before second reading of Bill C-50, respecting cruelty to animals. I expect that this business will carry over to tomorrow. We will then add to the list second reading of Bill S-36, respecting diamonds and second reading of Bill C-44, the transport bill.

When the House resumes on November 14, we will return to second reading of Bill C-68, the Pacific gateway bill; Bill C-66, the energy bill; and Bill C-67, the surpluses legislation.

We will also then return to any business from this week that is unfinished and if time permits, consider second reading of Bill C-61, the marine bill.

November 15 and November 17, as the hon. member across the way would have known weeks ago had he been at the House leaders meeting, will be allotted days. On Tuesday evening, November 15,

we will have a take note debate on the Canadian mission in Afghanistan.

Accordingly, I will propose the required motion pursuant to Standing Order 53.1(1). I move:

That a debate pursuant to Standing Order 53.1 take place on Tuesday, November 15 on the subject of Canada's military mission in Afghanistan.

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

Some hon. members: Agreed.

The Speaker: The motion is adopted.

(Motion agreed to)

The Speaker: The hon. member for Edmonton—Strathcona has given the Chair notice of a question of privilege. I will now hear him.

* * *

PRIVILEGE

STANDING COMMITTEE ON CITIZENSHIP AND IMMIGRATION

Mr. Rahim Jaffer (Edmonton—Strathcona, CPC): Mr. Speaker, I rise on a question of privilege regarding comments made by the Minister of Citizenship and Immigration, as well as those made by the minister's director of communications on the minister's behalf, which have not only unjustly damaged the reputation of myself and my colleagues in the Conservative Party of Canada, but I believe are part of a coordinated plan to intimidate and harass members of the official opposition.

Specifically, the minister is menacing and using intimidation against Conservative members of Parliament sitting on the Standing Committee of Citizenship and Immigration by telling the Canadian public that we are anti-immigrant and that we failed to do our proper duty when we rejected the supplementary estimates A in committee on Tuesday, November 1.

These statements, in my opinion, constitute a prima facie case that my privileges as a parliamentarian have been breached.

I would like to provide a brief summary of the background into this issue and read the exact quotes from the minister and his officials into the record, followed by the relevant Speaker rulings and passages from the appropriate text that show this to be a breach of my privilege. If you do, indeed, Mr. Speaker, find a case exists, I will then move my motion.

First let me provide some background on the vote taken on the estimates of November 1, in the Standing Committee on Citizenship and Immigration. As you may be aware, Mr. Speaker, the supplementary estimates A, 2005-2006 for the Department of Citizenship and Immigration were tabled in the House last week and referred to the standing committee. The committee invited the minister to appear prior to our vote Tuesday and the minister did appear.

As provided by Standing Order 81 of the House and reinforced by a passage from the *House of Commons Procedure and Practice* by Marleau and Montpetit, page 870 states:

The Standing Orders provide for a detailed consideration of the Estimates, both Main and Supplementary, by standing committees.

Privilege

Regarding what types of questions committee members are allowed to ask, on page 872, Marleau and Montpetit goes on to state:

The questioning and discussion at this meeting is generally wide-ranging, although the rule of relevance does apply.

When the committee has completed its consideration of the Estimates, each item is put to a vote separately.

The Conservative members of the committee followed this procedure but the Minister of Citizenship and Immigration did not.

For example, the members for Calgary—Nose Hill, Calgary Northeast, Fleetwood—Port Kells and myself asked very relevant questions to the estimates. I would assert that all questions were specific, such as the one regarding the Toronto waterfront revitalization project which \$116 million of the money provided in the estimates is going toward.

However the minister obfuscated and treated committee members with contempt. He refused to give us clear and concise answers. Numerous times the Liberal chair of the meeting had to admonish the minister to try to answer committee members in a clear and concise manner. The minister refused to heed the chair's advise.

The Conservative members on the committee felt that the minister had treated us with contempt and decided that since the minister failed to answer our questions, we would exercise our right and responsibility as the official opposition and oppose the passage of the estimates.

Let me emphasize that point. It is not the role of the official opposition to blindly rubber stamp the estimates. In our system of responsible government, it is the role of the opposition to scrutinize the estimates and make sure the government stays responsible to the House of Commons and Canadians. It does not matter if this is a budget vote or an estimates vote in a standing committee, it is the job of the official opposition to scrutinize government spending.

If in our opinion the minister fails to be responsible to Parliament by failing in the simple task of answering questions, we have every right and responsibility to vote against the estimates.

In the end, the estimates were defeated by a 6-5 vote, with the Bloc and Conservative members exercising our rights as opposition. We even put out a press release the next day explaining our rationale and left the door open to the minister to return to committee to reconsider these estimates if he was willing to do his part by answering questions.

The official opposition did its job. It should have ended there but, unfortunately, it did not. The minister, instead of recognizing the will of the committee, spoke to the media the next day on November 2 and made comments which I now believe constitute a breach of my privileges.

Specifically, on page A8 of today's edition of the *Toronto Star*, the minister made the following comments:

The first chance they had to show support for an immigration plan that is comprehensive ... for settlement and integration programs and they said 'no.' They shut the door down.

The Conservative party's attitude to immigration is keep those people out and send them back.

They're either hypocrites or liars.

●(1510)

In effect, he has called the Conservative members on the committee anti-immigrant as we did not pass his estimates.

Additionally, Stephen Heckbert, the communications director for the minister, has begun a full assault to attack our reputation. I have obtained a copy of an email he sent out to Kim Klaiman of Sponsor Your Parents. I believe the existence of this email proves my contention that there is a coordinated plan to attack the reputations of Conservative MPs and to intimidate the official opposition.

I will table the email but I want to first read from it. It states:

For your information, yesterday, November 2, 2005, the Conservative members of the Standing Committee on Citizenship and Immigration rejected our request for supplementary funding to help our increased processing of parents and grandparents in 2005.

If this decision stands, the government will not be able to process the additional parents and grandparents the minister committed to processing in April.

[The member for Vegreville—Wainwright] and his Conservative Party colleagues rejected the supplementary estimates after asking only one question about the additional funding the minister was requesting—funding that is essential in part to address the issues your group has raised in the past. Unfortunately, the Conservative members of the Standing Committee chose to reject your requests and to deny the government the funding it needed to address this issue.

You and others may want to ask the Conservative members of the committee why they rejected the funding we have requested to begin addressing the backlog.

Yours sincerely,

Stephen

This letter is a clear attempt by the minister to have public interest groups intimidate Conservative members of Parliament into restoring the funding.

Not only that, but the letter is clearly false in content. For one thing, the member for Vegreville—Wainwright was not at the committee meeting and did not vote. Second, as I have stated, we asked a variety of specific and relevant questions, which the Speaker can read for himself if he chooses to read the blues of the committee meeting. Finally, this was not a deliberate action on our part to deny funding to any particular group as the letter proposes.

We are doing our job as outlined to us by the Constitution. However, instead of accepting this verdict, the minister and his staff are engaging in a smear and pressure campaign. This is a clear campaign to intimidate Conservative MPs who were doing their job as committee members and, I would argue, results in a direct breach of our privileges.

The second edition of Maingot, on page 160, clearly states:

Members are entitled to go about their parliamentary business undisturbed. The assaulting, menacing, or insulting of any Member on the floor of the House or while he is coming or going to or from the House, or on account of his behaviour during a proceeding in Parliament, is a violation of the rights of Parliament.

I would submit that the minister's intimidation tactics are a direct menacing of myself and my colleagues because of an action or a behaviour during a proceeding of Parliament, namely voting against the estimates.

Privilege

Pages 83 to 86 of Marleau and Montpetit specifically deal with this type of intimidation tactic. I would like to draw the Speaker's attention to one specific passage on page 84 which reads:

Speakers have consistently upheld the right of the House to the services of its Members free from intimidation, obstruction and interference.

Mr. Speaker, I believe I have outlined a clear and unequivocal case that my privileges as a parliamentarian have been breached. If you do agree with me, I will be prepared to move the appropriate motion.

• (1515)

Hon. Dominic LeBlanc (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I believe, if you were to examine this case carefully, you would conclude that the dispute surrounds a public meeting of a committee of this House where members of the Conservative Party voted in a way which obviously caused them, after some second thoughts, some considerable discomfort and anguish.

This was a public meeting. They voted in public, as the member for Edmonton has just indicated, in a way that perhaps now they wish they had not.

The remedy for that would be to have the committee reconsider this matter and we hope to give them a chance to do that at some point very soon.

Hon. Rob Nicholson (Niagara Falls, CPC): Mr. Speaker, I just wondered if you could take into consideration a couple of matters in this context. I would like to refer you to a ruling on March 22, 1983 at page 24027 of *Hansard* where the Speaker ruled:

A reflection upon the reputation of an Hon. member is a matter of great concern to all Members of the House. It places the entire institution under a cloud, as it suggests that among the Members of the House there are some who are unworthy to sit there.

Also, on page 214 of Maingot's *Parliamentary Privilege in Canada* there is a reference to reflection on members. It states:

The House of Commons is prepared to find contempt in respect of utterances within the category of libel and slander and also in respect of utterances which do not meet that standard. As put by Bourinot, "any scandalous and libellous reflection on the proceedings of the House..." and "libels upon members individually..."

I would also refer you, Mr. Speaker, to a Speaker's ruling on October 29, 1980, at page 4213 of *Hansard*. It reads:

...in the context of contempt, it seems to me that to amount to contempt, representations or statements about our proceedings or of the participation of members should not only be erroneous or incorrect, but, rather, should be purposely untrue and improper and import a ring of deceit.

The comment made by the minister of course is incorrect and the purpose of his comment is to intimidate or rather to punish members for carrying out their democratic duty.

• (1520)

Hon. Joseph Volpe (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, as the hon. parliamentary secretary to the House leader has indicated, the events took place at an open public meeting. I hearken to add that in conformity with all of the practices of this House and in my capacity as minister I answered every single question, which you will note, Mr. Speaker, when you read the committee transcript, with courtesy and with completeness that was commented upon by all those who were present.

I also did it with great patience given that the only question on the estimates which were under consideration really had to do with a

question regarding the Toronto waterfront revitalization initiative. Upon receiving a question in that regard, I did offer to provide committee members interested with a full briefing on that particular item and immediately hastened to give an indication, very briefly, of what the item entailed. That was the only question on the estimates.

Nonetheless, I answered every question as politely and deferentially as I would all members of the House. Upon coming outside of the chamber, notwithstanding any differences of opinion, I drew my conclusions about the political positioning of one of the parties in the House and that too is on the record. It was done outside and members can take whatever measures they feel they want to take outside, as well as inside this House.

I have always been very straightforward and very much a part of the process and procedures of this House. I do not engage in outrageous statements in this House to hide any of my views under the immunity provisions of this place. I might add that I wish that you would judge some of the language that is bantered around this place a little bit more harshly but that is your decision, Mr. Speaker.

Mr. Speaker, I know you will find, upon reflection, that the members of the Conservative Party who would like to make a decision that is different from the one they took the other day, are welcome to do that. No one is constraining them to do so. They are doing things as per their political party platform. They made a decision of their own volition without constraint and I am sure they will do that. They might change or they might not, again, without constraint. I see no problems.

Quite frankly, Mr. Speaker, I am going to be wondering how you could possibly think of this as anything other than a simple reflection upon a decision that they might regret.

Mr. Speaker, as you read the exchanges in the committee I think you will find that there was just, I suppose, a hallmark of appropriate conduct back and forth.

• (1525)

Mr. Leon Benoit (Vegreville—Wainwright, CPC): Mr. Speaker, as you have already had explained to you, I was singled out by name in the e-mail which came from the minister's office and was sent to groups across the country. I was not even at that meeting. I expect an apology from the minister. I would encourage you, Mr. Speaker, to give the minister a chance to apologize for trying to inflict this completely irrational harm on me through this e-mail sent through the minister's office.

Further, Mr. Speaker, I would like you to take into consideration whether it is appropriate for a minister to do partisan campaigning with taxpayers' money through a minister's office.

The Speaker: I have heard enough on this point. I will get back to the House with a decision on the matter in due course.

Speaker's Ruling

I must warn hon. members that normally statements made outside the House are not the subject of Speaker's rulings in respect of privilege in the House. I do have some control over what hon. members say in the House. Chairs of committees have some control over what hon. members say in committee. But what members send in letters and so on generally is their business and they can make their comments outside the House.

I will look at this matter very carefully. I want to make sure that I do not tread on anyone's toes, particularly those of the hon. member for Edmonton—Strathcona who raised the issue. I will look at the matter and get back to the House in due course.

[*Translation*]

SENDING OF DOCUMENTS BY MEMBERS OF PARLIAMENT—SPEAKER'S RULING

The Speaker: I am now prepared to rule on the question of privilege raised on Thursday, October 27, 2005 by the hon. member for Bourassa concerning householders sent by several other hon. members.

I would like to thank the hon. member for raising this matter. I would also like to thank the hon. House leader of the Bloc Québécois, the hon. Minister of Intergovernmental Affairs, the hon. House Leader of the official opposition, the hon. Minister of the Environment and the hon. member for Ahuntsic for their contributions on the issue.

The hon. member for Bourassa claimed that householders containing false allegations against him had been mailed out by no less than 24 other members. In his opinion, the documents implied that he and other hon. members had been involved in certain improprieties concerning the sponsorship program. He also pointed out that the documents in question contained the logo of the Liberal Party of Canada, despite having been mailed by members of another party. The hon. member contended that these allegations had damaged his reputation and adversely affected his ability to fulfill his parliamentary duties. He argued that these householders represented a misuse of the printing and mailing privileges afforded to members and asked that I find a prima facie breach of privilege.

The hon. Minister of Intergovernmental Affairs and the hon. Minister of the Environment rose in support of the hon. member's argument, stating that they too had been the victims of false allegations in these householders. They also considered that their reputations had been unfairly damaged.

For his part, the hon. House leader of the Bloc Québécois argued that the householders contained facts already reported by the media. He stated that the documents merely said that the hon. member for Bourassa, the hon. Minister of Intergovernmental Affairs and the hon. Minister of the Environment had appeared before the Gomery commission, an indisputable fact which in no way breached their privileges. He also claimed that the mailings were a legitimate tool to inform the public about events surrounding the sponsorship program.

[*English*]

The hon. House leader of the official opposition noted that several matters relating to 10 percenters and householders had been raised in

the House over the past few months and that a subcommittee of the Board of Internal Economy is currently examining the issue.

● (1530)

[*Translation*]

As hon. members are aware, last spring the Chair heard several questions of privilege relating to printing and mailing privileges. It may be helpful if I were to summarize briefly the facts surrounding these cases.

On March 21, 2005, the hon. member for Windsor West rose on a question of privilege concerning the distribution in his riding of a ten percenter critical of his conduct. While I was not prepared to comment on whether the document in question conformed to the guidelines regarding the content of householders and ten percenters, I was concerned that it may have affected his ability to function as a member and may have had the effect of unjustly damaging his reputation with voters in his riding. I therefore found that a prima facie case of privilege did exist and I invited the member to move his motion.

On May 3, 2005, the hon. member for Ajax—Pickering raised a question of privilege concerning a householder that he had sent to constituents, but into which had been inserted a reply card that appeared to have been sent as a ten percenter by another member. I noted in my ruling that the confusion surrounding the insertion of the reply cards warranted investigation and I therefore allowed the hon. member for Ajax—Pickering to move his motion.

Also on May 3, the hon. member for West Vancouver—Sunshine Coast—Sea to Sky Country raised a question of privilege regarding a franked mailing his constituents had received from a member in a neighbouring riding. The hon. member expressed concern about the costs of the franked mail. I agreed that it was something that the Standing Committee on Procedure and House Affairs should also look into and I therefore allowed the member to move his motion.

[*English*]

A few days later, on May 10, 2005, the member for Wellington—Halton Hills rose on a question of privilege concerning the alleged abuse of the franking privilege. He complained that a member had been sending bulk mailings into his riding, violating the spirit of the franking privilege, as well as the rules concerning 10 percenters and householders. He also argued that his privileges as a member were being abused because his constituents were being misled as to who the member of Parliament for the riding was. Taking advantage of the fact that the Standing Committee on Procedure and House Affairs was already looking into a number of related matters, I allowed the member to move his motion.

Speaker's Ruling

[Translation]

In its 38th Report, presented to the House on May 11, 2005, the Standing Committee on Procedure and House Affairs found that the privileges of the hon. Member for Windsor West had been infringed. The Committee also recommended that the Board of Internal Economy review the guidelines on the content of householders and ten percenters and the rules surrounding their mailing, as found in the Manual of Members' Allowances and Services.

In its 44th report, presented to the House on June 22, 2005, the standing committee concluded that no breach of privilege had occurred in any of the other cases. The House has not concurred in either of these reports.

I am concerned that members are continuing to rise on questions of privilege relating to householders and ten percenters. I take these matters very seriously, in particular when reputations of members are being brought into question. That being said, as with the previous cases, I do not believe that it is for the Chair to pronounce on the content of these documents or whether they conform to the guidelines found in the Members' Allowances and Services Manual. However, given that the documents in question were printed and distributed pursuant to the privileges afforded to members, and given that disputes regarding the use of these privileges continue to arise, I believe it would be appropriate for this matter to be afforded the same treatment as the cases I have just described.

I therefore find a prima facie question of privilege and invite the hon. member for Bourassa to move his motion.

Hon. Denis Coderre (Bourassa, Lib.): Mr. Speaker, I move:

That the matter of the Bloc Québécois Members' householder, which affects the privileges of the Member for Bourassa, be referred to the Standing Committee on Procedure and House Affairs.

• (1535)

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

Some hon. members: Agreed.

Some hon. members: No.

Hon. Denis Coderre: Mr. Speaker, I thank you for your decision. In my opinion, this is important not only for the reputation of a member, but also for the reputation of this institution.

At a certain point, there are limits, especially since we realize that there was premeditation on the part of Bloc members. Of course, they tried to tarnish my reputation by using their mailing and distribution privileges.

When this document is sent two weeks prior to the Gomery report being tabled, it is even more unacceptable to lead the public into believing—we are talking about 24 members and the leader of the Bloc Québécois—that money was funnelled through the former Prime Minister, the current Prime Minister and, especially, through certain ministers like myself, the Minister of Intergovernmental Affairs and the Minister of the Environment.

I saw the member for Roberval work himself into a state and cry out—obviously, when one cries out loud, it is because one has no arguments—that there finally was a fine-print note saying that,

basically, it was because these people had appeared before the Gomery inquiry.

A closer look at this vicious document referring to the route the money followed reveals it to be libel.

I have spoken to a number of people, even sovereignists, who thought it shameful to do this sort of thing. It makes no sense. Even Josée Legault, an analyst with little fondness for federalism, said that this sort of thing made no sense. In my opinion, there is a time to call a halt. Some people go on too long and take pleasure in tarnishing MPs reputations.

I have nothing against arguing over ideas. This would not be the first time. Sometimes our remarks were very pointed. But never, ever, did I make criminal allegations as the Bloc members have done. Never were we libellous this way. In a democracy, this is unacceptable.

The fact that this was premeditated is becoming clear. Still, the Bloc members must have been pretty disappointed, because the Gomery report provides clearly at page 77:

On the evidence there is no basis for attributing blame or responsibility to any other Minister of the Chrétien Cabinet—

And even provides:

[The Prime Minister]...is entitled, like all other Ministers in the Quebec caucus—

They could have awaited Justice Gomery's decision before starting this sort of dirty business and sending it. It was premeditated. As the saying goes: when one lies long enough, the lie becomes the truth.

Bloc members are good at damaging reputations. We saw their level of tolerance at their latest convention, when even the member for Roberval said, "Consider an independent Quebec, without the Minister of the Environment, without the Minister of Transport and without the member for Bourassa".

Some hon. members: Oh, oh!

Hon. Denis Coderre: Take a look at them. They are applauding. That shows what they are like.

It is all the more serious because they use their Internet site to carry on. Everyone has access to this site. In addition, they are probably drawing on their members' budget. When programs are done for TV, money is set aside for research and things are organized. We have discovered there will even be a TV program, which has already been aired four times in Montreal. They do exactly the same thing on it.

In my opinion, there are some things that are totally unacceptable. The problem is the deeper one digs, the more one will find. There has to be a stop to these sorts of false and criminal statements and allegations.

I have been a member of the Liberal Party of Canada for 22 years, and I am proud of it. I am proud to work for my country. We have often confronted each other, but we have never called anyone a thief, as the hon. member for Richelieu has done. We do not do that. We do not say such things here.

Speaker's Ruling

In fact, certain hon. members opposite have come to see me and said they found it unacceptable that people should be called thieves. Certain members from the Bloc have even come and said to me: "Personally, I did not publish this, because there are some things that are unacceptable."

There are limits to sully the reputation of others. At the moment I am assessing the damages. Yes, I repeat, I am presently assessing the damages, because there is a matter for civil proceedings here.

• (1540)

Twenty-four members used their franking and mailing privileges to send this document, which is not a 10 centner. That means that all the households in their electoral district have been exposed to these false and criminal allegations. That is totally unacceptable. Obviously, they believed in the credibility of Justice Gomery. Well, he said that I had nothing to do with this. If I have nothing to do with it, that means that the money trail did not pass through me, that there is no money trail to the ministers mentioned. That is why it is unacceptable.

I want to check something with the committee. These hon. members always tend to cast the blame on others. Like a cat on a hot tin roof, they have tried to defend themselves—the leader of the Bloc Québécois at the head of the pack—by saying they had the permission of the House to produce this kind of mailing. After verification, however, it appears that this is not true. Are they somehow blaming the employees of the House, respectable people doing honourable work? I would like to see them send the evidence to us in the Standing Committee on Procedure and House Affairs, proving this so-called approval of the House. I would like to know who gave them this approval, what person, what institution. It would be interesting to know. Once again, if this is not true, it shows how far they are willing to go to sully the reputations of others.

What is more, the leader of the Bloc Québécois went and said that they are being political activists. Being political activists by sully the reputation of people and telling them all sorts of things. Then they send it all to over 1.2 million households. One reaches the point where enough is enough.

They will go to any lengths, because they want to destabilize the country and its institutions. They are constantly trying to make us look bad and this is the result. I recently went to the riding of Saint-Jean, and the people there find this totally unacceptable. In their opinion, the member, unfortunately, too often tries to take the credit for what the government is doing here. This member stooped so low as to publish this rag. The member for Drummond did the same thing. I expected better of a member with her experience. I get along well with her, but we are able to disagree. However, I find it unacceptable to be treated like a criminal. It makes no sense.

Democracy and respect for institutions are sacred. Many countries had a standard of living and a democratic system. However, when we take things for granted, unfortunately, they can start to crumble. This is a great place where we can call each other names and debate all kinds of parliamentary issues, obviously. However, it is not acceptable when we start to abuse our right to send things postage-free and our ability to send information, by sending this kind of rag to 1.2 million households.

Even if the other side gives me every possible reason—no matter how far-fetched—the fact remains. When we look at the overall document and the arrows and we see "Sponsorship scandal; the dirty money trail" written across the top, there is nothing left to say.

The other side can get all worked up, redo the work of the Gomery commission or constantly yell and call us all sorts of names, the reality is that people will pay for this. The reality is that I expect redress. I do not want just an apology, that is too easy. They used taxpayers' money to spread lies and accuse me, and particularly the Ministers of Intergovernmental Affairs and of the Environment, of criminal conduct. That is unacceptable. At the very least, I want the members of that party and its leader to repay the postage and distribution costs of this mailing.

• (1545)

What is more, with these apologies and the reimbursement of these public funds, I want them to do the same thing at their own expense, that is to say, a document of the same size with our photographs, our names and formal apologies so that the 1.2 million homes say how far out of line they went in sully people's reputations. I want them to apologize, to admit that they were wrong and should have waited two weeks because Mr. Justice Gomery said that the people in question are exonerated of all blame. That is the least I expect of them.

The Bloc members like to go on TV, appear on little weekly shows or give radio interviews. So now they should put an ad in the papers and on their website for everybody to see. At a minimum there should be some sense of proportion. If they could sully my reputation, I am at least entitled to expect them to use exactly the same means and methods to spread the message in the same way. That will enable everyone to see the truth, including people in the riding of Bourassa, the members of my family, my children, my wife, my parents, my grandparents, my uncles. I am not just a guy from a riding in north Montreal; I have family scattered all over. My family members did not choose to go into politics and they certainly did not choose to see my name and the name of our ancestors sullied in this way. That is totally unacceptable.

At the same time, I am evaluating the damages. We not only have good members of Parliament, we have good lawyers too. There are civil damages here. Maybe there are even some criminal charges to bring. Various parts of the Criminal Code can be examined in this regard.

When a person becomes a member of Parliament, there are responsibilities attached. It is not trifling. When a person is in the cradle of democracy, there are certain responsibilities. We must ensure that this institution is protected.

In regard to householders, maybe all the political parties have gone too far, even those on this side of the House. It is time for these little games to stop. Taxpayers' money cannot be used for partisan purposes or propaganda, to send out a rag alleging criminal conduct. I am prepared to debate any Bloc member on any subject. It is not the first time. Sometimes we have vigorous debates and we agree or disagree. But we are also capable of working together on certain matters.

Speaker's Ruling

For example, I am working with my colleague, the member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, on the industry file. We worked together yesterday and everything went well. He and I made a deal one day. We had both gone a little too far. I had said things that I knew were not acceptable and he had done the same. I apologized. We shook hands and decided that from then on we would respect each other.

I do not like that kind of situation. We have to put an end to that. My goal is to speak for those who do not have a voice and to work to keep our country united. We may not always agree. However, I think that there is nothing more noble than being a parliamentarian and being in a position to speak for those who do not have a voice and to make sure that we can represent our supporters, but more importantly, our fellow citizens.

At one point, it has to come to an end. They use our party's logo. They even use what should be a government document and put their own party's logo on it. The reader is wondering whether it is propaganda or a regular government document. The only thing that they see is the word "householder" in small print, which tells them that it comes from the House of Commons. This practice has to stop.

Section 4 of the Quebec's Charter of Human Rights and Freedoms says: "Every person has a right to the safeguard of his dignity, honour and reputation".

• (1550)

In my view, a reputation is priceless. There can be no defence of the indefensible. At a certain point, we all have a collective responsibility to make sure that, no matter what future issues might be, this democracy can thrive and be respected.

I think that, when we see this trash and employees of the House of Commons being used in order to be able to say "we had approval", we know that this is going too far. Not only are we affected as members of this Parliament, but we also see our institution weakened once again.

At some point, we must realize that too much is like not enough. We must stop. I am extremely proud to see that the Chair agrees with me in saying that this question of privilege is well founded.

I hope that, instead of screaming at each other, we will be able to agree together that we made a mistake and that the situation has gone too far. Let us work together to make sure that the House can do its job, and that we do not abuse the privileges attached to this extraordinary and noble function of ours.

[English]

We are going too far. Obviously, when we have some people who are using the privilege of the House, using those franks, privileges and perks to make some criminal allegation, it is totally unacceptable, and it is going too far.

The Leader of the Bloc Québécois when he went outside said, "We had the approval of the House". We know the only person who is responsible for that is the member of Parliament. The member of Parliament signs for the content of what is in it. It is not a 10 percenter. It is a householder.

It is a shame to blame this on people of the House who do a tremendous job. I am worried because I believe the time has come to straighten out the House. Enough is enough.

We have honourable parliamentarians, like the Minister of Intergovernmental Affairs and the president of the Privy Council and the Minister of the Environment. I feel that I am honourable too. I believe in the country and in the House. No matter what kind of debate we have together, I would never ever use my own privilege as a member of Parliament to send that kind of thing, that garbage, to destabilize, for propaganda sake or to make any kind of criminal allegation. I will not get into that because democracy is not about that.

Because you found that my question of privilege was *prima facie* and well founded, Mr. Speaker, I truly believe we should use this opportunity, once and for all. It is not a partisan issue. It is a matter of every member of the House in all political parties to right something that is truly wrong.

• (1555)

[Translation]

There is nothing more sacred than a reputation. No matter if you are a journalist or a member of Parliament, no matter what your duties are, your reputation and credibility is sacred and important. I will never try to defend the indefensible. If we are doing things that are not right, we must accept the consequences. However, by using this kind of privilege to disseminate such false information, to make criminal allegations, to commit libel and defamation, they have gone too far. I do not intend to stand still and do nothing.

There will be consequences for all of these members, be it the member for Laurier—Sainte-Marie, the member for Québec, the member for Abitibi—Baie-James—Nunavik—Eeyou, the member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup or the member for Montmorency—Charlevoix—Haute-Côte-Nord. We also learn that, since the last one is the whip of his party, his office is where everything is centralized. Everything seems to be coming through there. Those who did it must give the matter thoughtful consideration to make sure that this does not occur again. However, there must be some redress.

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, you have ruled that we would debate the matter of this leaflet, which summarizes what we can call the sponsorship scandal. It lays out known facts. As for the members that raised a question of privilege about this, the leaflet only states that they appeared before the Gomery commission. Those are facts. If the member for Bourassa interprets it otherwise, that is his problem.

Furthermore, he must not blame the members of the Bloc Québécois for wishing to inform the voters about parliamentary issues; it is part of their job as parliamentarians and it is specifically authorized in the Member's Manual of Allowances and Services of the House. If we look at the major findings of Justice Gomery, in the summary of his report, we read:

It is those facts that allow me to draw the following conclusions:

The Commission of Inquiry found:

— clear evidence of political involvement in the administration of the Sponsorship Program;

[...]

—a complex web of financial transactions among Public Works and Government Services Canada (PWGSC), Crown Corporations and communication agencies, involving kickbacks and illegal contributions to a political party—

ROYAL ASSENT

•(1605)

[*Translation*]

A message was delivered by the Usher of the Black Rod as follows:

Mr. Speaker, Her Excellency the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, the Speaker with the House went up to the Senate chamber.

And being returned:

The Speaker: I have the honour to inform the House that when the House went up to the Senate chamber the Deputy Governor General was pleased to give, in Her Majesty's name, the royal assent to the following bills:

Bill S-31, An Act to authorize the construction and maintenance of a bridge over the St. Lawrence River and a bridge over the Beauharnois Canal for the purpose of completing Highway 301 — Chapter 37.

Bill C-26, An Act to establish the Canada Border Services Agency — Chapter 38.

Bill S-38, An Act respecting the implementation of international trade commitments by Canada regarding spirit drinks of foreign countries — Chapter 39.

* * *

PRIVILEGE

SENDING OF DOCUMENTS BY MEMBERS OF PARLIAMENT

The House resumed consideration of the motion.

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I will summarize the position I had started to explain before the interruption caused by the Royal Assent. The leaflet in question contains a summary of what is commonly referred to as the sponsorship scandal. It contains proven facts. Indeed, in the synopsis of his report on the Commission of Inquiry into the Sponsorship Program and Advertising Activities of the Government of Canada, Mr. Justice Gomery states the following:

It is those facts that allow me to draw the following conclusions:

The Commission of Inquiry found:

—clear evidence of political involvement in the administration of the Sponsorship Program;

Is this not the reality described in our leaflet? I go on with the conclusions:

—a complex web of financial transactions among Public Works and Government Services Canada (PWGSC), Crown Corporations and communication agencies, involving kickbacks and illegal contributions to a political party in the context of the Sponsorship Program;

Is this not also the reality described in our leaflet? Here are some of the other conclusions:

Five agencies that received large sponsorship contracts regularly channelling money, via legitimate donations or unrecorded cash gifts, to political fundraising activities in Quebec, with the expectation of receiving lucrative government contracts;

Privilege

—certain agencies carrying on their payrolls individuals who were, in effect, working on Liberal Party matters;

—the existence of a “culture of entitlement” among political officials and bureaucrats involved with the Sponsorship Program, including the receipt of monetary and non-monetary benefits;

Is this not what our leaflet states? Let me end with one final conclusion:

The refusal of Ministers, senior officials in the Prime Minister's Office and public servants to acknowledge their responsibility for the problems of mismanagement that occurred.

Should the member for Bourassa not admit that the Bloc Québécois has served the interests of democracy by allowing the facts contained in this leaflet to reflect our work and the need for a complete overhaul? They will soon reflect the need for a new government.

•(1610)

Hon. Denis Coderre (Bourassa, Lib.): Mr. Speaker, you have already decided from your chair that all of my facts were well-founded to such an extent that they have been made a question of privilege. It was well-founded. People can debate madly, but that is not the issue. That has nothing to do with it.

When someone looks at the money trail and this whole picture—it is no use for the member to exhibit all kinds of asterisks—it is apparent that it is the arrows that matter. They say that the money went this way and that I, as the Secretary of State for Amateur Sport, was involved. Well, anyone familiar with the way government works knows full well that I am not even attached to amateur sport. Bloc members know that I do not and have never awarded any contracts. As for the responsibility of ministers, Justice Gomery says very clearly that the Prime Minister “is entitled, like other Ministers in the Quebec caucus, to be exonerated from any blame for carelessness or misconduct”.

They can try to redo the Gomery commission and finagle all they want. In reality, the Bloc members are in difficulty here. Some people are embarrassed on the other side of the House. When the average person looks at this rag, he or she will say that it is unacceptable. In addition, in speaking about the money trail, they say that the money was funnelled through me, through the President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs and through the Minister of the Environment.

In his report, Mr. Justice Gomery does not say at all that this kind of thing existed. Not only am I cleared of all blame, but there is no question of any misappropriation of funds in relation to this arrow. That is where the problem lies.

Why is it that other members sent different mailings? Why is it that not all members did this kind of thing? Probably because they knew that putting in an arrow, this kind of arrow and picture, sullied a reputation and showed in a way—as I have been saying since the beginning—that these are allegations of criminal activity.

Privilege

One simply does not send this out to 1.2 million homes in the hope of hearing people say in looking at this kind of picture, “The money trail went through Coderre”. That is unacceptable. It proves once again that they could have waited two weeks before publishing this kind of flyer. They could have waited. But no, lie, lie, something will always stick. That is their problem.

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, when I look at this table, I do not see the same money trail as the hon. member for Bourassa. What money are we talking about? The table shows the money from the sponsorship program. The money the hon. member for Bourassa is talking about is dirty money. That is his problem. What I am talking about, as the table shows, is the money from the sponsorship program.

It has been said that \$250 million went into that program. We just describe the money trail. I am not sure there were no requests from the Secretary of State for Amateur Sport to the sponsorship program. However, we do show that part of the sponsorship money went into the pockets of some advertising agencies and these agencies made contributions to the Liberal Party. What we want to do is trace the money trail.

We do not trace the dirty money trail in that document. If the hon. member sees things I do not see, I would ask him to explain them to me.

• (1615)

Hon. Denis Coderre: Mr. Speaker, I am reminded of a duck, floating calmly on surface, but paddling backward like mad underneath. I thought he was even going to apologize. If this is all so obvious to him, how come he did not publish similar garbage in his riding? The name of the member for Argenteuil-Papineau is not included in the list of the 24 MPs involved. How come? Does he plan to send one out later? If 24, why not 25? That is right, the total was 26.

It is all very well and good, but I sense a certain regret in his voice, an indication he may want to backtrack. It begins to sound a bit like the request to “move to the back of the bus”. The reality is that the sponsorship program money never went through the Secretary of State responsible for Amateur Sport. All contracts went through Public Works and Government Services Canada. They can backtrack all they want, the reality, their intention, their premeditated act, was to demonstrate that the money was routed through these ministers and the member for Bourassa.

People are not fools. The best proof of this is the reaction of Daniel Saint-Pierre, a radio personality in Rivière-du-Loup. Not a Liberal, not a PQ supporter, a journalist. He described the mailing as garbage and a waste of tax dollars. The member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques agrees. He has got the message exactly and today he says that, with the exoneration of the member for Bourassa, there are surely going to be legal proceedings. I am not the one saying so. I am still assessing the situation. I am keeping track of the numbers and there are more every day. We are assessing the damage and calling for reparation to the parliamentary budget. The more of these I find, the more I can sense the bill going up.

One thing for sure, if they are honourable, if they believe in this House, they ought to have the decency to apologize and to do exactly what I have said they need to do.

Mr. Michel Gauthier (Roberval—Lac-Saint-Jean, BQ): Mr. Speaker, I will start by saying that, as provided in the Standing Orders, I will be sharing my time with the member for Montmorency—Charlevoix—Haute-Côte-Nord. I will use the first 10 minute period and he will use the second one.

Here is a good example of a member who sees beyond what is written in a document. I understand that the member for Bourassa would be embarrassed and ill at ease. As I said last week, and I will repeat it, there is no one in this House who would not be ashamed of being part of the government, no one who would not be ashamed of being summoned to the Gomery commission or of finding himself mentioned in tables. This is not the only one to have been made public. There were others in the newspapers and on television.

It is normal for the member to feel frustrated. However, the question of privilege arises from a question of interpretation on his part. The leaflet contains facts; the member sees a wider interpretation in it. It is his problem, not ours. The member sees the arrows indicating very broadly the route taken by the adscam money and sees the route taken by the dirty money. We cannot do anything about this. We do not know where the dirty money went. We have an inkling. But he knows. He says that we are showing where the dirty money went. We are very sorry, but it is his problem, not ours.

The member for Bourassa accused us of wasting public funds. Let me point out that all members of the Bloc Québécois, as good members of Parliament, use four householders a year, like all the members of this House. I never criticized anyone for sending out four householders. This is one of the four. How is this wasting public funds? Is it wasting public funds when the member for Bourassa is not pleased with the content? He is very touchy.

Personally, I have sent householders, 10 percenters and mail like this one criticizing the Minister of International Trade, because he is doing nothing to help companies on the softwood lumber issue. He did not lose his temper with me in the House. He did not invoke a question of privilege, alleging that his reputation as a minister had been besmirched. In any event, it already has been: he did it himself.

I have previously sent mailings criticizing the Minister of the Environment for treating Quebec unfairly in the Kyoto plan. His ill nature notwithstanding, the Minister of the Environment did not throw a tantrum. He did not sue me for damages because I said that he was a bad minister and it was a bad plan.

I myself sent out mailings criticizing the current Prime Minister. It is easy. I do not have enough 10 percenters to criticize him, there is so much to criticize. The Prime Minister did not lose his temper. He has not brought an action against me and has not raised a question of privilege, and I was a lot harder on him than on the member for Bourassa.

What I said about the member for Bourassa in the mailing, as I said last week, was simply to name the four ministers who were summoned to appear before the Gomery commission. It is there in black and white, it is not a matter of interpretation. It is stated very clearly "appeared before the Gomery commission" and they are in a little frame. It is a fact. I apologize to the hon. member, but it is a fact.

Now, he seems to believe that the arrows mean more than the written comment. What is written down, what is drawn and what one can interpret or think. However, facts are facts. The four ministers appeared before the Gomery commission. It is our duty to inform our constituents about that. We try to present the picture in as simple terms as possible and hope that they will appreciate it. They did.

But to return to the basis of the question of privilege. Householders are printed documents sent by members to their constituents to inform them of activities and matters before Parliament. Is the Gomery commission not a parliamentary matter? It is the most talked-about matter here in many years.

● (1620)

Is the sponsorship scandal not a parliamentary matter? Over 500 questions have been asked about it. It seems to me that that is of concern to Parliament. The aim was to make it clearer and to inform the voters. They appreciated it. They are better informed and they have understood the conclusions of the Gomery commission. They now understand what the Prime Minister is trying to do, that is to clean house. It is not a thorough spring cleaning, but we will see to that later. However, our constituents understand what is going on.

It also says that the householder was accepted by the House services. The hon. member stressed that.

It has happened to us in the past—it has happened to one of my colleagues, among others—that one of our mailings was rejected by the House of Commons service because it had no political content. Not only was it very general, it was soft on everyone. However my colleague could not send it out because it had no political content. In the House, all communications with constituents must have a political content.

In politics, one is sometimes confronted with different views. When one is no longer able to do that, because one has become too sensitive, one should retire. It is that simple. If the member for Bourassa feels that we are preventing him from doing his job, he has not seen anything yet. Let me make it clear that, come the next election, we will prevent him from doing his job. He will not come back here. It will be game over for him.

Since the Chair deemed the member's motion to be in order, I would like to present an amendment that will be seconded by the hon. member for Argenteuil—Papineau—Mirabel. I move:

That the motion be amended by adding the following after "Bloc Québécois":
regarding the Gomery Commission

I believe this amendment is perfectly in order. It adds information on the nature of the flyer, and since it is duly seconded by my colleague, Mr. Speaker, I would ask you to deem it in order and to take notice of it.

Privilege

● (1625)

[*English*]

The Deputy Speaker: It is possible to put a motion to amend another motion. I find the amendment in order.

Mr. Gary Lunn (Saanich—Gulf Islands, CPC): Mr. Speaker, I would like to address my hon. friend and ask him a couple of simple questions.

I understand the piece in question went out as a 10 percenter and not frank mail. Could he confirm that? As long as things are correct, it is quite legitimate to put in rules.

I have a number of pieces that went out, all single sheets: one from the member for Richmond, which was distributed widely through my riding in the last few months; one from the member for North Vancouver, which was distributed widely throughout my riding in the last few months; and, one from the member for Vancouver Centre. The surprising thing about these is they also use the word "Liberal" in theirs, just like this one. All were Liberal members, but they used frank mail at a cost of 10 times that of a 10 percenter. They blanketed my whole riding. Would my hon. friend to comment on this.

To do it responsibly, this is how we communicate. They took one piece of paper, photocopied it, stuffed it in an envelope and used frank mail to send it to some 50,000 households in my riding. I would like his comments on the use of frank mail for a single sheet of paper sent to the ridings of other members. This happens frequently.

● (1630)

[*Translation*]

Mr. Michel Gauthier: Mr. Speaker, the hon. member brings up an extremely interesting point, since questions of privilege have already been raised regarding this issue, and I sincerely believe they were referred to the Standing Committee on Procedure and House Affairs. They were all rejected, except in one instance where a nuance was made.

I will simply say that it all has to do with one's skin. There are some thick-skinned people in politics. We know that. Jean Chrétien was tough. It did not matter to him to be told that he had done all sorts of things regarding the golf course in Shawinigan. He was tough. Others are more thin-skinned.

I am referring to the Standing Orders to know if I should be tough or sensitive.

I look at the rules of the House. Section 2(c) of By-Law No. 2 provides that:

Partisan activities are an inherent and essential part of the activities and parliamentary functions of a Member.

In other words, when I am doing my job as a member of the Bloc, as a promoter of Quebec's sovereignty, as a champion of Quebecers' rights, according to our rules, I have the right to attack anybody in the House to promote my project. However, I can understand that the Liberal members from Quebec, who take great delight in whittling away at the powers of Quebec, in belittling Quebec, in trying to reduce it to a mere province—as have the Liberals across the way—do not like this.

Privilege

I can expect them to fight back. It is always a pleasure for me to answer them. I am moderately thick-skinned.

The same goes for the Conservative member. I know he is used to receiving, in his riding, 10 percenters coming from Liberals. He tolerates that. He can fight the Liberals, he is not afraid. He does not mind them because he knows what politics is all about, he knows that it is about confronting views.

So, when the member for Bourassa is not able to accept our opposing his opinions and explaining to our people the role he and his government played in the sponsorship scandal, it is because he is thin-skinned.

That is my analysis. It is a matter of perception.

I did not know that the member for Bourassa was so sensitive. I always thought he was a tough guy but I have changed my mind today.

Hon. Denis Paradis (Brome—Missisquoi, Lib.): Mr. Speaker, I think that what we must do is analyze the document in comparison with the one we have.

I do not know what my colleague was talking about, but the title of the document is “La route de l’argent” or “The Money Trail”, but when I look at it, what I see is rather “The Road to Libel”.

If we look at the Criminal Code, we see that the word libel is defined as:

(1) A defamatory libel is matter published, without lawful justification or excuse, that is likely to injure the reputation of any person by exposing him to hatred, contempt or ridicule, or that is designed to insult the person of or concerning whom it is published. (2) A defamatory libel may be expressed directly or by insinuation—

It says “by insinuation”. The arrows in that table are insinuations.

My question is for my colleague. Why were those four persons chosen to be included in the square when more than 150 were heard by the Gomery commission?

Mr. Michel Gauthier: Mr. Speaker, first, I want to make it clear that they were not put in a square, but in a window. They are the four members of the cabinet who gave testimony before the Gomery commission.

It seems to me that it is easy to understand. Four ministers were heard by the commission. Had there been eight, there would have been two windows. I do not understand how the fact that their picture is there could be a problem.

•(1635)

[*English*]

The Deputy Speaker: Order, please. 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 Pitt Meadows—Maple Ridge—Mission, Justice.

[*Translation*]

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, I would also like to go back to a question handled by my colleague, the member for Roberval—Lac-Saint-Jean, regarding the contents of the householder.

We believe that it is completely consistent with what parliamentarians can do with this means of communication. The proof is that this householder was printed and distributed by House employees. If the drafting office deems the contents unacceptable, it contacts the MP's office and asks that MP to start over.

I see the member for Bourassa does not agree. The example given earlier by the member for Roberval—Lac-Saint-Jean is coming back to me now. Last month, I was the honorary chairman of a mountain climbing event in Mont Sainte-Anne. There was absolutely no monetary solicitation. The goal was simply to inform the public of the merits of health and well-being and to invite people to take part in the event. The drafting office sent the flyer back to me, saying they could not send it because it had no political content. They refused to print it. I asked my assistant to write a few words to denounce the insufficient promotion by Health Canada of physical activity in Quebec and in Canada. Then the flyer was printed. Will I get a question of privilege about that?

We are being accused by the member for Bourassa of having put together a partisan document. I am sorry, but that is what Quebecers sent 54 Bloc Québécois members to the House of Commons in the last election for. They expect them to play politics. This is not a bridge club. This is not a charitable organization. We are here to play politics.

The other side thinks one way, and we think a different way. That is all part of the art of politics. This is what the member for Bourassa is unable to differentiate. Did he expect us to put in our householders the bloody nonsense this government has been up to? The parliamentary poet comes to mind. What do we need a poet for? This government introduced a bill to hire a poet. We, in the Bloc Québécois, were opposed. The member for Scarborough—Rouge River, across from me, introduced a bill to have a logo for the House of Commons. What do we need such nonsense for?

The householder is a tool designed to play partisan politics. Householders have been used in the past to denounce other scandals. When we exposed the theft of \$46 billion from the employment insurance account by the Liberals and the then finance minister and current Prime Minister, no question of privilege was raised. When we denounce time after time the fiscal imbalance that is depriving Quebec and the provinces of funding for health and education, no question of privilege is raised then. Again, none is raised when tax havens for certain shipping companies are denounced.

The information contained in the householder in question is facts and figures. We did not make the figures up. These were provided by the forensic accountants hired by the Gomery commission. An asterisk referred to a footnote indicating our source, which read, “These figures were compiled by the firm Kroll”. We did not make them up. The donations made to the Liberal fund by the ad agencies, some of which are buddy-buddy with the member for Bourassa, are available on the electoral officer's website. We did not make that up.

The links with the Liberal politicians and the waste of money turn on one main point. We believe this government is corrupt, as is the Liberal Party. We should congratulate the member for Bourassa for raising this question of privilege and giving us the opportunity to have this debate in the House.

•(1640)

We will continue to talk about it. We will continue to tell Quebeckers. The people we meet in the street, at the grocery store, at the cleaners and at the gas station tell us that the theft of \$250 million makes no sense and they expect the Bloc to continue to criticize it. This is why we are here—for political purposes.

I want to mention as well that the aggression, hatred and anger of the member for Bourassa will not stop the Bloc from criticizing the Liberals in the sponsorship scandal.

The 54 members of the Bloc, our supporters and our leader, who received an unprecedented vote of confidence at the last convention, will not be intimidated by the member for Bourassa. We are still standing. We are a team. We are proud and we challenge the member for Bourassa to show that the Liberal Party was not guilty. He better start right now. I have to say that, according to public opinion, he has a way to go, because few of the people we meet tell us we have gone much too far and that there is no point. We are merely doing our job as parliamentarians.

As regards the Gomery commission, the Bloc had suggested that there was political direction in the sponsorship scandal. That is why we carried pictures of Jean Chrétien, the current Prime Minister, the ministers who testified and the Minister of Intergovernmental Affairs, who was the president of Treasury Board at the time. They testified. Those are the facts. The first conclusion drawn by Justice Gomery was of incontrovertible evidence of political mismanagement in the administration of the sponsorship program.

In closing, as I am running out of time, I will move an amendment to the amendment proposed by my colleague for Roberval—Lac-Saint-Jean. I move:

That the amendment be amended by adding the following after the word “Gomery”
“which had completed its public hearings at the time of sending and”

This amendment to the amendment is seconded by my colleague from Rivière-du-Nord.

•(1645)

The Deputy Speaker: The subamendment is in order.

[*English*]

Mr. Borys Wrzesnewskyj (Etobicoke Centre, Lib.): Mr. Speaker, as I was listening to the member opposite he used a phrase referring to the art of politics. What in fact we are seeing is anything but the art of politics. It is the blood sport of politics as we watch the histrionics taking place, the character assassination and the misconstruing of facts.

A good example is a province which has been a net beneficiary in Confederation of transfer payments and calling it a fiscal imbalance. What we are seeing is the blood sport of politics and it is anything but artful. It is like calling the WWF the ballet.

The reason why so many Canadians these days shake their heads with shame is because this sort of display and character assassination takes place. It is high time that the parties in the House, instead of taking part in this sort of display, began engaging in the art of politics, which means providing leadership and a vision for the country.

Privilege

How can the member opposite call this display that he just put on the art of politics? How does that compare to the term “blood sport”? Is he engaged in the art of politics or the blood sport of politics and character assassination?

[*Translation*]

Mr. Michel Guimond: Mr. Speaker, when my colleague from Etobicoke-Centre talks about blood sports—what the interpreter called the blood sport of politics—with all due respect, I think he is exaggerating a bit.

I think that the people who are listening to us, who are following this debate, who followed the testimony before commissioner Gomery on television are, for the most part, hardworking people. They were watching this after their day's work. Some of them are low wage earners, others are on minimum wage and social welfare. They were seeing that \$250 million had been wasted to try to forcefully sell us Quebeckers the beautiful and great Canada. How many hip surgeries could have been done with these \$250 million that were wasted? How many library books could have been bought for our youth? How many EI recipients could have avoided the spring black hole and have something to put in the fridge? This member wants to talk about blood sports politics? I say no. Members of the Bloc Québécois are proud to represent their constituents and we will keep fighting.

[*English*]

Mr. Andrew Scheer (Regina—Qu'Appelle, CPC): Mr. Speaker, one of the main focuses of today's debate on this matter of privilege is that the Liberal member is feeling very upset that he would be accused in some way of being responsible for the great amount of corruption going on through the sponsorship program.

I would like to bring to the attention of my hon. colleague the fact that in 1991 the Prime Minister voted in favour of the following motion, which reads:

That this House affirm that Ministers are individually and collectively responsible to the House of Commons for the activities of government including the management and conduct of the Public Service...and that, collectively, they are responsible for the decisions of the government as a whole and the activities of their colleagues.

The Prime Minister voted in favour of that motion. The gist of that motion is that when members are cabinet ministers in a government that allows this kind of corruption and these horrible activities, which have so mistreated the public purse, every member of that cabinet bears responsibility for those actions.

Does the hon. member agree with those sentiments?

Privilege

•(1650)

[Translation]

Mr. Michel Guimond: Mr. Speaker, my colleague is quite right. Concerning the current Prime Minister, we should remember one thing. In Quebec, we have a great motto. It says: *Je me souviens*. You will see, we have an ad campaign that starts with the motto of Quebec, which is our one and only country: *Je me souviens*. We remember that the current Prime Minister was the finance minister in this government when the decision was taken to create a sponsorship program. We remember that he was vice-president of Treasury Board, that he was a senior minister from Quebec, that he was the No. 2 man in the Jean Chrétien government. We do not have collective amnesia. We remember that he was there in February 1996, when the decision was made to have this sponsorship program. The current Prime Minister was there.

[English]

Mr. Gary Lunn (Saanich—Gulf Islands, CPC): Mr. Speaker, I am very pleased to rise and speak on this. This is an important issue.

However, before I begin my remarks, let me note that some of the members across the way are getting a little heated. I want to remind the Liberal members across the way that they moved this motion. We are debating a Liberal motion. The Liberals raised this matter and I think we should respond.

Let me specifically respond to the 10 percenter in question. We all use 10 percenters to communicate. It is within the rules of the House. I actually went through this 10 percenter in question. I had to have somebody help me, of course, because it was in French. What this 10 percenter says is that the Liberal Party fought two elections with dirty money. That is—

The Deputy Speaker: The hon. member for Bourassa on a point of order.

[Translation]

Hon. Denis Coderre: Mr. Speaker, I rise on a point of order. Let us get this straight. It is not a 10 percenter. It is a householder.

[English]

The Deputy Speaker: We are now debating a subamendment to an amendment to the member's original motion. I encourage the hon. member for Saanich—Gulf Islands to debate that.

Mr. Gary Lunn: Mr. Speaker, that was an honest error. I will refer to it as the householder. I thank the hon. member across the way for correcting me.

Let us carry on talking about the householder. The householder goes on to say that the Liberal Party ignored the rules for its own benefit. That is absolutely true. Justice Gomery has confirmed that.

They say the Liberal Party only paid back a small portion of the stolen money. I would agree with that as well. I think that is factually correct. If we read Justice Gomery's report, we will see he confirms that because of the cash it is almost impossible to ascertain the exact amount. There is no paper trail, so this is in fact factually accurate.

I am a bit surprised that the members across the way have opposed this. I think the real truth of the matter is that this is really a thinly veiled attempt by the Liberal Party. They do not want to talk about

the sponsorship scandal inside the House. They do not want to talk about the sponsorship scandal outside the House.

I think it is very important for every single Canadian in every corner of this country to know that the Liberal Party of Canada stole millions and millions of dollars from the Canadian people, from the national treasury, and funneled that back to itself. Those people took envelopes of cash. They sprinkled it throughout ridings in Quebec. That has all been confirmed by Justice Gomery.

I think it is very important for the future of this country that Canadians know the truth of what happened. Obviously I disagree completely with the political agenda of my colleague who did this. I could not disagree more with the political agenda of the Bloc Québécois, but it is that member's right to put out the householder. As I have said, it is factually accurate. It is factually correct. In fact, I think it is so good that we are going to put it in English and send it out to B.C. I think it is important for British Columbians to see this.

An hon. member: Absolutely no respect for the House.

Mr. Gary Lunn: I have full respect for the House, Mr. Speaker.

I want to talk about the issue of mailings. That is what we are talking about.

In my riding we have been getting mailings not just from the Liberals but also from the NDP. The NDP is sending them into my riding. They are short pieces. That is their right to do so. I understand. I do not agree with this one I received, but those are the rules of the House. The House has ruled many times that we are permitted to do this, but the NDP is sending this into my riding. If anyone requests me to, I will table these documents. I would be happy to do so. Unanimous consent would be required because these mailings were sent out in only one official language, but I cannot help that.

The one I have here is from the member for Toronto—Danforth. It went to somebody in Victoria by franked mail. Franked mail has a cost tenfold that of unaddressed mail. It is first class postage.

I will give them credit because at least it is unaddressed mail. The NDP is getting their message out within the rules of the House but at least it is not using addressed mail. The NDP members could, as it is their right. I accept that. I do not agree with it. I do not think we should waste the taxpayers' dollars, but there is more. These others that I have here went into my riding as well. They have the word Liberal on them. They were sent by the member for Richmond, but again, by franked mail. That costs 10 times more than actually using 10 percenters. I appreciate that this one is a householder, but I think it is all relevant to the issue we are talking about.

•(1655)

The member for North Vancouver blanketed my riding. I know that is within members' rights. They are allowed to do that. I do not agree with it and it is an issue that has come up before, but it is within the rules. Again, this one uses first class postage, costing the taxpayers at least 50¢ a hit for every single one of these because addressed mail is used. I have more. I have one here from the member for Vancouver Centre. This is all factual.

I send out a 10 percenter. We all send out 10 percenters. I believe the member for Ajax—Pickering raised a question of privilege about this same issue. Do members recall what he was upset about? He thought it was my fault, but Canada Post actually put my 10 percenter inside his householder. I can understand his frustration, but it had nothing to do with me. Canada Post did it.

Again, these are privileges that the House affords to all members in order for us to communicate not only with our constituents but with Canadians right across the country.

Mr. Speaker, you are very aware of that. You have been on the Board of Internal Economy for many years and are highly respected in the House. I know that you have had to address this issue. The House itself, through the Board of Internal Economy, which is an extension of the House, has chosen not to change those rules.

I think we should be restricted to 10 percenters and householders. It is a little more work for us because we have to identify the postal codes they are going to, but at least the cost to taxpayers would be probably one-tenth that of addressed mail.

If I were to use addressed mail like the Liberal and NDP members I have mentioned, I would just have to take a CD down to printing services and give them one copy. They will photocopy it, address the envelopes, stuff them for me and send them out. That is pretty easy. I do not have to go through all the work of setting up postal codes, which is a lot more work for my staff.

But that is what we choose to do because it saves taxpayers a lot of money. It is our privilege as a member of the House. If members opposite want to stop the use of franked mail outside their ridings, I would be the first to endorse that because I do not think that practice is necessary. For individual correspondence, yes, and everybody accepts that. I am talking about blanket mailings into ridings, where 50,000 mailings are sent out with a number of members' franks. It is extraordinarily expensive and extraordinarily costly for taxpayers. This comes down to having respect for the public purse.

Let us come back to the householder in question. I have had a few people go over it. It is clearly factually correct. There is nothing in it that is not accurate. In fact, it is even footnoted. Members opposite can see where all the sources are. In my view, this is probably the single most important piece that every Canadian in every corner of this country could read.

An hon. member: So you are making fun of the privilege.

Mr. Gary Lunn: I am not making fun of the privilege, Mr. Speaker. I can tell the hon. member that I have never been more serious in the eight years I have been a member of the House, when hundreds of millions of dollars are stolen from the public purse and used to fight elections. I appreciate that not every member is responsible, but the cabinet is collectively responsible.

Justice Gomery has confirmed that there was political direction. Justice Gomery has named many individuals. “An elaborate kick-back scheme”: those are Justice Gomery's words, not mine. I could read them for the House if members would like—

An hon. member: Then read—

Privilege

An hon. member: Show me what he said about cabinet responsibility—

Mr. Gary Lunn: They have asked me to read to them, Mr. Speaker. I think I have some time.

They are talking about cabinet responsibility. I am getting a lot of requests from over there. There is a lot here to read. I will read from page 7, where it mentions “the refusal of Ministers, senior officials in the Prime Minister's Office and public servants to acknowledge their responsibility for the problems of mismanagement that occurred.”

● (1700)

Ministers, senior officials in the PMO and public servants; that is in the major findings. There is a lot more. With all the volumes there are well over 1,000 pages.

The truth is it is a disgrace on this entire House. This went on for eight years. It was not an isolated incident. It involved numerous cabinet ministers. It involved numerous Liberal fundraisers. It involved in Justice Gomery's words again, two executive directors of the Liberal Party of Canada. It involved numerous ad agencies and hundreds of millions of dollars. I believe Justice Gomery states that \$147 million were paid in fees and commissions. It is a pox on political institutions right across the country. Canadians are becoming so cynical. The most troubling aspect of this is—

An. hon. member: Playing games.

Mr. Gary Lunn: We are not playing games.

An hon. member: Playing into it.

● (1705)

The Acting Speaker (Mr. Marcel Proulx): Order. The hon. member has the floor.

Mr. Gary Lunn: Mr. Speaker, there is no playing games. This is serious business.

There was abuse of the public purse in the hundreds of millions of dollars, and the way it was done, it went on for so long. Dirty money was used to fight two federal elections. It is so critically important for every single Canadian to know the facts.

For us, it is quite easy. A journalist came up to me earlier and said, “Everybody has their spinners out there. The Prime Minister had an advance copy. He had his spinners right out of the gate”. I said that for us it was quite simple. We did not need spinners. We just had to tell the facts. That is all we had to do.

I have not talked to my colleagues because this motion was just moved by a Liberal member a few hours ago, but I have no doubt that a lot of members will want to speak to the motion. In fact, they have been dying for an opportunity to speak to the motion. It is that important.

I know at the core of the matter is the use of householders, 10 percenters and franked mailings, but specifically what we are talking about is the sponsorship program. That is part of the motion.

Privilege

I believe they are very upset with the content. I could understand that. If I were a Liberal I would be ashamed of the content as well, because it is true. But the truth is that they are not ashamed of what happened. Eighty-seven per cent of the current Liberal members were here when the program happened. Eighty-seven per cent.

They are saying “guilty by association”. Let us talk about guilty by association. I have been asked to respond indirectly from a member across the way. Let us talk about guilty by association with the current Prime Minister. He was the vice-president of the Treasury Board. This went on for eight years right underneath his nose. He had letters from senior policy people of the Liberal Party. They sent him a letter in 2002 saying, “It has come to my attention that the sponsorship money is being used for partisan purposes and could have very grave consequences on us and I am asking you to intervene”. Did the current Prime Minister, the then minister of finance, do anything about it? Obviously not.

The members opposite like to say that he called the inquiry. Imagine. He called the inquiry after he was caught, after the current Prime Minister was caught, after Sheila Fraser, the Auditor General, had completed her report. They know the damning details. I think they had known them all along because they are at the core of all of it. Everything revolves around the Liberal Party of Canada, more specifically the Quebec wing, but there is one Liberal Party represented across the way.

This is serious business. I could not be more serious about an issue that is so fundamentally important to talk about and to raise in the House. It is of critical importance.

I am going to make another argument. If we look at the origins of the program, and that is the centre of the information in the householder, it was supposedly about Canadian unity. A very strong argument can be made that it has done just the opposite. It has destroyed it. If anything, it has offended the people of Quebec. They feel bought. They feel cheated. It has offended the people of Quebec more than people in any other part of the country.

● (1710)

Did we see any type of remorse from the members opposite? The member from Victoria when the report came out said it was a great day for Liberals. Imagine. A report comes out confirming that there was political interference, confirming that hundreds of millions of dollars, and by their own admission they voluntarily repaid \$1.14 million of the money they stole from Canadians. They believe it too, or they would not have paid it back.

We actually believe that number to be a lot higher. I am convinced of that. But they believe it, too. They cut a cheque, supposedly. I have not seen it. They cut a cheque with the back of the cheque stamped.

I am just going to come back to the issue about the mailings. The content of this should be sent to every household in the country.

Some hon. members: Shame.

Mr. Gary Lunn: It is very important for Canadians to know the facts.

Some hon. members: Oh, oh!

The Acting Speaker (Mr. Marcel Proulx): Order. The member has five seconds left.

Mr. Gary Lunn: Mr. Speaker, I think I struck a nerve over there.

In any event, this is important. This is a very serious matter. My comments are very serious. I do think that every Canadian needs to learn what happened.

Mr. Mark Holland (Ajax—Pickering, Lib.): Mr. Speaker, we have really seen a new low here today. When we see a householder that was sent out before the Gomery report was issued—

An hon. member: How could that possibly be?

An hon. member: Are you kidding me?

The Acting Speaker (Mr. Marcel Proulx): Order. Let us do this one conversation at a time so that I can pick up on it also, please.

Mr. Mark Holland: Mr. Speaker, when we see that this householder was sent out before Gomery had even reported, before they even bothered to get the facts, that they would try to destroy a reputation, that they would cast aspersions without fact is not new. We know the Bloc Québécois wants to destroy Canada and frankly, the Bloc members do not care what they say or what they do to get there.

What really is upsetting and is a new low is that the member opposite would stand in this House and proudly say that he would send that out across the country, to try to destroy reputations without facts, without any basis. It is disgusting to play directly into their plan to undermine this country.

I think the time has come, and this whole episode displays it, instead of talking about proudly sending something out that is false, that attacks members' reputations unnecessarily—

Some hon. members: Oh, oh!

The Acting Speaker (Mr. Marcel Proulx): Order. The member may resume.

Mr. Mark Holland: Mr. Speaker, I think we need to take a look at this practice. Instead of saying, “This piece of libellous material is so wonderful I want to send it everywhere,” let us have a real conversation about members sending material into other ridings, whether or not it is 10 percenters or householders or franked material. I have never sent one thing into anybody else's riding, not a single thing.

When the member opposite criticized me for raising a question of privilege that we need to take a look at this issue, I take great exception to it. When time after time this partisan material is being fired off into ridings, it serves no purpose. It does not add to the public discourse. It only has one purpose and that is to malign reputations. Let us look at the whole process. Let us stop sending this stuff into other people's ridings. Let us adhere to a better process and let us stop this ridiculous partisan nonsense.

● (1715)

Mr. Gary Lunn: Mr. Speaker, my hon. friend raised a number of points. I will start in reverse.

I am quite prepared to table these if the hon. members would like. The member for Vancouver Centre, the member for Richmond and the member for North Vancouver are sending this out to other party held ridings, and it is franked mail at a cost of ten times the cost of 10 percenters.

I agree with the member. I would support a motion that we do not blanket other ridings. I have said that all along. I have said it in the newspapers. I can send members the articles. We should not send franked mail en masse to other ridings. The Board of Internal Economy has dealt with this issue for years. It is the Liberal members who have been sending all these out. They raised this issue.

I want to come back to the member's comment, "destroying Canada".

Mr. Mark Holland: That is what they are doing.

Mr. Gary Lunn: No. When millions of dollars are stolen, when a sponsorship program has gone on for eight years, who is destroying Canada? Two or three years after they came to power, a kickback scheme was invented. When I say they, I mean the Liberal Party of Canada, Quebec wing, as named in Justice Gomery's report. When that happens, the public trust is gone. There is even the very potential of getting a yes vote in Quebec because of the sponsorship program. If they want to talk about who is destroying Canada, the Liberals need only to look in the mirror.

I am speaking genuinely and sincerely. I have been doing lots of interviews this week and there is not an issue about which I feel stronger since I have been elected. When millions of dollars were stolen and funnelled back in the most elaborate kickback scheme, I absolutely believe Canadians need to know that information.

I can understand the members opposite obviously wanting to bury this. If I were running for a party that came out with a report like this one, I would be saying to my leader that I could not be associated with that party. There has to be political accountability. It is not about criminal responsibility. It is not about civil responsibility. It is about political accountability. It is very important.

We send out 10 percenters. The members opposite send them out. Maybe the member has not, but his colleagues have. They have sent them to not only my own riding, but other ridings as well. If the member is interested, I would happily table this information. It is a right as a parliamentarian. It is a rule.

Let me conclude by saying this. The Liberals have been in power for 13 years. They have had the majority of members for those years and a majority on the public accounts. If they are so offended by those rules, why did they create them? Why did they not change the rules? Those are our rights as parliamentarians. The Liberals created the rules, now they should live by them.

[*Translation*]

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, thank you for this opportunity to ask the member for Saanich—Gulf Islands some questions. In fact, there is something that I do not understand.

The member for Bourassa tells us that the Bloc householder is detrimental to his job in the Parliament, and he is asking for apologies. However, the Bloc Québécois exists to defend the

Privilege

interests of Quebeckers. This includes informing them properly. There is something that does not make sense. The sponsorship scandal, that is the scandal surrounding the management of the sponsorship program, was mentioned not by us but by the credible Justice Gomery. He says this in his report:

The Commission of Inquiry found:
clear evidence of political involvement in the administration of the sponsorship program;

Later on, he states:

a complex web of financial transactions among Public Works and Government Services Canada (PWGSC), crown corporations and communication agencies, involving kickbacks and illegal contributions to a political party in the context of the sponsorship program;

At the end, he adds:

the refusal of ministers, seniors officials in the Prime Minister's Office and public servants to acknowledge their responsibility for the problems of mismanagement that occurred.

That is why I do not understand how someone can ask for an apology from the Bloc Québécois in such a context.

Is it not the Liberal Party which should stand in the House and apologize to Canadians? It should send householders, not only in Quebec, but across Canada, to apologize for spending and squandering our money, Canadians' money. It should create websites to apologize. It should also get the word out in major weekly publications.

• (1720)

[*English*]

Mr. Gary Lunn: Mr. Speaker, I will publicly say on the record that I am categorically 100% opposed to the agenda of the Bloc. I am a strong federalist and I believe in this country, but I will not prop up a government that stole millions and millions of dollars from Canadian people. It needs to be held accountable.

Those members have the same privilege to send out householders as every member of the House. I appreciate they do not like it, but I remind the hon. members, who are doing a lot of hollering across the way, of that.

I thank the Liberal member for moving the motion and giving us the opportunity to talk about such an important issue.

[*Translation*]

Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker I have been listening to the speeches since the tabling of the motion by my colleague, the member for Bourassa. I think that we have completely lost sight of the ruling that the Speaker just made one hour ago. The Speaker ruled that there was a case of privilege. This question of privilege—

Mr. Benoît Sauvageau: Mr. Speaker, I rise on a point of order. Is the minister talking about the Bloc Québécois subamendment? Is it actually on that matter that she is speaking?

The Acting Speaker (Mr. Marcel Proulx): I remind the honourable member that we are at debate stage. As the minister has the floor, we will listen to her.

Hon. Lucienne Robillard: Mr. Speaker, I will clearly speak only to the Bloc's subamendment.

Privilege

I was saying that there was an attempt to completely shift the debate about the member for Bourassa's motion, which was submitted to the House after the Chair decided that there was a prima facie question of privilege. At the start, he asked everyone to examine the question.

I believe we must go back to the householder. As was mentioned earlier, it was distributed in many Quebec households. It was sent as a householder by 24 Bloc members to the people in each of their ridings. I have a copy here of the one sent out by the member from Portneuf—Jacques-Cartier. When we send a householder to our constituents, we are personally responsible for its content. Therefore, the 24 Bloc members are personally responsible for this content. This is not a group householder but an individual one.

In my political life, I have always considered that, when we are campaigning for an election, we stand for our political party and opinions. We are trying to be elected as representatives of a political party. But from the moment we are elected, we have the duty to represent all of the people, including the ones who did not vote for us.

When a constituent shows up in my office, I do not ask him what candidate he voted for before trying to help him solve the problem he is having with the federal government.

On average, ridings have a population of 85,000 to 90,000 people. Some ridings have more. A householder sent to the population of a riding is meant for everyone, and we represent all citizens. We must be careful about the content of a householder. This is very important to me. But it is true that there is room for some partisanship.

Today I heard the argument that the House of Commons sometimes allows expenses for activities within our political parties. However, there is a limit with regard to the householder sent to the whole population. No matter which party people voted for, they have received that householder. Does it give information about what is going on in Parliament, within the government, or does it attempt to smear the personal reputation of individuals sitting here?

I do not know whether you have read it yourself, Mr. Speaker, but I would encourage you to look at it. The money trail is shown, with arrows. They can tell me there is an asterisk to point out that these are people who appeared before the Gomery Commission, but we all knew that; it was public. But apart from that, there are arrows on the money trail. What is being implied? What is the message they are trying to send to the public? It is that these people were soaking in illicit money, because the word "scandal" was put in. That is what they were trying to do.

An hon. member: That is it.

Hon. Lucienne Robillard: I hear someone saying "That is it, that is precisely what they were trying to do". That is libel. It is about attacking somebody's reputation. I have to say that I am more than baffled.

● (1725)

I have been active in politics for the past 15 years. I have been in the Quebec National Assembly and I have been in the Parliament of Canada for the past 10 years. I became involved in politics because I believed I could serve the people, initially the people of Quebec and

now all Canadians. I became committed with my personal and professional values and my values as a liberal, which include integrity. In my 15 years of political life, none of my political adversaries have ever attacked my personal integrity.

I have nonetheless had some tough opponents, both here and in the National Assembly with the members of the Parti Québécois. However, I have never had any personal attacks. What this householder tells me, when it attacks personal reputations, is that we have gone beyond the bounds of what can be done in a parliamentary newsletter. They would have me believe that the purpose was to inform people, but the reality is that it was done in an attempt to destroy someone's reputation. They would have me believe that the Bloc represents the interests of Quebecers, which is tantamount to denying completely that there are members of other parties who also represent the interests of Quebecers.

In going beyond the bounds, as they have done, they have quite simply shown a lack of respect. I am not certain that Quebecers will accept that. Quebecers are not like that. Everyone has their good and bad qualities, but Quebecers respect others. I do not feel that these 24 members truly represent the people of Quebec when they show a lack of respect for others who do not share their political views.

I feel that this is a very serious situation with regard to people's reputations. When I look closely at the amendment that has been introduced by the Bloc Québécois, who would like to establish a link with the Gomery commission, I would remind members that we have received his report just this week. This householder was distributed several weeks previously. We cannot accept this amendment. This householder does not refer to the Gomery commission. It does not ask people to wait so as to respect its conclusions. I conclude from that they want to have a debate today on the results of the Gomery commission. This is, however, not the purpose of the householder. Instead of waiting for the conclusions of the commission, it attacks the reputation of specific individuals. That is a serious matter for members of Parliament.

As a parliamentarian, I have privileges and those privileges must always be used very wisely I think. We first have the privilege of being elected. Few Canadians sit in this House. It is a privilege just to be here. We also have the privilege of sending householders at taxpayers' expense. The member from Portneuf—Jacques-Cartier did not pay for these out of his own pocket, all Canadian taxpayers paid, just as when I send out my own householder. I find this is a very serious situation.

On top of this, we are told that the Bloc's ad campaign using Quebec's motto will be aired today.

● (1730)

What I find hard to accept is that the Bloc Québécois keeps using symbols that belong to all Quebecers regardless of their political allegiance. They even tried one day to take the flag of Quebec as their own. That flag also belongs to me as a Liberal member.

Privilege

They have managed to take over Saint-Jean-Baptiste Day in Montreal. When I was young, that day was for everyone. Everyone took part in the celebrations and we were all proud to be Quebecers. The sovereigntist movement has now taken over this event. I have just been told that Quebec's motto, *Je me souviens*, will be used in advertising against us. Something is wrong in this picture with regards to conduct and ethics.

I certainly understand that the Bloc Québécois, since the last election, is trying to keep up its mudslinging. Many of my colleagues in this House who have campaigned with me will certainly remember that.

Unfortunately, the Bloc members have managed to convince some of our fellow citizens to vote for them. I am the first one to be saddened by all the problems with the sponsorship program. It is far from enjoyable for us to have to go through such an ordeal. The Prime Minister had the courage to set up a commission of inquiry, knowing full well that there would be a price to pay. Canadians will have to judge once they have the report. I will be judged as a Liberal member of Parliament, but I do not think Canadians will be judging my own integrity.

Sometimes, Bloc Québécois members like to crush other Quebecers. It is fantastic, extraordinary. They are having fun. However, they very seldom discuss that kind of question with the Conservative Party. I was appalled today by the comments made by Conservative Party members.

● (1735)

[English]

I cannot believe that these people in the Conservative Party are federalists. I just cannot believe that the Conservatives who spoke today are federalists in this country. Once again, they associate themselves with the Bloc.

[Translation]

One has to wonder what leads people to support such an approach. Personal integrity is very precious. I will be interested to know what the Standing Committee on Procedure and House Affairs will make of this motion presented by the member for Bourassa.

After consultation, I am told that it is in fact libel. I therefore reserve the right to consult with legal advisers perhaps to go further, over and above what the House will decide regarding what has gone on.

In closing, I will say that it is not the first time that complaints have been made in this Parliament regarding ten percenters or householders nor that some members have gone beyond what is allowed. I think that we have been very open and flexible, but we have now reached a point where we cannot tolerate it any more.

I hope that the House will make the right decision and that the parliamentary committee that will deal with this issue will reach a decision that will ensure that never again will a member from any party, including the Bloc, see his or her reputation damaged by this kind of publicity.

● (1740)

[English]

Mr. Myron Thompson (Wild Rose, CPC): Mr. Speaker, I have a quick question. When I awoke this morning, one of the things I heard on the news that I found really disturbing was the fact that there was a certain house in operation in Winnipeg where there was abuse of some 31 children on a regular basis. It was more saddening to find out that this kind of activity has spread throughout Canada. The abuse of our children is a big problem throughout Canada.

Tonight, I was supposed to have debated a private member's bill that I think would help strengthen the opportunity to help more children. This is just a sample of some of the big issues.

More than anything else what is bothering me is that the Gomery commission has come down and the finger has been pointed at the Liberal Party. The Liberal Party is responsible. The Prime Minister and the cabinet that instituted the program are responsible. Not once have I heard anybody say that they are really sorry that this happened.

Mr. Russ Powers: Mr. Speaker, I rise on a point of order. I am sure there will be a relevant question relating to the issue about the question of privilege, and the abuse of the 10 percenters and householders. I respectfully ask that the member move to that point now.

The Acting Speaker (Mr. Marcel Proulx): The hon. member has sufficient experience in the House that I am sure he is getting to that.

Mr. Myron Thompson: I thank the member for his intelligence and usual arrogance as I carry on.

What I want to express to the people across the way is that these are all serious problems. We need to deal with these problems in the House of Commons.

One thing we have to do when these terrible things happen, such as ad scam and the Gomery commission report, is to hear somebody say that they are genuinely sorry that this happened. The Liberals could genuinely show some remorse. I have not seen that once.

I have been listening and thinking is there any sorrow over there at all that this took place. Can we not get to that point and get this part over with? These people were responsible for a lot of things that happened. Get with it and fix it.

The Bloc members over here had the right to do what they did. I do not agree with what they did. I do not agree with householders coming into my riding from other members when it happens. I am not going to sue anyone because it did happen.

I have a question for the member. When is this group of people over here going to quit being so arrogant, grow up, and apologize for their errors? Let us get on with running the country.

Hon. Lucienne Robillard: Great, Mr. Speaker, the Conservative member is applauded by the Bloc. This is what I said.

Some hon. members: Oh, oh!

The Acting Speaker (Mr. Marcel Proulx): Order, please. We took the time to listen to the question. Let us take the time to listen to the answer.

Privilege

The hon. President of the Queen's Privy Council.

Hon. Lucienne Robillard: Mr. Speaker, I think the member is out of order. We are not discussing the Gomery commission. We are discussing householders that are sent to a lot of people in Quebec.

The member is telling me that he does not care. I wonder what he will say one day if someone sends a householder to his riding attacking his personal reputation and his integrity. That would be a lack of respect for him. I hope no one does that to him.

• (1745)

[*Translation*]

I do not have an answer for the hon. member from the Conservative Party, who is not even addressing the content of the motion.

In my opinion, the amendment proposed by the Bloc Québécois is not in order, since it refers to the Gomery inquiry and this householder was published and distributed before we got the commission's report.

Mr. Marc Lemay (Abitibi—Témiscamingue, BQ): Mr. Speaker, I have a question for the hon. President of the Privy Council. She alluded to some things that I am not comfortable with.

She said that we have taken over Quebec's symbols. What about her party, her government, which has taken over \$46 billion from the EI fund, and hundreds of millions of dollars that should have gone to seniors under the guaranteed income supplement, which they did not receive? Does she have an answer to that question?

I will cut to the chase. The hon. President of the Privy Council brought it up, so I will ask her a question about it. We have the evidence. Is she saying that she did not appear before the Gomery inquiry on January 28, 2005?

At no time does this householder attack the integrity of anyone in this House. What we have done is inform the public pursuant to the Standing Orders of this House. I have been here for 16 months and I can assure the hon. members that I have no intention of attacking the integrity of the hon. member for Bourassa. However, he who sows the wind, reaps the whirlwind. In his case, he has sown the wind and he will reap the whirlwind since we will be debating this amendment and the amendment to the amendment for a long time.

I would very much like for the President of the Privy Council to tell us which members from eastern Quebec received money between 1997 and 2000, for the election. We would very much like to know whether the President of the Privy Council—

Some hon. members: Oh, oh!

The Acting Speaker (Mr. Marcel Proulx): Order. The Parliamentary Secretary to the Minister of Human Resources and Skills Development on a point of order.

[*English*]

Hon. Peter Adams: Mr. Speaker, I again must ask you to rule that this line of not even questioning but ranting is out of order. It does not deal with the debate at hand. It does not deal with the topic that we are discussing here and you should so rule.

The Acting Speaker (Mr. Marcel Proulx): I thank the hon. parliamentary secretary for his remarks. The hon. member for

Abitibi—Témiscamingue was completing the question in regard to members of Parliament from the eastern section of Quebec. We are going to wait to see what the total question will be and then we will decide if the hon. President of the Queen's Privy Council will need to reply.

[*Translation*]

The hon. member for Abitibi—Témiscamingue.

Mr. Marc Lemay: Mr. Speaker, I would like to ask the following question: will we know the names of the Liberal candidates who received money during the 2000 election campaign? Can the President of the Privy Council, who was then President of the Treasury Board, tell us if she appeared before the Gomery inquiry on January 28, 2005, yes or no?

• (1750)

The Acting Speaker (Mr. Marcel Proulx): Before I recognize the President of the Privy Council, I have to point out that an element of the member's question, the part about a party's candidates, is not in order in this House.

An hon. member: Sellout.

The Acting Speaker (Mr. Marcel Proulx): I did not hear that. It is probably better that way.

The question about political parties is not in order. The President of the Privy Council can respond to the question regarding her invitation to appear before the Gomery inquiry.

Hon. Lucienne Robillard: Mr. Speaker, this is exactly the kind of language we just heard. Someone said “sellout”. That is what I find shameful. A member's reputation is being attacked and there is a lack of respect. It is possible—

The Acting Speaker (Mr. Marcel Proulx): The hon. member for Abitibi—Témiscamingue on a point of order.

Mr. Marc Lemay: Mr. Speaker, as I listen to the President of the Privy Council, she seems to be saying that the words she just quoted were spoken by the member who asked her the question, which is not the case. I would very much like the member to apologize if she is insinuating that the words that she just quoted in the House were spoken by me.

The Acting Speaker (Mr. Marcel Proulx): I would like to point out to the member for Abitibi—Témiscamingue that, unless I misheard, I did not hear the President of the Privy Council insinuate that those words were spoken by the member. I heard the President say that an unidentified “someone” had spoken them.

Hon. Lucienne Robillard: Mr. Speaker, the member for Abitibi—Témiscamingue started off well. He was talking about EI. We could discuss it. We do not see eye to eye on what must be done concerning EI.

However, very quickly, he came back to the Gomery Commission and asked me if I had testified. He is perhaps the only one who did not watch television that day. Yes, I testified.

I would just like to point out that their researchers should perhaps check their dates. They even managed to make a mistake concerning the years I served as president of the Treasury Board. I was appointed in August 1999, not in 1998 as is indicated here.

Privilege

Having said that, let me get back to the problem, the use of a householder to attack, by way of association and innuendo, the reputation of individuals. That is reprehensible.

Mr. Benoît Sauvageau (Repentigny, BQ): Mr. Speaker, I am a little uncomfortable speaking right after the President of the Privy Council because she is telling us that we should feel guilty and she is almost asking us to apologize. However, I would like to remind her of a few facts and maybe she could tell us who should be apologizing.

We are always being asked to quote from the Gomery report, so I will do that. We read on page 14:

From 1994 to 2003, the amount expended by the Government of Canada for special programs and sponsorships totalled \$332 million, of which 44.4%, or \$147 million, was spent on fees and commissions paid to communication and advertising agencies.

I wonder who should be apologizing.

In his testimony before Gomery, Marc-Yvan Côté said that in 18 ridings of eastern Quebec, brown envelopes containing dirty money had been given out, and that 9 of those had been given to candidates.

The member for Ahuntsic tells us to quote the Gomery report to make sure that we are not making any mistake. I would remind her that she may, if she is interested, refer to page 305 of the report, which states:

Mr. Côté divided the money into ten envelopes, which he gave to the candidates in need of assistance at the time the Liberal campaign was officially launched in Shawinigan, for payment of their personal expenses.

I could repeat it outside, here in the House, at home or even to her face. I am quoting from the Gomery report. That is what was said.

They talk to us of ethics and respect. I wonder where the ethics and respect of the member for Bourassa were when he said, and I do not have a date, to Osvaldo Nunez, then member for Bourassa that if he was not proud of his country, he could go back to Chile.

We could have asked him where his respect was then—

• (1755)

Hon. Denis Coderre: Mr. Speaker, on a point of order. I am completely in agreement with his mentioning that, but I did apologize. Does he plan to do likewise?

Mr. Benoît Sauvageau: Mr. Speaker, I will ask him, through you, if he said that or if he did not.

According to the member for Bourassa, he is not named at any time in the Gomery report and thus has no reason to be named in the Bloc document tracing where the money went. He has perhaps forgotten to read some of the pages of the report, so I will read them out for him. Had he taken the time to look at page 363, he would have seen the following:

Mr. Guité's claims are rejected. He used sponsorship funds to make hockey tickets in a luxury box at the Corel Centre available to himself and to his guests, including PWGSC personnel, senior public servants such as Roger Collet, and politicians such as [the member for Glengarry—Prescott—Russell] and [the member for Bourassa].

I will just speak about the person who has introduced the motion. It is interesting that he says he had nothing at all to do with the sponsorship scandal, did nothing that could in any way lay him open to reproach, incriminate him or cast doubt on his integrity in

connection with the sponsorship scandal. Before it occurred to him to institute proceedings against the Bloc, he ought perhaps to have done so against certain newspapers. I will quote from a few of the ones that have mentioned him. In those days he seems to have had a thicker skin than he does today.

In the November 2 edition of *Le Quotidien*, we can read the following on page 6:

The commissioner recalls that Mr. Lafleur, the only ad agency owner in a club called the cigar club, did not hesitate to invite several politicians to his box to watch a Canadiens hockey game.

In the previous quote it was a box at the Corel Centre; now it is a box to see a Canadiens hockey game in Montreal. I will now continue with what it says on page 6 of *Le Quotidien*:

Chief among these were Jean Pelletier, Jean Carle, Alfonso Gagliano, [the member for Bourassa] and Martin Cauchon. "There was a sort of culture of entitlement according to which persons enjoying Mr. Lafleur's largesse [there is no need for me to name them] apparently did not feel that there was anything wrong in being entertained by someone who was receiving, and hoped to continue to receive, obviously lucrative federal contracts", as Justice Gomery points out.

Not that this was ever referred to.

In the November 1 issue of *Le Soleil* we read the following—maybe the member will feel like suing other people:

The Liberals themselves await the release of the report with resignation, hoping to limit the damage. And as the member [for Bourassa] and former minister said on his way out of the Commons, "One should not defend the indefensible. If there was embezzlement, I have no pity for that and it must be punished accordingly".

This was written by Raymond Giroux. I hope the member agrees with him.

The member for Bourassa tells us he should not be associated with the Gomery report as his name is not cited therein. I am going to read from page 51 of the summary. This may ring a bell. I quote:

Mr. Lemay is a respectable businessman whose enterprises, Polygone and Expour, arranged and managed shows and exhibitions and also published specialized magazines. In 1996 one of Mr. Lemay's employees was [the member for Bourassa], a personal friend of Mr. Renaud. In August or September 1996, most probably at the initiative of [the member for Bourassa], Messrs. Brault and Renaud were invited to meet Mr. Lemay, his associate Michel Bibeau, and Mr. Corriveau, where Mr. Corriveau explained a major exhibition that was planned at the Olympic Stadium in Montreal in 1997—the Salon National du Grand Air de Montreal. Mr. Lemay says that Mr. Corriveau put him in touch with Claude Boulay of Groupe Everest, which was contracted to handle publicity and public relations for the Salon.

This is in the Gomery report.

An hon. member: Go on.

Mr. Benoît Sauvageau: Since I am being asked to go on, I shall.

However, the most interesting part is in the June 17, 2004 issue of *Le Journal de Montréal*. No direct mention is made of the sponsorship scandal, but you will see that even though the stage changes, the characters often remain the same.

• (1800)

We read the following: "A large number of personalities close to the federal Liberal Party have hovered around ISM since their inception in June 1998."

On the other hand, when ISM—

Privilege

Hon. Denis Coderre: Mr. Speaker, I rise on a point of order. I know that the member for Repentigny wants to throw his venom at me and have a great time. Unfortunately, he does not have the intellectual honesty to read everything.

However, one thing is sure. If we stick to the sub-amendment, it talks about the Gomery commission and the sponsorship program. What he is talking about has nothing to do with the issue. He should thus stick to the sub-amendment.

The Acting Speaker (Mr. Marcel Proulx): The hon. member for Repentigny has enough experience to know the Standing Orders and continue his speech appropriately.

Mr. Benoît Sauvageau: Mr. Speaker, I simply wanted to tell you that, even when we were talking about Montreal Sports International—I would not talk about it—there were Serge Savard, Groupe Everest, and the member for Bourassa was there, but —

The Acting Speaker (Mr. Marcel Proulx): I remind the hon. member that he cannot do indirectly what he must not do directly.

Mr. Benoît Sauvageau: Mr. Speaker, I will also remind the member for Bourassa that it is interesting to note that the House By-Law No. 2 provides at section 2(c)—the House leader of our party referred to this earlier, but we point it out to the members, because the Liberals have a tendency to tell us that we are completely off topic—that “partisan activities are an inherent and essential part of the activities and parliamentary functions of a Member”.

So we did what can be seen in the householder that the Liberals have been advertising exceptionally well today. We could almost thank them for this, but we can see in the householder some facts that were identified at the Gomery commission. It talks about money funnelled through the sponsorship scandal.

We are being asked today to apologize. I am wondering about one thing. Since the member for Bourassa rose earlier to speak, is it relevant that he is talking all the time during my speech and that he is trying to disturb people in this House? Is this normal? Are you saying that it is normal, Mr. Speaker? If the member is too nervous and does not feel like keeping quiet during my speech, that tells us that, on top of his integrity, it is his respect for others that must be attacked, because he is not showing any respect for others. How can we be asked to apologize?

The hon. member for Bourassa says that he is sensitive? Then he is sensitive.

The Acting Speaker (Mr. Marcel Proulx): Order, please. I remind the member for Repentigny that he must address his comments through the Speaker, and not directly to his colleagues in the House.

Mr. Benoît Sauvageau: Mr. Speaker, I think that, from now on, we will be able to speak properly and intelligently.

I wonder why the Liberal members are opposed to such householders and are asking us to apologize, by trying to make us feel guilty. We must recall the facts set out in the Gomery report, in page after page, all the testimony heard by the Gomery commission, all the oral questions we have asked in the House since the report was tabled and all the non-answers we have received from the ministers. We must remember everything we have heard about the \$100 million scandal, friends, advertising firms which we could

name: Groupaction, Gosselin, Groupe Everest, Lafleur Marketing, Vickers & Benson, Polygone/Expour—we know this company better—and Coffin Communication. All these agencies received money during the sponsorship scandal and contributed to the Liberal Party.

Our integrity is being called into question, when nine candidates accepted brown envelopes containing dirty money. The president of the party was quite right in saying that we should plug our noses when we talk about the Liberals. He may have said it best, except for the member for Bourassa, who said that the guilty parties must be punished. But have they truly been punished? We know that the person who gave the money to Marc-Yvan Côté has been banned for life from the Liberal Party, as was Mr. Côté. The nine other candidates who accepted this money are still there, with the ministers and the members. Perhaps they will run in the next election. And we are being asked to apologize for this.

The parliamentary householders were sent in compliance with the rules of the House and the rules of the game. Let us look at what these householders say. They say that four ministers—three still in office and one former minister—appeared before the Gomery commission. This is a fact. The leader was wondering why these householders did not publish the photos of the other ministers. It is because they did not appear before the Gomery commission. This is also a fact.

The debate is about the sponsorship scandal. It opens the door to discussion about what happened at the Gomery commission. We are taking advantage of this open door. The more we talk about it, the more people in Quebec and Canada will realize what really happened on the Liberal side and will understand that this is an institutionalized and controlled system.

Let us look at Justice Gomery's major findings: The first one is that there is “clear evidence of political involvement in the administration of the Sponsorship Program”. Whose political involvement was it? Then, the report talks about “insufficient oversight at the very senior levels of the public service”. We could quote from the report to show that the former president of the Treasury Board, whom we heard, failed to do her duty: “a veil of secrecy surrounding the administration of the Sponsorship Program and an absence of transparency in the contracting process”. Who is hiding behind this veil? Who holds the secret?

The report goes on talking about:

- reluctance, for fear of reprisal, by virtually all public servants to go against the will of a manager [Chuck Guité] who was circumventing established policies and who had access to senior political officials;
- gross overcharging by communication agencies for hours worked and goods and services provided;
- inflated commissions, production costs and other expenses charged by communication agencies and their subcontractors, many of which were related businesses;
- the use of the Sponsorship Program for purposes other than national unity or federal visibility [which means filling the pockets of cronies] because of a lack of objectives, criteria and guidelines for the Program.

Among the cronies were the ones from the cigar club. We all remember who belonged to that club. I continue quoting from the report:

- deliberate actions to avoid compliance with federal legislation and policies, including the Canada Elections Act, Lobbyists Registration Act, the Access to Information Act and Financial Administration Act—

Members opposite talk about transparency. Nevertheless, when questions are asked in committee and access is needed to some documents, for example about the Canadian Unity Council or the Internationaux du sport de Montréal in November 2005, the same veil applies and members of Parliament cannot get answers to their questions.

The Gomery report goes on to say:

—a complex web of financial transactions among Public Works and Government Services Canada (PWGSC), Crown Corporations and communication agencies, involving kickbacks and illegal contributions to a political party—

This party is called the Liberal Party. And today, we are asked to apologize.

• (1805)

However, the Gomery report clearly states, “—involving kickbacks and illegal contributions to a political party—”. We are not talking about \$1 million; it is much more than that.

Money was diverted in the sponsorship scandal, but a mere \$1 million is being reimbursed, and we are asked to say thank you and sorry because the Liberals are such nice people. Excuse me, but enough is enough.

Here is another excerpt from the Gomery report:

Five agencies that received large sponsorship contracts regularly channelling money, via legitimate donations or unrecorded cash gifts, to political fundraising activities in Quebec, with the expectation of receiving lucrative government contracts;

We have the opportunity to talk about the Gomery report. Lets us continue to do so. We were told that they accept the report's findings, which are:

Certain agencies carrying on their payroll individuals who were, in effect, working on Liberal Party matters;

Those agencies received money and paid so-called volunteers working in Montreal. And what were those employees working on? Illegal election campaigns.

Some members in this House were elected thanks to election workers who were illegally paid. Some received envelopes and campaigned with money obtained illegally.

Here is another excerpt from the Gomery report. We read:

The existence of a “culture of entitlement” among political officials and bureaucrats involved with the Sponsorship Program—

We are being asked to refer to the Gomery report. For the benefit of the member for Ahuntsic, I will quote the report:

A pattern of activity whereby a public servant in retirement did extensive business with former recipients of Sponsorship Program contracts; and

Here is the most important part:

the refusal of Ministers, senior officials in the Prime Minister’s Office and public servants to acknowledge their responsibility for the problems of mismanagement that occurred.

This is what Justice Gomery says on page 7 of his document.

He talks about the refusal of ministers. Among others, the President of the Treasury Board, or presidents, should have ensured that the money was well spent. Justice Gomery puts it clearly: “the refusal of Ministers ... for the problems of mismanagement that occurred”.

Privilege

If the ministers had fulfilled their responsibilities, if they had put in place all the controls to properly manage the public administration and money, the laws would have been respected.

Justice Gomery says the following on page 19 of his report:

The Treasury Board exercises its oversight role most actively through its review of submissions for spending initiatives.

The principal expenditure controls are found in legislation, especially sections 32, 33 and 34 of the Financial Administration Act. In brief, section 32 ensures that funds are available to pay for any goods or services contracted; section 33 deals with requisitions for payment; and section 34 ensures that no payment for goods or services requisitioned by the government shall be made unless there is a certification on record that the goods or services have been supplied in accordance with the government contract which authorized the expenditure.

It is very clear that Treasury Board has the tools to ensure that a scandal such as the one we are talking about today—and that we have been talking about for too long—does not occur. As the justice pointed out, and I will conclude on this note, the ministers' refusal to admit their responsibility for the mismanagement is unacceptable, and this is why we are going to continue talking about the sponsorship scandal.

• (1810)

Hon. Denis Coderre (Bourassa, Lib.): Mr. Speaker, I find it ironic to hear the hon. member for Repentigny say that those four ministers were the only ones to appear before the commission. Maybe he does not read his party's research reports, but if he read pages 568, 569 and further, he would find out that he should do his homework better.

I think, of course, that in all this pack of lies, once again, he has showed us that what he really wants is to throw mud and tarnish reputations.

I hope he believes that Mr. Justice Gomery is credible. If he says no, he can say so, but I believe he is credible. He said, on the subject of responsibility, on page 77 of the summary:

Mr. Martin...is entitled, like other Ministers in the Quebec caucus, to be exonerated from any blame for carelessness or misconduct.

“Exonerated from any blame”, it is clear. That means they can go ahead and try to find little blips and engage in petty politics over this, but the reality is something else and that is what bothers them. They sent this document out to the homes before the report was even tabled. Earlier I heard another hon. member say that it was a hypothesis. There was my friend, the hon. member for Montmorency—Charlevoix—Haute-Côte-Nord, who was so out of breath from spinning his wheels that he finally said it was a hypothesis. If so, then that only proves yet again that this was premeditated.

I want the hon. member for Repentigny to tell me one thing. I know he is in a flap today. Maybe he wants his leader to notice him. First, does he think Justice Gomery is credible? Does he believe that the ministers from the Quebec caucus, including yours truly, were exonerated from any blame? That is the first step.

Second, I want to know whether he sent this very document to his riding. If so—since everyone is talking about it he will be able to respond—can he submit in writing to this House a letter proving that House of Commons employees accepted this drivel?

Privilege

Is there any member opposite who can prove to me and submit evidence in writing that the House of Commons, whether at Printing Services, the Clerk's Office or anywhere, that House employees approved this document according to procedure?

As we know, when we sign something, we are not just signing ten percent. When we sign a document, a parliamentary householder, we sign individually. We are fully responsible for what we put our signature on. We are the ones who are doing the signing. In other words, the person who signs takes responsibility.

First, does the hon. member for Repentigny believe in the credibility of Justice Gomery? Does he agree when Justice Gomery fully exonerates from any blame or negligence the ministers and other members, including myself? Second, did he send this drivel to his riding? If he wants to be part of the gang, then so be it. Third, let him prove without a doubt, not just on word of mouth, that there was official approval. The leader of the Bloc said outside that they received approval from the House. If that is not true, then this is serious. Does he have a document to submit? Can he tell us, in black and white, that House of Commons employees approved this document?

• (1815)

Mr. Benoît Sauvageau: Mr. Speaker, I am pleased to answer the question from the member for Bourassa, who has been trying to hide from the population for a year.

In terms of the Gomery report, my answer is that I approve of Justice Gomery's recommendations, especially when he states the following:

Those facts allow me to draw the following conclusions: The Commission of Inquiry found: the refusal of Ministers, senior officials in the Prime Minister's Office and public servants to acknowledge their responsibility for the problems of mismanagement that occurred.

As to his second comment, let me apologize for disappointing the member for Bourassa, but since 26 members have sent this group mailing—math is not really my forte—that means that there are 28 who did not send it. So, it follows that when he went on a fishing expedition to find out who had sent it and who had not, the odds for success were one in two, were they not?

I did not send this brochure. Therefore, I will not be able to table a letter in this House. I will not be able to give him that pleasure. I simply want to show him how false his line of reasoning is, when he maintains that everything was centred in the whip's office, this nasty whip, where everything was concentrated. There were 26 out of 54 who did that, and the other 28 were not scolded. Those 28 others decided to deliver a common communiqué, a collective mailing that concentrated on their intentions.

But I see the member for Bourassa smiling. I do not see how one can make a revelation of the fact—

The Acting Speaker (Mr. Marcel Proulx): Order, please. I would like to be able to hear the comments. We have heard the question. Now, it would be nice to hear the answer.

The member for Repentigny has the floor.

• (1820)

Mr. Benoît Sauvageau: Mr. Speaker, this is not a laughing matter. There are 26 members who sent out the householder, and 28 who did

not, because the Bloc Québécois is truly a decentralized party. No comprehensive study was done to know what was going on. Proposals are made, then each member decides what is appropriate for one reason or another. Some have issues or activities which are priorities in their ridings. For example, Bill C-277 asked that the Auditor General investigate into the \$9 billion the government was hiding.

The sponsorship scandal having been exposed, I saw fit to inform the public that, under a bill put forward by the Bloc Québécois, the Auditor General would now have a right of oversight over the foundations through which the government was moving money. I am happy that the question was put to me. The government hid money in the sponsorship scandal. One has to wonder whether it hid more elsewhere.

[English]

Hon. Peter Adams (Parliamentary Secretary to the Minister of Human Resources and Skills Development and Minister responsible for Democratic Renewal, Lib.): Mr. Speaker, I wonder if the member realizes we are debating the fact that the Speaker ruled that there has been a prima facie breach of privilege of the House. This is a very serious matter and it is a breach of privilege by the Bloc. Does the member agree with the Speaker's ruling or is the line of reasoning that he is using in fact a debate with the Chair about a ruling of the Chair which, Mr. Speaker, I would point out to you is out of order in this chamber?

[Translation]

Mr. Benoît Sauvageau: Mr. Speaker, I notice that many Liberal members would like to be Speaker of the House and decide for you. All your decisions are being challenged.

First of all, the Speaker of the House ruled the motion in order. He did not say that we should accept it. Once a motion is ruled in order, there is a debate. The amendment to the motion proposed by the leader of the Bloc Québécois is also part of the debate. When the whip of the Bloc Québécois proposed an amendment to the amendment, which was ruled in order, the President of the Privy Council stated that it should have been ruled out of order.

The member is saying that we should not be challenging the ruling that the motion is out of order, but that is not what the Speaker said. He said that it was in order. Under our Standing Orders, when we are debating the amendment to the amendment, the amendment and the motion, we are allowed to, and I would invite you to—

The Acting Speaker (Mr. Marcel Proulx): Order. I am sorry to interrupt the member. However, I would remind members that it is strictly prohibited to use a cell phone in the House.

Mr. Benoît Sauvageau: Mr. Speaker, I want you to know that it was not I who had my cell phone on while I was talking. I will therefore continue my reply to the question put to me.

The Bloc Québécois honours parliamentary procedures. It will debate the subamendment, the amendment and the motion.

Mr. Pablo Rodriguez (Honoré-Mercier, Lib.): Mr. Speaker, I will be sharing my time with the member for Ahuntsic.

In recent months, the Bloc has done its best to damage the reputation of all Liberals.

It did so using the householder referred to here today, through unfair personal attacks by spreading rumours and misinformation about a lot of people.

Today we know the truth. Judge Gomery has decided what was rumour, allegation and fact. It is clear today that a small group of individuals committed reprehensible acts and will pay for it. The government and the Liberal Party have both taken the necessary measures.

There are limits to efforts at tarnishing a reputation, damaging a career and unfairly impacting on the lives of all those associated with our party. The Bloc has been going well beyond this limit for a very long time.

My father used to like to tell me that politics brings out the best and the worst in people. The behaviour of the Bloc and the vileness of their attacks are certainly among the worst.

In so doing, Bloc members attacked the integrity of all Liberal militants. These may not be better than those from the other parties, but they certainly are no worse. They stand for values that are different. Unlike the Bloc, they believe that people can be different but equal, different but united. They also believe that we can be proud to be Quebeckers and proud to be Canadians, without there being any contradiction in that.

Whether the Bloc likes it or not, we live in a free and democratic society where the presumption of innocence has always prevailed. Within this society, thousands of militants volunteer for one of the various political parties or another. We have to realize that, first and foremost, a political party is an organization comprised of volunteers who are involved in defending their values and advancing their ideas.

That is what the Liberal Party of Canada is. It was built on generation upon generation of men and women, young and old, whose sweat bears the depth and beauty of their beliefs and who have the courage and fortitude necessary to defend them. Today's generation is no different from the ones before it. The Bloc Québécois has attempted to tarnish their reputation, but it will not succeed.

The Liberal Party of Canada is often about ordinary people who managed to accomplish great things. It is about the volunteers in Montreal, Trois-Rivières, Chicoutimi and all across Quebec and Canada.

For me, the Liberal Party remains the party of everyone who believes that it is possible to make a difference. It is the party of everyone who refuses to give in to the status quo and believes in continuing to improve—

• (1825)

[English]

The Acting Speaker (Mr. Marcel Proulx): Order. May I remind hon. members that apples are not to be eaten in the House. Let's not count the calories.

An hon. member: You can throw them but you cannot eat them.

Adjournment Proceedings

[Translation]

Mr. Pablo Rodriguez: Mr. Speaker, as I said, the Liberal Party is the party of all those who feel it is possible to debate ideas without descending into personal attacks, insults and defamation of character.

I would like to briefly salute all the volunteers who have, and continue to have, the courage and desire to change the course of events, even when that means great sacrifice, as it often does. I also salute all that which is noble in politics: commitment, devotion, solidarity come what may, and selflessness.

As we have heard, the Bloc likes to appropriate the symbols of Quebec for itself. The Bloc members try to appropriate the flag of Quebec. They have made “Québécois” part of their name, though they are far from representing all Quebeckers, far from it. Not content with that, they are also trying to appropriate the symbols of others as well. They did that by putting our party's logo on the infamous publication. Now they are trying to appropriate the motto of Quebec as their own.

Since it belongs to all Quebeckers, and not to the Bloc, I too will use that motto and tell them that I remember, *Je me souviens*, that there are not two categories of citizens in Quebec. I remember that there are not good Quebeckers and bad Quebeckers, depending on their opinion on unity. I remember that a person can be both a federalist and a Quebecker, without being marginalized and insulted. I remember that the sole purpose of the Bloc Québécois is to destroy the country. I remember that a person can be proud to be a Quebecker, and proud to be a Canadian, and that there is no contradiction whatsoever between the two things. I remember that the country represents something that is absolutely extraordinary for which we will continue to fight.

• (1830)

The Acting Speaker (Mr. Marcel Proulx): The House leader of the Bloc Québécois on a point of order.

Mr. Michel Gauthier: Mr. Speaker, I have about 45 seconds left. Therefore I could ask another question to the hon. member.

The Acting Speaker (Mr. Marcel Proulx): The Hon. Parliamentary Secretary to the Minister of Foreign Affairs on a point of order.

Hon. Dan McTeague: Mr. Speaker, the clock shows of course that it is at least 6:30 p.m. The hon. member does not have 45 seconds left. His time has expired. He will have to speak some other time.

The Acting Speaker (Mr. Marcel Proulx): I have to say to the Bloc Québécois House leader that he does not have 45 seconds left. His time has expired.

ADJOURNMENT PROCEEDINGS

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

Adjournment Proceedings

[English]

JUSTICE

Mr. Randy Kamp (Pitt Meadows—Maple Ridge—Mission, CPC): Mr. Speaker, last week I asked a question of the health minister relating to the growing problem of crystal meth. I want to follow up on that today.

It was a serious question that was asked in a respectful manner. However, instead of the minister distinguishing himself by providing a serious respectful answer, he made some flippant evasive comments that disparaged not only me but all those who are concerned about the increasing use of crystal meth. I know the minister will appreciate the opportunity to provide a better response to my question.

Over a year ago we called on the government to increase penalties for the possession of key crystal meth ingredients. Eventually, on June 11, the government announced that it would be adding to the list of substances that required a licence to possess. Since then we have been monitoring the situation to see when this announced measure would actually be implemented, aware of the fact that it would have to be properly gazetted. That period has passed and Health Canada has been telling us that all that is needed is the minister's signature.

The question was and is a simple one. When will the minister act? When will he sign off on the new rules to get tough on crystal meth? Perhaps he could announce that the question jogged his memory and that he has done it in the last week.

The minister has been quoted as describing crystal meth as "a curse and a very dangerous drug". If he really does believe this, would he not do all that he could to protect Canadians from the drug? Canadians deserve nothing less. Canadians are anxiously waiting for the government to act.

The minister might boast, as he did on October 27, that his government has acted on this issue. I would like to know how the government has acted. I know the government announced, this is all that he told us then, that it had spent some \$851,000, I think, to train 340 aboriginal and Inuit addictions and mental health workers. While that might be a helpful initiative, it will have little or no effect on the people in my riding. In fact, it will not help most of those who are dealing with crystal meth addiction.

How does the minister propose to help our high school students and young adults who are struggling with meth addictions?

Fortunately, the provinces and municipalities have taken action, despite the federal government's inaction.

Just this week the Manitoba and Saskatchewan governments announced that they will require 17 different cold medications that contain pseudoephedrine to be stored behind the counter. They are also limiting the amount of the cold medications that can be purchased at one time. British Columbia, Alberta, Ontario and Yukon are not far behind. I commend the provinces for their actions.

In the municipalities in my riding, retailers have joined the Meth Watch program which monitors sales of crystal meth ingredients and reports suspicious purchases.

These are just a few examples of the leadership taken by the provinces and communities.

In contrast, it is about time the federal government stepped up to the plate. Research shows that many meth labs in Canada are getting their ingredients from bulk commercial imports of chemical precursors which come through the port of Vancouver.

Canadian federal regulations enacted in 2003 require only that companies that manufacture, import, export or distribute precursor chemicals, such as ephedrine and pseudoephedrine, be licensed.

How does one get a licence? An applicant needs only to have a clean record for 10 years and be able to demonstrate that there are at least two other people in the organization with clean records who are also responsible for the product.

After meeting these conditions, licence holders can import and sell precursors to other licence holders. They can also sell to non-licensed holders as long as those individuals promise that they are end users and fill out a purchase contract. It is a bit like the honour system.

The federal government can and must do more to regulate the import and distribution of crystal meth precursors. My question is simple. Will it?

● (1835)

Hon. Robert Thibault (Parliamentary Secretary to the Minister of Health, Lib.): Mr. Speaker, I assure the member that the Minister of Health does take his question seriously and if he answered, as suggested, it is because he was caught in the adrenalin of question period.

Health Canada and its partners have instituted strong measures to penalize those who prey on vulnerable populations and eagerly provide them with methamphetamine.

On August 10 of this year, the Ministers of Health, Justice and Public Safety and Emergency Preparedness jointly announced, as part of Canada's drug strategy, that the Government of Canada had increased the maximum penalty for possession, trafficking, importation, exportation and production of methamphetamine.

Methamphetamine has been moved from schedule III to schedule I of the Controlled Drugs and Substances Act. As a result of this rescheduling, the penalty for producing and trafficking in meth has increased from a previous maximum of 10 years to the possibility of life imprisonment.

On June 11 of this year, Health Canada pre-published its intention to amend the Precursor Control Regulations in the *Canada Gazette*, part 1.

The key ingredients in the illicit production of meth, pseudoephedrine and ephedrine are already controlled. Under these amendments, an additional four substances often used to produce methamphetamine will be added to the list of controlled chemicals.

The amendments will add red phosphorus and hydriodic acid, two of the substances included in private member's Bill C-349, to part I, schedule VI to the Controlled Drugs and Substances Act. Placing them in part I will cause them to be regulated as class A precursors and subject to requirements, such as licences and permits.

These amendments will make it an offence to even possess class A precursors, if they are to be used in the illicit production of controlled substances such as methamphetamine.

Canada's federal regulatory process requires a 75 day comment period and further consultations if needed before these amendments can be approved by Treasury Board.

It is expected these amendments will be registered and published in the *Canada Gazette*, part II later this fall.

In addition to regulatory amendments, under its alcohol and drug treatment and rehabilitation program, Canada contributes \$14 million annually to participating provinces and territories to improve access to effective drug treatment and rehabilitation services.

With the drug strategy community initiatives fund, Health Canada contributes \$9.5 million annually to facilitate the development of community based prevention and harm reduction solutions to problematic substance abuse.

In conjunction with the Saskatchewan Indian Institute of Technologies, Canada is planning a national rollout of the prevention, awareness and community education training program on crystal meth.

Mr. Randy Kamp: Mr. Speaker, I know the government has been taking credit for moving crystal meth from schedule III to schedule I. We think that is part of the solution, which is why we have also been suggesting that.

Adjournment Proceedings

However, for the information of the parliamentary secretary, when I was last speaking to a couple of the drug officers and the Vancouver city police, I asked them what they thought of this. It had just been announced. They told me that they thought it would mean absolutely nothing. They said that all the people they catch, either in possession of crystal meth or manufacturing it, get very little sentences. Now we can give them life in prison and we used to be able to give them 10 years—

● (1840)

The Acting Speaker (Mr. Marcel Proulx): The hon. Parliamentary Secretary to the Minister of Health.

Hon. Robert Thibault: Mr. Speaker, the sentencing provision is only one element. What is very important is the precursor elements that go into the production. Very important also is the question of the reduction of demand. We need to work with the communities to ensure people, especially young people, are aware of the great harm that is presented by these types of illegal drugs, such as crystal meth. The best way to do that is by working directly with the communities, which is why we are working closely with the provincial governments and with native organizations to get at the root of the problem.

I often hear suggestions that there may be a sentencing problem. I certainly would hope that our justice system would take note of those things and that the judges will use their ability and the flexibility they have to making sure these people who are causing the greatest harm receive significant sentences so that they are not on the street repeating these crime.

The Acting Speaker (Mr. Marcel Proulx): The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6:41 p.m.)

CONTENTS

Thursday, November 3, 2005

| | | | |
|---|------|--|------|
| ROUTINE PROCEEDINGS | | | |
| Government Response to Petitions | | | |
| Mr. LeBlanc | 9443 | Mr. Godin | 9460 |
| Interparliamentary Delegations | | Mr. Carrier | 9461 |
| Ms. Bulte | 9443 | Mr. Clavet | 9462 |
| Mr. Wilfert | 9443 | Mr. Godin | 9463 |
| Committees of the House | | Mr. Clavet | 9466 |
| Canadian Heritage | | (Motion agreed to, bill read the second time and referred to a committee) | 9466 |
| Ms. Catterall | 9443 | First Nations Oil and Gas and Moneys Management Act | |
| Canadian Ballast Water Management Act | | Bill C-54. Report stage | 9466 |
| Mr. Van Loan | 9443 | Mr. Bélanger (for the Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians) | 9466 |
| Bill C-434. Introduction and first reading | 9443 | Motion for concurrence | 9466 |
| (Motions deemed adopted, bill read the first time and printed) | 9444 | Division on motion deferred | 9467 |
| Bill S-38 | | Mrs. Redman | 9467 |
| Mr. LeBlanc | 9444 | (Motion agreed to) | 9467 |
| Petitions | | Mr. Godfrey | 9467 |
| Foreign Affairs | | Bill C-54. Third reading | 9467 |
| Ms. Catterall | 9444 | Mr. Bagnell | 9467 |
| Questions on the Order Paper | | Mr. Harrison | 9468 |
| Mr. LeBlanc | 9444 | Ms. Crowder | 9469 |
| GOVERNMENT ORDERS | | Mr. Harrison | 9470 |
| Spirit Drinks Trade Act | | Mr. Menzies | 9470 |
| Bill S-38. Report Stage | 9447 | Mr. Cleary | 9472 |
| Mr. Bélanger (for the Minister of Agriculture and Agri-Food and Minister of State for federal Economic Development Initiative for Northern Ontario) | 9447 | Mrs. Barnes | 9474 |
| Motion for concurrence | 9447 | Mr. Harrison | 9474 |
| (Motion agreed to) | 9447 | STATEMENTS BY MEMBERS | |
| Mr. Bélanger (for the Minister of Agriculture and Agri-Food and Minister of State for Federal Economic Development Initiative for Northern Ontario) | 9447 | Iran | |
| Bill S-38. Third reading | 9447 | Mrs. Kadis | |
| Mr. Adams | 9447 | 9474 | |
| Mr. Keddy | 9448 | Health | |
| Mr. Adams | 9450 | Mr. Lunney | |
| Mr. Lapierre (Lévis—Bellechasse) | 9450 | 9474 | |
| Mr. Julian | 9453 | Year of the Veteran | |
| Ms. Finley | 9453 | Ms. Sgro | |
| Mr. Vincent | 9453 | 9475 | |
| Mr. Keddy | 9453 | Human Rights | |
| (Motion agreed to, bill read the third time and passed) .. | 9454 | Mr. Cleary | |
| 9454 | | 9475 | |
| Air Canada Public Participation Act | | Missing Persons Index | |
| Mr. Godfrey (for the Minister of Transport) | 9454 | Mr. Lunn | |
| Bill C-47. Second reading | 9454 | 9475 | |
| Mr. Scarpaleggia | 9454 | Violence against Women | |
| Mr. Carrier | 9456 | Ms. Karetak-Lindell | |
| Mr. St. Amand | 9456 | 9475 | |
| Mr. Moore (Port Moody—Westwood—Port Coquitlam) .. | 9456 | Jacques Demers | |
| | | Ms. Poirier-Rivard | |
| | | 9476 | |
| | | Northern Ontario School of Medicine | |
| | | Mr. Boshcoff | |
| | | 9476 | |
| | | Veterans | |
| | | Mr. MacKay | |
| | | 9476 | |
| | | Young Achievers | |
| | | Mr. Scarpaleggia | |
| | | 9476 | |

| | |
|--------------------------------------|------|
| APM Diesel | |
| Mr. Paradis (Brome—Missisquoi) | 9476 |
| Roy Battagello | |
| Mr. Masse | 9477 |
| Canada Post | |
| Mr. Pallister | 9477 |
| Sponsorship Program | |
| Ms. Demers | 9477 |
| Sponsorship Program | |
| Mr. Poilievre | 9477 |
| Islamic Foundation of Toronto | |
| Mr. Lee | 9477 |
| Housing | |
| Ms. Davies | 9478 |

ORAL QUESTIONS

| | |
|--|------|
| Sponsorship Program | |
| Mr. Harper | 9478 |
| Mr. Lapierre (Outremont) | 9478 |
| Mr. Harper | 9478 |
| Mr. Brison | 9478 |
| Mr. Harper | 9478 |
| Mr. Brison | 9478 |
| Mr. MacKay | 9478 |
| Mr. Brison | 9479 |
| Mr. MacKay | 9479 |
| Mr. Brison | 9479 |
| Mr. Duceppe | 9479 |
| Mr. Lapierre (Outremont) | 9479 |
| Mr. Duceppe | 9479 |
| Mr. Lapierre (Outremont) | 9479 |
| Mr. Gauthier | 9479 |
| Mr. Lapierre (Outremont) | 9479 |
| Mr. Gauthier | 9479 |
| Mr. Lapierre (Outremont) | 9479 |
| Mr. Layton | 9480 |
| Ms. McLellan | 9480 |
| Mr. Layton | 9480 |
| Ms. McLellan | 9480 |
| Mr. Lunn | 9480 |
| Mr. Brison | 9480 |
| Mr. Lunn | 9480 |
| Mr. Brison | 9480 |
| Mr. Moore (Port Moody—Westwood—Port Coquitlam) | 9480 |
| Mr. Brison | 9480 |
| Mr. Moore (Port Moody—Westwood—Port Coquitlam) | 9480 |
| Mr. Lapierre (Outremont) | 9481 |
| Mr. Guimond | 9481 |
| Mr. Lapierre (Outremont) | 9481 |
| Mr. Guimond | 9481 |
| Mr. Lapierre (Outremont) | 9481 |
| Mr. Sauvageau | 9481 |
| Mr. Lapierre (Outremont) | 9481 |
| Mr. Sauvageau | 9481 |
| Mr. Lapierre (Outremont) | 9481 |

| | |
|--|------|
| Public Service | |
| Mr. Lauzon | 9481 |
| Mr. Alcock | 9481 |
| Mr. Lauzon | 9481 |
| Mr. Alcock | 9482 |
| Sponsorship Program | |
| Mr. Kenney | 9482 |
| Mr. Brison | 9482 |
| Mr. Kenney | 9482 |
| Mr. Brison | 9482 |
| Aboriginal Affairs | |
| Mr. Valley | 9482 |
| Mr. Scott | 9482 |
| Ethics | |
| Mr. Broadbent | 9482 |
| Ms. McLellan | 9482 |
| Mr. Broadbent | 9483 |
| Ms. McLellan | 9483 |
| David Dingwall | |
| Mr. Pallister | 9483 |
| Mr. McCallum (Markham—Unionville) | 9483 |
| Mr. Pallister | 9483 |
| Mr. McCallum (Markham—Unionville) | 9483 |
| Justice | |
| Mr. Toews | 9483 |
| Mr. Cotler | 9483 |
| Mr. Toews | 9483 |
| Mr. Cotler | 9483 |
| The Environment | |
| Mr. Bigras | 9484 |
| Mr. Dion | 9484 |
| Mr. Bigras | 9484 |
| Mr. Dion | 9484 |
| Mr. Lunney | 9484 |
| Mr. Dion | 9484 |
| Mr. Mills | 9484 |
| Mr. Dion | 9484 |
| Canada Mortgage and Housing Corporation | |
| Ms. Folco | 9484 |
| Mr. Fontana | 9484 |
| Airports | |
| Mr. Van Loan | 9485 |
| Mr. Lapierre (Outremont) | 9485 |
| Sponsorship Program | |
| Mr. Poilievre | 9485 |
| Mr. Alcock | 9485 |
| Softwood Lumber | |
| Mr. André | 9485 |
| Mr. Peterson | 9485 |
| Human Resources and Skills Development | |
| Ms. Dhalla | 9485 |
| Ms. Stronach | 9485 |

| | |
|----------------------------|------|
| Presence in Gallery | |
| The Speaker | 9485 |

| | |
|---------------------|------|
| ROYAL ASSENT | |
| The Speaker | 9486 |

| | |
|------------------------------|------|
| Business of the House | |
| Mr. Kenney | 9486 |
| Mr. Valeri | 9486 |
| Motion | 9486 |
| (Motion agreed to) | 9486 |

| | |
|--|------|
| Privilege | |
| Standing Committee on Citizenship and Immigration | |
| Mr. Jaffèr | 9486 |
| Mr. LeBlanc | 9488 |
| Mr. Nicholson | 9488 |
| Mr. Volpe | 9488 |
| Mr. Benoit | 9488 |

| | |
|--|------|
| Sending of documents by members of Parliament— Speaker's Ruling | |
| The Speaker | 9489 |
| Mr. Coderre | 9490 |
| Motion | 9490 |
| Mr. Crête | 9492 |

| | |
|---------------------|------|
| ROYAL ASSENT | |
| The Speaker | 9493 |

| | |
|--|------|
| Privilege | |
| Sending of Documents by Members of Parliament | |
| Motion | 9493 |

| | |
|--------------------------------------|------|
| Mr. Crête | 9493 |
| Mr. Coderre | 9493 |
| Mr. Laframboise | 9494 |
| Mr. Gauthier | 9494 |
| Amendment | 9495 |
| Mr. Lunn | 9495 |
| Mr. Paradis (Brome—Missisquoi) | 9496 |
| Mr. Guimond | 9496 |
| Amendment to the amendment | 9497 |
| Mr. Wrzesnewskyj | 9497 |
| Mr. Scheer | 9497 |
| Mr. Lunn | 9498 |
| Mr. Holland | 9500 |
| Mrs. Lavallée | 9501 |
| Ms. Robillard | 9501 |
| Mr. Thompson (Wild Rose) | 9503 |
| Mr. Lemay | 9504 |
| Mr. Sauvageau | 9505 |
| Mr. Coderre | 9507 |
| Mr. Adams | 9508 |
| Mr. Rodriguez | 9508 |

ADJOURNMENT PROCEEDINGS

| | |
|--------------------------------|------|
| Justice | |
| Mr. Kamp | 9510 |
| Mr. Thibault (West Nova) | 9510 |

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