



CANADA

# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Wednesday, October 8, 2003**

—

**Speaker: The Honourable Peter Milliken**

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# HOUSE OF COMMONS

Wednesday, October 8, 2003

The House met at 2 p.m.

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*Prayers*

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• (1400)

[English]

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

*[Editor's Note: Members sang the national anthem]*

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## STATEMENTS BY MEMBERS

[English]

### MENTAL HEALTH

**Mr. Dominic LeBlanc (Beauséjour—Petitcodiac, Lib.):** Mr. Speaker, I rise today to acknowledge the dedicated work of Robert MacKay of Grand Barachois, New Brunswick, in promoting awareness and compassion for those Canadians who suffer with mental illness. Robert has shown much courage and determination in addressing the many difficulties facing Canadians who live with mental health challenges.

He has appeared at the New Brunswick legislature to call for stronger client-run and family-run programs and he has campaigned for an end to the many discriminations faced daily by people with these illnesses.

• (1405)

[Translation]

Robert MacKay is a man of courage and determination. I salute his devotion to these people who are in such need of our support and compassion.

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[English]

### INFRASTRUCTURE FUNDING

**Mr. Jim Abbott (Kootenay—Columbia, Canadian Alliance):** Mr. Speaker, under the regime of the former finance minister, Canadians pay \$7 billion in federal gasoline taxes each year. This averages out to \$222 per Canadian, of which only \$9 is directed back to infrastructure funding.

For years the Canadian Alliance has attempted to get the former finance minister to treat municipalities with respect. He changed the meaning of the phrase “all politics is local” by attaching federal and provincial strings to municipal infrastructure spending.

Now that he is one of two prime ministers in Canada, he has been embarrassed into supporting the Canadian Alliance motion calling on the federal government to initiate new discussions with provinces and territories to provide municipalities with a portion of the federal gas tax.

Last month the Liberal leader was very vague and noncommittal when he announced he would consider such a transfer. In contrast, the Canadian Alliance is specific. We would give annually \$2 billion of tax room to municipalities so they could make intelligent local decisions about their infrastructure requirements.

\* \* \*

### WORLD SIGHT DAY

**Mr. Gurbax Malhi (Bramalea—Gore—Malton—Springdale, Lib.):** Mr. Speaker, the worldwide economic cost of blindness and low vision has been estimated to be \$25 billion U.S., according to Vision 2020. A major object of Vision 2020 is to prevent the world's blind population swelling from its present level of 45 million to the projected total of 72 million.

All of Canada's World Sight Day organizers support this goal through ongoing programs.

Christian Blind Mission International provides funds and personnel to restore and save sight and enable those who are permanently disabled. ORBIS operates the world's only flying eye hospital. The Canadian National Institute for the Blind provides Canadians who are blind, visually impaired and deaf-blind with a variety of services, including orientation and mobility training, vision rehabilitation, technical aids, counselling and referral, and career development and employment.

I would like to invite all my fellow MPs to mark World Sight Day on Thursday, October 9, at 12:30, with a gathering outside on the steps in front of Centre Block.

\* \* \*

### WORLD SIGHT DAY

**Mr. Bryon Wilfert (Oak Ridges, Lib.):** Mr. Speaker, World Sight Day will be celebrated on October 9 in over 100 countries, including right here on the steps of Parliament Hill.

*S. O. 31*

With vision loss affecting 180 million worldwide, organizers of this year's World Sight Day on Parliament Hill are asking for greater support in combating the tragedy of avoidable blindness. It is estimated that 80% of the world's blindness is avoidable: either preventable or curable. In fact, both the causes and cures are known and we are even aware of what steps to take.

The Canadian National Institute for the Blind and its sister blindness organizations, both in Canada and worldwide, require our resources to ensure that blindness treatment and prevention are indeed a part of national health programs.

In Canada, the leading causes of blindness, which are macular degeneration, glaucoma and cataracts, are all age related. As the Canadian population ages, there will be a higher demand for resources to meet the needs of blind, visually impaired and deaf-blind Canadians.

I would therefore invite all of my colleagues to participate in World Sight Day activities planned for Thursday, October 9. Activities begin outside on the steps of Parliament Hill at 12:30 and are followed by a reception in the Commonwealth Room.

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**ROBERT SHORT**

**Hon. Andy Scott (Fredericton, Lib.):** Mr. Speaker, everyone in Canada was saddened to learn of the tragic deaths of two of our Canadian soldiers in Afghanistan on Thursday, October 2. One of the soldiers, Sergeant Robert Short, was from Charters Settlement, just outside Fredericton.

This tragic event has affected people across our country. Yesterday, in Pembroke, Ontario, more than 3,000 civilians and soldiers paid tribute to Sergeant Short and Corporal Robbie Beerenfenger. This Saturday, approximately 400 members of Sergeant Short's battalion at CFB Gagetown will gather at a graveside ceremony.

Not only was Sergeant Short a soldier, he was a friend, a father and a husband. I offer my sincere condolences to his family and friends. The community of greater Fredericton and in fact the entire country share in their sorrow.

Canada's military personnel make an invaluable contribution to help ensure that our world is a safer place. Their sacrifice is immense. I pay tribute to all of them.

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● (1410)

**POPE JOHN PAUL II**

**Mr. Jason Kenney (Calgary Southeast, Canadian Alliance):** Mr. Speaker, October 16 will mark the 25th anniversary of the election of Karol Wojtyla to the papacy as Pope John Paul II, making him the third longest serving pope in the 2,000 year history of the Catholic church.

Since that time, he has been perhaps the most active apostle of the Christian message of hope and human dignity ever, travelling on over 100 foreign missions and testifying in person to hundreds of millions, on every continent.

A personal witness to the great horrors of totalitarianism in what he calls the "century of tears", the Pope has fearlessly spoken truth to power. His message of solidarity and freedom was the spiritual spark that led to the fall of the Iron Curtain, and it energized the spread of democracy from Latin America to the Philippines.

He has continued to preach his message of the divine origin of human dignity against post-modern distortions of freedom, the excesses of materialism, and the culture of death.

Now coming to the end of his service, he offers a heroic witness. Burdened by crippling infirmities, he is a sign of hope to the elderly and the disabled.

On behalf of all Canadians, let us offer to John Paul II our gratitude, our prayers and our congratulations on this, his anniversary.

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**OKTOBERFEST**

**Mrs. Karen Redman (Kitchener Centre, Lib.):** Mr. Speaker, it gives me great pleasure to extend an invitation to all Canadians to visit my community of Kitchener to celebrate Oktoberfest. This is North America's largest Bavarian festival and it celebrates Kitchener's German heritage.

People can come and polka the night away at one of the city's *festhallen*, join in the spirit of *gemütlichkeit* at the Oktoberfest Thanksgiving Day parade, and enjoy numerous cultural events. We are especially proud this year to host a Canadian great, Stompin' Tom Connors, as part of this year's festival.

The past 35 years have seen Oktoberfest host thousands of visitors from around the world. This year over 700,000 people will enjoy the festival and \$18 million will be injected into our community.

It is a demonstration of Canadian hospitality of which Kitchener is very proud. I invite all hon. members to join me as we tap the keg and welcome everyone to this great Canadian festival. *Ein Prosit.*

\* \* \*

[Translation]

**BREAST CANCER FOUNDATION**

**Ms. Christiane Gagnon (Québec, BQ):** Today I am proudly wearing the pink ribbon of the Breast Cancer Foundation which recently announced at a press conference I attended some facts about its most important fundraising activity. For seven years now, the foundation has organized the CIBC Run for the Cure in a number of cities, including Quebec City for the first time this year. This event gives thousands of people an opportunity to walk or run to raise funds for this cause.

Because each week 100 women in Quebec are diagnosed with breast cancer and 28 die, and because everyone is affected, the foundation deserves our support for its mission to finance research, develop prevention programs, and offer various support services to women with breast cancer.

Last Sunday, the Quebec City Run for the Cure was a great success with 1,200 registrants and over \$113,000 raised. The Bloc Québécois congratulates everyone associated with this event and sends its wishes for a speedy recovery to all women with breast cancer.

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[English]

#### IZZY ASPER

**Mr. John Harvard (Charleswood—St. James—Assiniboia, Lib.):** Mr. Speaker, it is with a heavy heart that I rise today to pay tribute to Israel “Izzy” Asper. His death marks the passing of a remarkable man.

He was a man of great empathy and compassion who was passionate about his city of Winnipeg, and he gave to it with his time, energy and money. Izzy was a visionary who believed in Winnipeg and he leaves his fingerprints all over it. An amazing philanthropist, Izzy was a patron of the arts, sports and education. He gave to them all and challenged others to do the same.

However, the legacy that he leaves with us is not only his philanthropy but his spirit, humanity and friendship. Izzy Asper was a champion of the west, a talented businessman and a clever attorney. He was a proud and loyal Liberal, but perhaps above all, a loving father and husband.

Izzy was a man who never forgot where he came from and never compromised on where he was going. His death is stunning. Winnipeg and Manitoba have lost a giant of a man whose legacy is almost everywhere in the city of Winnipeg. He will be greatly missed.

On behalf of my colleagues, I offer my condolences.

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#### ATLANTIC CANADA OPPORTUNITIES AGENCY

**Mrs. Lynne Yelich (Blackstrap, Canadian Alliance):** Mr. Speaker, add another well-heeled Liberal to the growing list of ACOA Atlantic innovation fund recipients.

John Bragg, uncle to former Nova Scotia MLA Ross Bragg and well known Liberal Party supporter, recently received an innovation fund grant for his company, Oxford Frozen Foods.

In addition, Mr. Bragg has been listed by *Canadian Business Magazine* as one of Canada's hundred richest people.

On top of that, Mr. Bragg recently contributed \$50,000 to the next Liberal leader's campaign.

Corporate welfare is alive and well in Canada and the Liberals are responsible. Why are taxpayer dollars being exposed to a risk that should be shouldered by one of the wealthier businessmen in Canada?

While the government does play a part in promoting economic growth, that role should not be picking winners and losers through grants.

S. O. 31

●(1415)

#### IZZY ASPER

**Ms. Anita Neville (Winnipeg South Centre, Lib.):** Mr. Speaker, yesterday one of my constituents passed away. I know I speak for all Winnipeggers when I say we profoundly mourn the passing of Israel Asper, one of the most ardent supporters of Winnipeg.

Izzy was an unusual constituent. His support was constant. His comments and his advice were pithy, forthright and always wise. I shall miss our conversations about his vision for Winnipeg and Manitoba. For Izzy truly loved and championed his hometown. His legacy is everywhere, in the arts, in education, in sports and in his beloved Jewish community.

What an extraordinary life he led, a lawyer, a media tycoon, a businessman, a politician, a jazz aficionado, a builder of Israel, a philanthropist, a devoted family man and most recently, the champion of the Canadian Museum of Human Rights to be built at the historical Forks in Winnipeg.

He will be profoundly missed by his family. I offer my deepest sympathy to Babs, David, Gail and Leonard.

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#### PESTICIDES

**Mr. John Herron (Fundy—Royal, PC):** Mr. Speaker, yesterday the environment commissioner warned of a major environmental health crisis over government mishandling of pesticides. The government has ignored the commissioner's call for an overhaul of the way pesticides are handled in this country, an appeal that she has made four times since 1993.

The Liberal government has failed to ensure that current pesticides meet basic standards. It has only re-evaluated 2% of the current pesticides, leaving well over 400 that need to be addressed. In each case the pesticides that have been reviewed either have been pulled off the market or have had further restrictions added to them. What is more, the government is irresponsibly registering over 50% of all new pesticides with temporary permits, skipping critical steps in their evaluation.

The Prime Minister is leaving a toxic legacy that he should be very ashamed of. His legacy will not be one of protecting the health and safety and the environment of Canadians.

\* \* \*

[Translation]

#### CONGREGATION OF SISTERS OF SAINTE ANNE

**Mr. Roger Gaudet (Berthier—Montcalm, BQ):** Mr. Speaker, I would like to draw the attention of the House to a decisive event in the history of the municipality of Saint-Jacques de Montcalm.

It was 150 years ago, on August 23, 1853, that Mother Marie-Anne and her 27 followers arrived in Saint-Jacques de Montcalm, after a long and perilous two-day voyage from Vaudreuil, where the Congregation of the Sisters of Sainte Anne had been founded in 1850 by Esther Blondin, who later took the name Marie-Anne. This exceptional woman was beatified by Pope John Paul II on April 29, 2001.

*Oral Questions*

A dinner in honour of the anniversary of the arrival of the Sisters of Sainte Anne was held on September 6. More than 400 people attended this event to commemorating the congregation's 150 years of history.

The Saint-Jacques boarding school, founded in 1853, eventually grew into the Collège Esther-Blondin in 1996, a private secondary school offering an international education to girls and boys, at last fulfilling Mother Marie-Anne's dream of coeducational schools for poor rural children.

In recognition of this great religious figure—

**The Speaker:** The hon. member for St. Catharines.

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[English]

**ST. CATHARINES CANADIAN POLISH SOCIETY**

**Mr. Walt Lastewka (St. Catharines, Lib.):** Mr. Speaker, I would like to offer my congratulations to the St. Catharines Canadian Polish Society on the 75th anniversary of its founding.

The St. Catharines Polish Society's first meeting took place in May 1928. Its charter was granted on November 17, 1928. Mr. S. Konopka, Mr. L. Skoczylas, Mr. A. Shynel, Mr. A. Dutka and Mr. A. Glowacki were named charter members. Members decided that the club needed its own hall or home. An empty lot off Facer Street was bought in March 1929 for \$200. Everyone's hard work paid off and on October 11, 1942 Dom Polski was officially opened.

In September 1979 Polonia Park became the official name of the farm property that had been acquired for use by the club. In January 1988 then president Leo Skorski introduced a new undertaking that would see the club construct the I. Paderewski Society Home for seniors, which opened in March 1991.

The club continues to focus on socio-cultural and recreational activities. Congratulations to all those who have played a part in the success of the St. Catharines Canadian Polish Society.

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**VIOLENCE AGAINST WOMEN**

**Ms. Judy Wasylcia-Leis (Winnipeg North Centre, NDP):** Mr. Speaker, missing women and unsolved women's murders, especially those working in the high risk sex trade, seem to be a low priority across Canada. In Vancouver a horrific 61 unsolved murder cases built up before it became an issue. In Edmonton there have been 22 cases. Now in Winnipeg the tragic death of Valicia Solomon has focused attention on 13 unsolved murders on the books there and has raised the spectre of either a serial killer or 13 murderers being on the loose.

Is there a systemic problem in law enforcement with a blind spot to missing and murdered women? Is the federal government paying attention to these disturbing numbers?

Women victims seem to be a low priority until we reach a critical mass of dead bodies. Women in Winnipeg and across Canada want to know, what is the critical mass necessary before this government takes action to better protect women's lives?

**ORAL QUESTION PERIOD**

● (1420)

[English]

**GASOLINE TAXES**

**Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, last night the House finally passed an Alliance motion to give a share of federal gas taxes to the municipalities. The motion was passed with a majority of the House, with the vast majority of Liberal members supporting it, with the vast majority of the cabinet supporting it, despite the longstanding opposition of the heritage minister, finance minister and Prime Minister.

My question is very simple. Could the Prime Minister now clarify for us, is it now the policy of the federal government to give gas taxes to municipalities or is it not?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, if the hon. member would read the motion, we said we were to discuss it with the provinces. I read the motion. It was his party's motion and if he does not read his party's own motion, what can I do?

The motion says that we should engage in a discussion with the provincial governments about it. Of course I do not mind discussing it with the provinces. Some provinces might not be in agreement. If all the provinces were to be in agreement, it might be easier. What would be the reaction in Quebec where there is a law that prevents the municipalities from accepting money from the federal government?

**Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, I am glad to see the Prime Minister read the motion, even if he did not vote on it.

I will point out that it does say to initiate discussions with the provinces and territories to provide the municipalities with a share of federal tax. My question is very simple. Has the Prime Minister contacted the provinces? When will he do so? When will he initiate these discussions?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, even before, I met last week with Premier Charest and we discussed that. I met with Premier Doer in Winnipeg and we mentioned that. It is possible when I met a few days ago with Premier Campbell we might have discussed that.

I have very good relations with the premiers. Federal-provincial relations are very difficult and it is very rare that they want to return money to the federal government.

**Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, I do not know what to make of that answer other than maybe the Prime Minister should be golfing full time rather than being Prime Minister if that is his attitude.

*Oral Questions*

There is a serious fiscal disequilibrium in the country between the federal government that has these massive tax revenues and provinces and municipalities that need gas taxes to do the essential jobs that are given to them. We have proposed, and many others have proposed, roughly 3¢ or more a litre of federal gas tax to go to the provinces.

I ask the Prime Minister again, what share does he have in mind and when is he going to actually contact the provinces, take his job seriously and have a serious discussion on a motion—

**The Speaker:** The right hon. Prime Minister.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I am always smiling when the hon. Leader of the Opposition talks about the problem of leadership. I think he will be the sixth leader of the opposition before I leave. The wedding is being reorganized again and they will have a new name.

This is a problem that is serious. We said we would discuss it with the provinces. I know the provinces are not unanimous on it. We will discuss it. The Minister of Finance is meeting on Friday with the ministers of finance from the provinces. Probably some of the ministers of finance will talk to him about it. It is a process of consultation. A decision will come in due course and probably he will not be—

**The Speaker:** The hon. member for Edmonton Southwest.

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**TECHNOLOGY PARTNERSHIPS CANADA**

**Mr. James Rajotte (Edmonton Southwest, Canadian Alliance):** Mr. Speaker, corporate welfare is alive and well in the Liberal government. Fred Bennett, former director at Industry Canada, has publicly stated that officials in the department deliberately set up loan programs in such a way that money would likely never be repaid.

Why are programs such as Technology Partnerships Canada designed in such a way to ensure that taxpayers' money is never repaid?

• (1425)

**Hon. Allan Rock (Minister of Industry, Lib.):** Mr. Speaker, I can tell the member that last fiscal year total receipts from companies in which investments had been made through TPC were almost \$19 million. That is double the amount from the last fiscal year and repayments continue to accelerate. We negotiate terms which involve repayment of TPC investments.

TPC is one of the ways in which we invest in innovation. That is obviously something with which the hon. member does not agree. We believe in innovation on this side of this House.

**Mr. James Rajotte (Edmonton Southwest, Canadian Alliance):** Mr. Speaker, let us review these repayments. First of all, an \$8 million loan to Western Star Trucks; repayment, zero. An \$84 million loan to Pratt and Whitney; repayment, zero. An \$85 million loan to Bombardier; repayment, zero.

The fact is, and the minister knows this, less than 2% of TPC loans have been repaid since 1996. Why is the government giving away taxpayer dollars with no intention whatsoever of recouping them?

**Hon. Allan Rock (Minister of Industry, Lib.):** Mr. Speaker, the member should know that these investments are often made in pre-competitive research and development for emerging sectors of the economy. It takes a while to get these products to market and for the companies to be in a position to repay.

Let me quote from Mr. Bennett's book, which he published a couple of years ago on this subject, called *A Call to Account*. He said:

My belief is that the deals are now structured in such a way under the new TPC program...the repayment terms are clear.

TPC is now working very well.

\* \* \*

[Translation]

**TAXATION**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, by voting in favour of the Canadian Alliance's motion, the government is supporting the next Liberal leader's wish to provide a portion of the federal gasoline tax directly to the municipalities, without going through Quebec.

By voting in favour of interference, does the Prime Minister realize that his government, encouraged by his successor, has just given the green light to even greater encroachment in Quebec's jurisdiction?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I can read the motion: "That, in the opinion of the House, the government should initiate immediate discussions with the provinces and territories to provide municipalities with a portion of the federal gas tax."

I stress the word discussions. We are talking about discussions. I said earlier that some provinces are in favour, while others are not. These discussions will allow us to see if we can find a solution acceptable to the federal government, the provinces and the municipalities.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, Quebec's Minister of Intergovernmental Affairs, a federalist, has already responded to this proposal by saying that the increasing federal interference is proof of the fiscal imbalance and the abuse of federal spending powers so Ottawa can dictate to the provinces and Quebec.

Since the government has given the go-ahead to implement the plan of the new Liberal leader, a man who wants the federal government to deal directly with the municipalities, will the Prime Minister admit that his government is preparing to tell Quebec what to do within its own areas of jurisdiction?

*Oral Questions*

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the motion says that we will talk with the provinces. I am well aware that Quebec has legislation that says that the federal government cannot give money to a municipality without provincial government approval. Obviously, the aim of these discussions will be to see if we can find a solution to that problem. But, without discussions, we will never know. The municipalities want us to help them, and the provincial governments want a different formula. If we talk, we can find a solution. If we do not talk, we will not find a solution.

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, the problem is that the resolution on which the government voted yesterday is being interpreted by the real decision maker, who is not here. He is elsewhere, and has announced his intention to bring together the municipalities and the provinces in order to discuss transfer of the tax.

I am asking the Prime Minister if there is not a danger of his successor being even more centralist than he has been and putting heavy pressure on the provinces by sitting them down directly with the municipalities and holding out money as the incentive?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I am very surprised, happy even, to be told by the hon. member for Roberval that I am such a nice Prime Minister, one who is always in favour of the provinces, which my successor may not be. I thank him for that. It is a point of view I have not heard for ages.

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, the Prime Minister has a gift for interpreting things a little differently than intended. What I said was that we thought centralist tendencies had gone as far as they could go with him, and now we find that the other one is worse. That is what we are learning.

I have this question for the Prime Minister. With the federal approach of sitting the municipalities down with the provinces to distribute the money, are we to expect that later on—for example in connection with education—they will be calling together the school boards and the provincial governments, while Ottawa puts more money on the table? Is that how they are going to do things in future?

• (1430)

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I see clearly that the member for Roberval is seeking my assistance in this matter. All I could do to help would be to suggest he sit down quietly and read the resolution calmly. He would then see that it is a matter of holding discussions with the provinces and the municipalities. There is nothing to worry about. The government and the Province of Quebec will be at the table for the discussions, as will the governments of the other provinces.

Also, I am not about to go over to the Bloc Québécois, no worry about that. I am capable of being a federalist prime minister with the flexibility he has already attributed to me.

\* \* \*

[English]

**FOREIGN AFFAIRS**

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC):** Mr. Speaker, Canadians are being treated to the spectacle of two parallel governments and two competing prime ministers.

To make matters worse—

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

**The Speaker:** Order. I know all hon. members are looking forward to the clarification the hon. member is offering in his question. We will want to hear the hon. member for Pictou—Antigonish—Guysborough who has the floor.

**Mr. Peter MacKay:** Mr. Speaker, we now have two different versions of what is factually correct about the Maher Arar case.

The Solicitor General says that no information was passed to the Americans. The Minister of Foreign Affairs says that he believes Colin Powell's version, that the Americans received information from Canadian authorities.

Which is it? On which minister's report is the Prime Minister basing his decision not to have a public inquiry?

**Hon. Wayne Easter (Solicitor General of Canada, Lib.):** Mr. Speaker, I answered this question before a committee several times yesterday. Clearly, the RCMP is a very highly respected organization and has tremendous integrity.

I have been assured and I have said that the RCMP was not involved in the decision made by the United States in this matter.

I know that the member and the party opposite do not like to hear those facts, but those are the facts and we are standing by those facts.

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC):** Mr. Speaker, the Solicitor General would not know a fact if it bit him on the rump.

The Solicitor General was quoted as saying that rogue elements in the RCMP passed along information to the Americans. Since then he has reversed himself, he has covered up, and now he claims the RCMP were not involved.

U.S. Secretary of State Colin Powell told our foreign minister that the RCMP did disclose information on Mr. Arar. The foreign affairs minister went so far as to state that “Mr. Powell spoke truthfully to me”.

Again, my question is for the Prime Minister. Who does he believe and who should Canadians believe? The Solicitor General of Canada or the U.S. Secretary of State.

**Hon. Wayne Easter (Solicitor General of Canada, Lib.):** Mr. Speaker, I think I heard that question coming from the rump over there in the corner.

This is a very serious matter. We recognize that. We have talked to the RCMP extensively. I have said to Canadians and to the foreign affairs committee that we do not talk about operational matters within the RCMP.

I have outlined very clearly that the RCMP was not involved in the decision by United States authorities to arrest and deport Mr. Arar.

Could I be more clearer? I could not.

*Oral Questions***TAXATION**

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, perhaps the minister of immigration would be better advised to be working on a biometric scan that could tell the difference between the two Liberal caucuses or the Alliance and the Conservatives.

My question has to do with the way in which everyone in the House, with the exception of the Bloc, appears to have embraced—

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

**The Speaker:** Order. The hon. member for Winnipeg—Transcona is an experienced parliamentarian. I am sure he realizes that these kinds of statements provoke disorder in the House, and to assist the Speaker he would want to get right on with his question, so we can have an answer.

• (1435)

**Mr. Bill Blaikie:** Mr. Speaker, I was referring to the fact that everyone seems to embrace the proposal made months ago, if not years, by my leader, Jack Layton, with respect to the gas tax.

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

**The Speaker:** Order. I know it is Wednesday and the owls have come home to roost. However, the hon. member for Winnipeg—Transcona has the floor and we will want to hear his question.

**Mr. Bill Blaikie:** Mr. Speaker, my question is, which policy does the government intend to follow? That advocated by the leader of the NDP or the member for LaSalle—Émard who has made it contingent on provincial participation which is the way that the Liberals always avoid having anything they promise really happen.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the hon. member should read the motion.

We talk about a discussion with provincial governments and the municipalities before coming to a conclusion. Some provincial governments have already expressed the opinion that we should not proceed. However, we will discuss that with them. We will try to convince them and find a solution.

We are not doctrinaire like the NDP. It is always doctrinaire and always in a corner.

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**CITIZENSHIP AND IMMIGRATION**

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, we invite the Prime Minister into the corner. We might have a few elbows for him.

My question has to do with what I referred to earlier allegorically, and that of course is the ID card.

The minister of immigration persists in this idea, in spite of the fact that all parties seem now to be against it.

Would the Prime Minister tell us if he will tell the minister of immigration to stop this dumb idea or have a scan done on him to see why it is that he cannot hear anything?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I thought it was supposed to be a supplementary to the first question. That means that the member was happy with the answer I gave him.

In regard to his question, there is a discussion taking place. Eventually, there will be a conclusion. The minister of immigration is discussing a possibility that some people think is good and others think is not good. We have not reached a decision.

I guess that the leader of the NDP or the second leader of the NDP is not in agreement with the minister of immigration.

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**TECHNOLOGY PARTNERSHIPS CANADA**

**Mr. Charlie Penson (Peace River, Canadian Alliance):** Mr. Speaker, over the summer CSL subsidiary Canadian Shipbuilding & Engineering Ltd. was given a \$4.9 million grant from Technology Partnerships Canada.

The new Liberal leader appears to have benefited directly from the TPC grant, so much so that the ethics counsellor was consulted before the grant was made.

Given that there is a common clause in most government contracts that no member of Parliament should benefit from grants and contributions, can the Minister of Industry advise the House whether the CS&E contract contains such a clause?

**Hon. Allan Rock (Minister of Industry, Lib.):** Mr. Speaker, it is well known that the entire business enterprise of the former finance minister was in a blind trust.

It was operated entirely at arm's length from the minister during the time he was in cabinet. He respected all of the ethical guidelines and more. That is typical of his conduct throughout the past 10 years.

**Mr. Charlie Penson (Peace River, Canadian Alliance):** Mr. Speaker, this is a serious matter. It is serious enough that the Minister of Industry needs to address it in a better manner than he did.

We already know that political pressure was applied from at least one member of Parliament to approve the grant.

I am sure this must only be a coincidence, but on June 7 the Minister of Industry endorsed the new Liberal leader and 12 days later the Minister of Industry gave the Liberal leader's company a \$4.9 million grant.

Will the Minister of Industry stand up today and table the TPC contract with CS&E so that we can all see it?

**Hon. Allan Rock (Minister of Industry, Lib.):** Mr. Speaker, the member has sunk to a new low, a low which day by day does discredit to himself and his party.

This investment was made after due diligence by officials acting in good faith by investing in Canadian research and development to advance innovation, create and maintain jobs, and attract investment in the country.

We believe in investing in the future of our economy and not playing these little political games.

*Oral Questions*

[Translation]

**TAXATION**

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, if it truly wants to help the provinces, the federal government should change the equalization formula, as demanded by the coalition of provinces. Incidentally, all these provinces, even those with Liberal governments, agree that the current situation is unacceptable.

Why is the government interfering in provincial jurisdictions instead of listening to the provinces, which are unanimously calling for changes to the equalization program?

• (1440)

**Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.):** Mr. Speaker, the equalization program is one of our government's most costly at more than \$10 billion a year. It is not hard to reach a consensus among the provinces on asking the federal government for an increase in funding. It is simple, and I fully understand that they would prefer us to levy taxes so that they can spend the revenues.

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, the real problem is that the federal government has the same tax fields as the provinces, but not the same responsibilities.

Not only has this government never stopped encroaching, but can it deny that things will be worse with the future prime minister, who is already talking about negotiating not between two levels, but three?

**Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.):** Mr. Speaker, it is always the same thing with the Bloc Québécois. Recently, their great guru, Jacques Parizeau, said that the Canadian federation was the most decentralized in the world, but they are still going on about centralization. They have no evidence that it exists, but they continue to scare Quebecers with the risks that centralization would entail. They are unable to provide any evidence to that effect.

Canada remains one of the most decentralized federations, owing to the fact that Quebecers and other Canadians have created a great federation with, among other things, an equalization program that provides the Government of Quebec with \$5 billion a year.

\* \* \*

[English]

**TECHNOLOGY PARTNERSHIPS CANADA**

**Mr. Monte Solberg (Medicine Hat, Canadian Alliance):** Mr. Speaker, Lansdowne Technologies is a subsidiary of Canadian Shipbuilding & Engineering which in turn is a subsidiary of the new Liberal leader's shipping empire.

According to its website, one of Lansdowne's specialities is government procurement, fancy that. In fact, Public Works Canada has transacted over \$12 million in business with Lansdowne. Is that not nice?

Can the Prime Minister explain why a CSL subsidiary receiving over \$12 million in government business was not included in the new Liberal leader's blind trust declaration? Why the omission?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I have always said and I repeat that when the former finance minister, the member for LaSalle—Émard, became minister, he met with the then registrar general who became the ethics counsellor and put his assets in a blind trust like all of us had to do.

This arrangement was made between himself and this government official. Every time there was a problem the ethics counsellor was consulted. I have not been informed of any conflict of interest except for the opposition's habit of throwing dirt all the time.

**Mr. Monte Solberg (Medicine Hat, Canadian Alliance):** Mr. Speaker, I am saying that the Prime Minister should be aware of this fact. This is a \$12 million omission from the blind trust declaration. Will the Prime Minister take this issue seriously?

Lansdowne is engaged in government procurement. It is engaged in arranging contracts with government.

My question again to the Prime Minister is: why is Lansdowne not included in the blind trust declaration of the former finance minister? Why that \$12 million omission?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, every time the opposition had problems like that it communicated with the ethics counsellor. Why does it not do that?

It just wants to raise it in the House of Commons in order to throw dirt as it likes to do. However, the people of Canada do not buy it.

\* \* \*

[Translation]

**BUSINESS DEVELOPMENT BANK OF CANADA**

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, today the Business Development Bank of Canada is making the news again, as we learn that the management of the bank has spent close to \$1 million on two galas and one day of training. We will recall that the current head of this institution, Michel Vennat, is the same person that the Prime Minister appointed to cover up the Grand-Mère scandal.

Will the Minister of Industry intervene with the bank and take drastic measures to put an end to this squandering of public funds?

**Hon. Allan Rock (Minister of Industry, Lib.):** Mr. Speaker, the BDC is a Crown corporation operating at arm's length from the government. It is operating in a business environment, and managers report to the board of directors. I expect that BDC officials will report to the board on the issue raised by the hon. member.

• (1445)

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, could the minister tell us why the bank suddenly becomes an independent organization when it comes to preventing the squandering of public funds, but the Prime Minister felt free to press and intervene directly with the bank's president at the time to squelch the Aube Grand-Mère issue?

Is that not a double standard?

*Oral Questions*

**Hon. Allan Rock (Minister of Industry, Lib.):** Yes, Mr. Speaker, this is clearly an independent agency of the government, a Crown corporation. It has its own powers, and managers report to the board of directors. The member will have to ask the president and the board of directors for details.

\* \* \*

[English]

**HEALTH**

**Mr. Rob Merrifield (Yellowhead, Canadian Alliance):** Mr. Speaker, yesterday Dr. Naylor said that the handling of SARS was a national embarrassment. That was what we said last spring.

In his report it states:

—Health Canada personnel...largely invisible [that is on page 31]...deficiencies in data acquisition and sharing [that is on page 201]...significant gaps and inconsistencies with respect to information on SARS [that is on page 202].

Will the minister finally apologize for her government's inadequacy in dealing with SARS?

**Hon. Anne McLellan (Minister of Health, Lib.):** Mr. Speaker, I am very amused, if not impressed, by the selective reading by the hon. member for Yellowhead of Dr. Naylor's report.

Let me focus on what Dr. Naylor said. He said that all levels of government need to work together to renew our public health infrastructure. I have made a commitment to Canadians on behalf of the government that that is exactly what we will do.

**Mr. Rob Merrifield (Yellowhead, Canadian Alliance):** Mr. Speaker, 44 deaths is not light reading. I would like to quote from page 205 that says:

In 2002, Health Canada informed airport authorities that it would be transferring airport quarantine responsibilities to Canada Customs.

These Customs staff were never trained for the job. This comes right out of his report. Why were those Customs staff never trained to do the job?

**Hon. Anne McLellan (Minister of Health, Lib.):** Mr. Speaker, we had quarantine officers on the ground in airports such as Vancouver and Toronto. There is no question that we are working closely with the CCRA to ensure that people receive the training that is required. We have already indicated that we will increase the number of quarantine officers we have, not only at airports but at ports.

Again, I think Dr. Naylor and his committee have made very sensible and responsible recommendations on which we as a government will be acting.

\* \* \*

**TRADE**

**Mr. Walt Lastewka (St. Catharines, Lib.):** Mr. Speaker, January 1, 2004, represents an important milestone in the trade and economic relationship between Canada, the United States and Mexico. This date marks the 10th anniversary of the North American Free Trade Agreement, making North America the largest free trade area, with about one-third of the world's GDP.

Could the Minister for International Trade advise the House of what is being done to ensure that the North American region remains the most dynamic in the world?

**Hon. Pierre Pettigrew (Minister for International Trade, Lib.):** Mr. Speaker, yesterday in Montreal I had a very interesting and productive meeting with my colleagues, Ambassador Zoellick of the United States and Secretary Canales of Mexico.

We agreed on a number of practical steps to enhance trade and investment in North America that will increase the transparency and efficiency of NAFTA's chapter 11, establish a North American steel trade committee that will promote more openness and integration in the North American steel market and reduce exports related transaction costs in the NAFTA region. It is a work in progress, and we will continue.

\* \* \*

**FOREIGN AFFAIRS**

**Right Hon. Joe Clark (Calgary Centre, PC):** Mr. Speaker, my question is for the Minister of Foreign Affairs. Did Secretary of State Colin Powell tell the Minister of Foreign Affairs that Canadian sources gave the United States information that led to the deportation to Syria of Mr. Arar? While he is at it, would he tell us whether Mr. Powell said that Canadian source was the RCMP?

**Hon. Bill Graham (Minister of Foreign Affairs, Lib.):** Mr. Speaker, I had a conversation with Secretary Powell and I raised this matter. I protested strongly to the United States that when Canadians are in the United States they should be treated as Canadians and returned to Canada. In the course of that discussion, he said to me that advice from his officials was that this was appropriate in terms of international law by the United States and it was covered by arrangements. That was his advice to me. This is what he was told by his officials.

Secretary Powell and I always have the frankness of accords. He knows very strongly that Canada is of the position that when Canadians are in the United States they should be treated as Canadians and returned to this country, and the Solicitor General and I work on that premise.

● (1450)

**Mr. Bill Casey (Cumberland—Colchester, PC):** Mr. Speaker, with all due respect to the Minister of Foreign Affairs, that was not the question. The question was, did Colin Powell indicate to the Minister of Foreign Affairs, in a discussion with him, that information that came from Canadian sources resulted in Mr. Arar's incarceration for a year in Syria?

**Hon. Bill Graham (Minister of Foreign Affairs, Lib.):** Mr. Speaker, in my conversation with Secretary Powell, he said that the American authorities had acted within their jurisdiction to take the steps they did based on information which they had received which justified the steps that they took. That is the information which he told me. That is what he gave me and of course that is what he was operating under.

*Oral Questions*

Secretary Powell was perfectly frank with me. He operates on the basis of advice from officials like every other secretary of state in the world.

\* \* \*

**INFRASTRUCTURE**

**Mr. Brian Masse (Windsor West, NDP):** Mr. Speaker, after nine years of creating potholes on the road to Damascus, the new Liberal leader says he now wants to pave it. As finance minister, he hiked the gas tax but did not give a penny to cities. Last September he opposed 10 year targets, but now he says he does not. My leader, Jack Layton, has been clear on the stance of supporting cities.

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

**The Speaker:** Order, please. We have been through this once already. The hon. member for Windsor West has the floor. We will want to hear his question.

**Mr. Brian Masse:** They may be a fans of the Who. I am a fan of the Guess Who.

My question is for the sitting finance minister. Is the position of the Liberal government that sharing the gas tax means Canada does not need a permanent infrastructure program? Is that the real agenda?

**Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.):** You know, Mr. Speaker, if this Layton fellow ever shows up in here, he has already missed the one byelection in his province in which he could have offered himself, perhaps we will need biometrics to identify him at the door when he gets here.

I would suggest the hon. member look at the record of the government that established the first infrastructure program in 1993, and year after year have renewed it in order to contribute to the building of strategic and municipal infrastructure across this country. That will continue.

\* \* \*

**GOVERNMENT ASSISTANCE**

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, the Prime Minister has not even placed a phone call to Nova Scotians 10 days after hurricane Juan ripped through our province. He cannot be unaware that many desperate citizens have been forced to exhaust their limited resources to replace food lost in the power outage and to repair homes exposed to the elements.

I ask the Prime Minister this. Will the federal government provide immediate financial assistance to Nova Scotians on CPP disability or other vulnerable pensioners to ensure they are able to purchase the basic necessities of daily life?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I am supposed to meet with the Premier of Nova Scotia tomorrow morning. She cannot say I do not pay attention to Nova Scotia. That day the Minister of Defence and the Minister of Fisheries and Oceans rushed to Nova Scotia. They were the first to arrive. We had more than 1,000 soldiers doing their job.

The work of the federal government was well done. Of course, as I was departing for the west at that time, I could not be there. We have a big country. When we are in Vancouver it is difficult to have breakfast there and then lunch in Halifax.

**HEALTH**

**Mr. Bob Mills (Red Deer, Canadian Alliance):** Mr. Speaker, the environment commissioner's report says that the government is moving too slow on evaluating older pesticides causing health and environmental problems. It says that the process for evaluating new pesticides is flawed and deadlines are not being met to get these products on the market.

The commissioner identified 406 pesticides which must be evaluated. In 15 years only 6 have been evaluated. What is taking so long? What is the problem?

**Hon. Anne McLellan (Minister of Health, Lib.):** Mr. Speaker, as I indicated yesterday, we have re-evaluated some 61 active ingredients. Of these, some have been phased out by their manufacturer. Others have been withdrawn from the market or are currently in the process of being phased out.

I want to reassure all Canadians that we take the regulation of pesticides very seriously. In fact the commissioner acknowledges that progress has been made.

Do we need to make additional progress? Yes. We now have new legislation. Regulations will promulgated in the spring of 2004, and with additional resources we will do an even better job in protecting health.

● (1455)

**Mr. Bob Mills (Red Deer, Canadian Alliance):** Mr. Speaker, the commissioner says that only 6 out of 406 have been evaluated, so denying the problem does not mean there just is not one.

The government has been warned four times that its pesticide evaluation process is broken. It has done nothing. I quote the commissioner who says, "For an issue that touches health, this is unacceptable...Canadians have a right to expect better answers".

When will the government speed up the evaluation process of these pesticides?

**Hon. Anne McLellan (Minister of Health, Lib.):** Mr. Speaker, we are fully aware of the challenges, both around re-evaluation of existing pesticides and the evaluation of new pesticides to be introduced into the market.

My colleague the Minister of Agriculture and I are putting additional resources into the evaluation and re-evaluation of pesticides. We have new legislation. The new legislation will be in full force and effect in the spring of 2004.

I can reassure Canadians that we take our obligations in relation to their health and safety very seriously.

*Oral Questions*

[Translation]

**FOREIGN AFFAIRS**

**Mr. Yves Rocheleau (Trois-Rivières, BQ):** It is becoming increasingly clear from the replies he has given in the Arar case that the Solicitor General does not take this House seriously. What we are asking of the Solicitor General is not whether the Royal Canadian Mounted Police took part in the decision by the Americans to deport M. Arar to Syria. The real question is very simple: did the RCMP send information on Maher Arar, a Canadian citizen, to the American authorities—yes or no?

[English]

**Hon. Wayne Easter (Solicitor General of Canada, Lib.):** Mr. Speaker, I reject entirely the premise of the hon. member. We take this issue very seriously and we always have.

As a matter of law and practice, and the hon. member should know this, the RCMP does not discuss operational matters in public, nor should a Solicitor General and I do not intend to do that.

[Translation]

**Mr. Yves Rocheleau (Trois-Rivières, BQ):** Mr. Speaker, the government and the Royal Canadian Mounted Police are playing a very odd game. The government is using the RCMP for obscure purposes and the RCMP is agreeing to play along. Neither the government nor the future prime minister want to answer our questions. That is an example of the democratic deficit.

I ask the Solicitor General once again if information concerning Maher Arar was sent to the Americans by the Royal Canadian Mounted Police.

[English]

**Hon. Wayne Easter (Solicitor General of Canada, Lib.):** Mr. Speaker, let me expand a little further on the reason why neither I nor the RCMP talk about operational matters. We do it to protect the privacy of individuals involved and to protect the integrity of investigations that are ongoing. That is why it is necessary to do it. The fact of the matter is that in this country we operate on the principle of innocence.

\* \* \*

**HEALTH**

**Mr. Gary Lunn (Saanich—Gulf Islands, Canadian Alliance):** Mr. Speaker, the Commissioner of the Environment and Sustainable Development had some very harsh words for the health minister in her latest report. The commissioner's report says that Health Canada is not properly managing pesticides and cannot determine what the health risks of certain pesticides are.

The sole purpose of the Pest Management Regulatory Agency is to manage pesticides and determine what in fact their health risks are.

The minister will tell us, "Well, maybe next year, 2004, I will have some more resources or some new regulations". This government has been in power for 10 years. Why is it not doing its job now?

**Hon. Anne McLellan (Minister of Health, Lib.):** Mr. Speaker, as I have made plain, we are doing our job. In response to earlier Auditor General's reports, we have acted. We have new legislation,

modern legislation. The regulations will be in full force and effect under that legislation in the spring of 2004.

However let me reassure all Canadians that those pesticides which are presently on the market are rigorously assessed in relation to health risk and environmental risk and there should be no misunderstanding about that important point.

**Mr. Gary Lunn (Saanich—Gulf Islands, Canadian Alliance):** Mr. Speaker, that is not good enough. This minister always wants to tell us, "in a timely fashion, maybe next year, we'll get to it later".

Health Canada continues to renew temporary registrations for pesticides without knowing what the risks are. Sixty per cent of pesticides are rushed into the market without proper testing. How can this possibly be good for Canadians?

● (1500)

**Hon. Anne McLellan (Minister of Health, Lib.):** Mr. Speaker, the hon. member discusses temporary registration. All registration decisions, whether temporary or full, are based on rigorous scientific evaluation of the health and environmental risks posed by pesticides.

Let me reassure everyone that at no time is a temporary registration granted without a clear indication that the risks are acceptable.

\* \* \*

**INTERNATIONAL AID**

**Mr. Deepak Obhrai (Calgary East, Canadian Alliance):** Mr. Speaker, China has recently announced that it would send three astronauts into space. If this country can spend that kind of money, it definitely does not need our aid money.

I have called before and I am calling again. Will this government stop its aid flow immediately to China and redirect it to needy areas such as Africa?

**Hon. Susan Whelan (Minister for International Cooperation, Lib.):** Mr. Speaker, I have said it before in this House, and the hon. member is well aware, that CIDA's primary mandate is to reduce poverty through sustainable development. China has over 240 million people who are classified as being the world's poorest.

Our programming in China involves projects that help reduce poverty, that ensure sustainable development and that improve human rights. It is very important that we deal with 20% of all the world's poor people, and the hon. member should be well aware of that fact.

**Mr. Deepak Obhrai (Calgary East, Canadian Alliance):** Mr. Speaker, Canadians are generous but they are not stupid. India has officially called on us to halt our aid to it. The reason for this is because it can take care of its own problems.

Why does this minister continue an aid policy that targets countries that no longer need our help, while ignoring the needy regions of Africa and Latin America?

*Oral Questions*

**Hon. Susan Whelan (Minister for International Cooperation, Lib.):** Mr. Speaker, the government is very pleased to hear how far India has come in terms of its own development. The announcement by the government of India highlights that its ability to take a leadership role in its own development is very important.

We will continue to work toward reducing poverty for sustainable development around the globe to ensure that all countries, including Canada, will see the benefits of those results. The hon. member should be well aware of that.

\* \* \*

[Translation]

**CLONING**

**Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ):** Mr. Speaker, Quebec health and social services minister Philippe Couillard has taken a stand against Bill C-13, the cloning bill, arguing that this bill clearly encroached on Quebec's jurisdictions.

Will the Minister of Health listen to her counterpart in Quebec and withdraw from an area that does not concern her by dividing her bill in two, to ensure that the jurisdictions of Quebec and the provinces are respected?

[English]

**Hon. Anne McLellan (Minister of Health, Lib.):** Mr. Speaker, the member and I have discussed this matter for some time and he knows that my answer to this question is no.

My Quebec counterpart and I have had very fruitful discussions on this issue. Mr. Couillard is well aware that there are equivalency provisions in the legislation, except for the criminal prohibitions, that would permit the province of Quebec to enact an equivalent regime as it relates to the challenge of infertility.

I look forward to both my officials and myself being able to carry on these discussions with the Quebec government in the weeks ahead.

\* \* \*

**VETERANS AFFAIRS**

**Mrs. Elsie Wayne (Saint John, PC):** Mr. Speaker, according to The Sports Network, the Toronto Maple Leafs have spent more money on defence than the government.

The finance minister has denied Veterans Affairs the funds needed to extend the VIP to those widows whose husbands died before May 12. As I said, May 12 is the blackest day in the history of this country.

Why will the Minister of Finance not do the right thing and give the Veterans Affairs minister the money that is needed to treat all war widows equally?

**Hon. Rey Pagtakhan (Minister of Veterans Affairs and Secretary of State (Science, Research and Development), Lib.):** Mr. Speaker, perhaps I should remind the hon. member that Veterans Affairs Canada delivers many programs for veterans, their families and surviving spouses. We spent \$1.6 billion on pensions and allowances for veterans and their families, one-third of which went

to surviving spouses. We spent \$650 million on health care benefits, of which \$185 million went to the VIP.

We will continue to do more.

\* \* \*

● (1505)

[Translation]

**THE ENVIRONMENT**

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Speaker, I am sure that the government is aware by now of the demonstration that took place in Belledune last Sunday. Two thousand people protested against the construction of an incinerator in Belledune without any independent environmental impact study.

My question is for the Minister of Transport. People are wondering if the land on which Bennett Environmental is building the incinerator in Belledune harbour is owned by the federal government or is otherwise connected with the government. Could the Minister of Transport tell us whether the land is owned by the federal government or not?

[English]

**Hon. David Collenette (Minister of Transport, Lib.):** Mr. Speaker, I would think this is really an Order Paper question. I will endeavour to get an answer for the hon. member.

\* \* \*

**ROYAL CANADIAN MOUNTED POLICE**

**Mr. Garry Breitkreuz (Yorkton—Melville, Canadian Alliance):** Mr. Speaker, real criminals are still on the loose because of cutbacks in DNA analyses at RCMP labs and yet at the same time the federal government continues to spend millions registering the guns of law-abiding citizens.

We fully expect the minister to stand and continue his song and dance about how wonderful the registry is but this is the question: Will the minister please explain why registering firearms is a higher priority than uncovering DNA evidence that would put real criminals behind bars?

**Hon. Wayne Easter (Solicitor General of Canada, Lib.):** Mr. Speaker, it has been a little while since we heard the song and dance from that member opposite on the same old issue on which he continues to have a real problem getting his facts straight.

If he would look at yesterday's *Hansard* he would see, in response to a question from the member for Crowfoot, where I talked about the forensic labs and said that we were increasing FTEs in Regina and that we were doing a better job of turnaround times.

Those are the facts. We are doing a good job on the forensic labs as well as on gun control.

## ROUTINE PROCEEDINGS

[English]

### GOVERNMENT RESPONSE TO PETITIONS

**Mr. Rodger Cuzner (Parliamentary Secretary to the Prime Minister, Lib.):** Mr. Speaker, pursuant to Standing Order 36(8) I have the honour to table, in both official languages, the government's response to 13 petitions.

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### COMMITTEES OF THE HOUSE

#### HEALTH

**Ms. Bonnie Brown (Oakville, Lib.):** Mr. Speaker, I have the honour to present, in both official languages, the sixth report of the Standing Committee on Health.

Pursuant to its order of reference dated Thursday, November 28, 2002, your committee has considered Bill C-260, an act to amend the Hazardous Products Act with regard to fire safe cigarettes, and agreed on Tuesday, October 7, 2003, to report it to you with amendments.

• (1510)

#### PROCEDURE AND HOUSE AFFAIRS

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, I have the honour to present the 46th report of the Standing Committee on Procedure and House Affairs regarding its order of reference of Tuesday, October 7, 2003, in relation to Bill C-49, an act respecting the effective date of the representation order of 2003.

The committee has considered Bill C-49 and reports the bill with an amendment. I would like to thank the committee and, before it, the subcommittee, which worked on the important matter of reorganizing our electoral boundaries following the last census.

[Translation]

#### PUBLIC ACCOUNTS

**Mr. John Williams (St. Albert, Canadian Alliance):** Mr. Speaker, I have the honour to present, in both official languages, the 22nd report of the Standing Committee on Public Accounts. In accordance with its order of reference of Tuesday, September 23, 2003, the committee has considered Vote 20a—Auditor General under finance in the Supplementary Estimates (A) for the fiscal year ending March 31, 2004, and reports the same.

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[English]

### CRIMINAL CODE

**Mrs. Carol Skelton (Saskatoon—Rosetown—Biggar, Canadian Alliance)** moved for leave to introduce Bill C-454, an act to amend the Criminal Code (section 606).

She said: Mr. Speaker, I am pleased to reintroduce my private member's bill which would amend certain provisions of section 606 of the Criminal Code relating to plea bargaining. It would ensure that when a plea bargain is used for a serious crime the Attorney General of Canada must approve it in writing.

### Routine Proceedings

My bill sends a clear message to Canadians that there will be a new level of accountability in our justice system. It also sends a message to the legal community that Canadians, while supportive of plea bargains, believe they are all too common and often favour the criminal.

I am confident all members will support it when given the opportunity.

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

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### PETITIONS

#### MARRIAGE

**Mr. Garry Breitkreuz (Yorkton—Melville, Canadian Alliance):** Mr. Speaker, I have three petitions containing thousands of names and they are in regard to the traditional definition of marriage.

A recent court decision has redefined marriage contrary to the wishes of Parliament and now the government wants Parliament to vote on new legislation but only after it has been approved by the Supreme Court. This is a dangerous precedent for democracy in Canada. Elected members of Parliament should decide the marriage issue not appointed judges.

They therefore ask Parliament to immediately hold a renewed debate on the definition of marriage and to reaffirm, as it did in 1999, its commitment to take all necessary steps to preserve marriage as a union of one man and one woman to the exclusion of all others.

I cannot go through all of this but there are people from throughout Saskatchewan. Hundreds of different towns are represented here. I will simply submit these without going through a list of all the different places the petitioners come from but there are thousands of names.

**Mr. Gurbax Malhi (Bramalea—Gore—Malton—Springdale, Lib.):** Mr. Speaker, I as well will state that the undersigned citizens to this petition I have draw the attention of the House to the following: that marriage is the best foundation for families and the raising of children and that the definition of the institution of marriage as being between a man and a woman is being challenged. Marriage is the lifelong union of one man and one woman to the exclusion of all others.

#### FOREIGN AFFAIRS

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, I have the honour to table petitions duly certified from close to 1,000 Canadians calling upon Parliament to ensure that Canada not participate in a star wars missile defence program, condemning George Bush's destabilizing plans, and calling upon us to work with our partners in peace for more arms control and peacefully bring an end to the production and sale of weapons of mass destruction and any material used to build them.

*Routine Proceedings*

• (1515)

## MARRIAGE

**Mr. Joseph Volpe (Eglinton—Lawrence, Lib.):** Mr. Speaker, I also have a series of petitions duly certified according to the appropriate standing order. There are some 50,000 drawn from my riding and other areas in and around the great metropolis of Toronto and they express the concerns of many of our citizens regarding marriage. I will read their petition: "Whereas marriage is the best foundation for families and the raising of children—"

**The Speaker:** Order. I appreciate the hon. member's concern, but I am sure he knows the rule that reading of petitions is not permitted. He will want to give a succinct summary of the petition.

**Mr. Joseph Volpe:** Mr. Speaker, I thought you might grant me a little more indulgence inasmuch as I have 50,000. I can present them either singly or in a batch, but I thank you for drawing this to my attention.

The petitioners are concerned about the definition of marriage and pray that this Parliament will pass legislation to recognize the institution of marriage in federal law as being the union of one man and one woman to the exclusion of all others. I thank you for your attention, Mr. Speaker.

**Mr. John Cummins (Delta—South Richmond, Canadian Alliance):** Mr. Speaker, I have three petitions to present today.

The first petition has to do with the definition of marriage. The petitioners ask that Parliament confirm the traditional definition of marriage and provide constitutional protection for same.

## RELIGIOUS FREEDOM

**Mr. John Cummins (Delta—South Richmond, Canadian Alliance):** Mr. Speaker, the second petition I have to present today concerns the addition of sexual orientation as a protected category under the Charter of Rights and Freedoms. The petitioners express concern that religious freedom may be impacted by this inclusion and call on Parliament to protect the right of all Canadians to their religious beliefs.

## SEARCH AND RESCUE

**Mr. John Cummins (Delta—South Richmond, Canadian Alliance):** Mr. Speaker, in the third petition I have, over 1,000 petitioners have signed on. They are expressing concern about the government's handling, so to speak, of the purchase of a replacement hovercraft for Sea Island in Richmond. They note that the 20-year-old hovercraft that is being touted and is probably going to be purchased as a replacement hovercraft is certainly unsuitable for the task at hand. They call on Parliament to ensure that when a replacement hovercraft is made available, and they want that to happen soon, it is one that is going to be capable of doing the job.

[*Translation*]

## RURAL ROUTE MAIL COURIERS

**Ms. Caroline St-Hilaire (Longueuil, BQ):** Mr. Speaker, I too am pleased to table a petition from people mainly in the riding of Longueuil. The petitioners are asking Parliament to repeal subsection 13(5) of the Canada Post Corporation Act so that rural route mail couriers can benefit from decent conditions.

[*English*]

## MARRIAGE

**Mr. Janko Peric (Cambridge, Lib.):** Mr. Speaker, pursuant to Standing Order 36, it is my privilege to present to the House a petition dealing with marriage and signed by some 130 constituents from my riding of Cambridge. The petitioners wish to draw to the attention of the House the fact that the institution of marriage has always been defined as the union of one man and one woman and was upheld as such by votes in this House. The petitioners pray and request that the Parliament of Canada respect and uphold the current understanding of marriage as the union of one man and one woman to the exclusion of all others.

## HEALTH

**Miss Deborah Grey (Edmonton North, Canadian Alliance):** Mr. Speaker, I know you and I and Polonius would agree, would we not, that brevity is the soul of wit.

I have 22,803 petitions here from people from all across the country. They are talking about preventatively using vitamins and supplements for health. I know we all understand that and appreciate it, but they are saying that they not only should be just as recorded by a pharmacist, as quoted in subsection 118.2(2)(n) of the Income Tax Act, but also that these vitamins and supplements should be GST exempt.

There are thousands here. There are thousands more coming. I will be delighted to present them when they arrive.

• (1520)

## STEM CELL RESEARCH

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, I have three different petitions to present today. The first one calls upon Parliament to focus its legislative support on adult stem cell research to find the cures and therapies necessary to treat illness and diseases of suffering Canadians.

## CHILD PORNOGRAPHY

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, the second submission is a group of petitions. I will present them all at once. The petitions call upon Parliament to protect our children by taking all necessary steps to ensure that all materials which promote or glorify pedophilia or sado-masochistic activities involving children are outlawed.

## BILL C-250

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, the third petition refers to Bill C-250 and it calls on Parliament to use all possible legislative and administrative measures to preserve and protect the criminal code.

*Routine Proceedings*

## AGRICULTURE

**Mr. Peter Adams (Peterborough, Lib.):** Madam Speaker, I rise to present a petition from citizens of Peterborough County and surrounding areas who have been hard hit by the BSE crisis. The petitioners point out that the Canadian beef cattle, dairy, goat and sheep industries are in a state of crisis and that in fact this is affecting the entire rural area. The aid package to the industry is inadequate in that it does not deal with the disastrously low prices experienced and the imminent collapse of various sectors of the rural economy.

The petitioners call upon Parliament to open the American border to Canadian cattle now and as soon as possible develop a long term solution and economic relief that is fair and reflects the importance of these industries in Canada.

## CHILD CARE

**Mr. Peter Adams (Peterborough, Lib.):** Madam Speaker, I have a second petition from a large number of members of the Catholic Women's League. The petitioners point out that the Universal Declaration of Human Rights proclaims that childhood is entitled to special care and assistance. The members of the National Council of the Catholic Women's League of Canada passed a resolution in support of a national strategy on child care, their resolution 89.4.

They know that the Government of Canada has offered to increase finances toward a national day care strategy but they suggest that the implementation of improved child care over the next five years has met with various obstacles, and so they request Parliament to give priority to accessible, quality child care for all children.

## BILL C-250

**Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance):** Madam Speaker, I have two petitions. Like Canadians from coast to coast to coast, these people are petitioning the government.

In the first one, the petitioners do not want the passing of Bill C-250 because of their fear of infringement of their own private rights.

## MARRIAGE

**Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance):** Madam Speaker, the second petition is another huge one in which the petitioners want the government to make sure that it continues to treat marriage as a union of one man and one woman, exclusive of all others.

## RELIGIOUS FREEDOM

**Mr. Paul Szabo (Mississauga South, Lib.):** Madam Speaker, I have two petitions. The first has to do with the hate law. The petitioners want to draw to the attention of the House that we are all appalled by hate motivated attacks and believe promoting hatred toward a person or group is wrong. The petitioners pray upon Parliament to take all necessary measures to protect the rights of Canadians to freely share their religious and moral beliefs without fear of prosecution.

## STEM CELL RESEARCH

**Mr. Paul Szabo (Mississauga South, Lib.):** Madam Speaker, the second petition has to do with stem cell research. The petitioners draw to the attention of the House the fact that Canadians support ethical stem cell research, which has widely shown encouraging

potential to provide cures and therapies for Canadians. The petitioners therefore call upon Parliament to focus its legislative support on non-embryonic stem cell research to find the cures and therapies necessary to treat the illnesses and diseases of Canadians.

## MARRIAGE

**Mr. James Lunney (Nanaimo—Alberni, Canadian Alliance):** Madam Speaker, I have three petitions. The first is on the subject of marriage. There are approximately 150 signatures from Nanaimo, Parksville, Qualicum and Lantzville, all in my riding. The petitioners are calling upon the House to recognize that marriage is the traditional foundation for families and for the raising of children. They are disturbed by recent decisions taken in the House and they call upon Parliament to honour the commitment of June 1999 calling for marriage to continue to be recognized as the union of one man and one woman to the exclusion of all others.

● (1525)

## GENETICALLY MODIFIED ORGANISMS

**Mr. James Lunney (Nanaimo—Alberni, Canadian Alliance):** Madam Speaker, the second petition is on the subject of genetically modified foods. Again, this petition originates in my own riding in the communities of Parksville, Qualicum, Port Alberni, Nanoose, Bowser and even in Victoria.

The petitioners are calling on Parliament to recognize that seeds and living organisms are part of our collective biological heritage. They object to commercialization and patenting of life forms. They predict devastating consequences for farmers and have concerns about production costs increasing and seed varieties and production techniques being limited. They are concerned about a very real threat to the rural way of life.

The petitioners are calling on Parliament not to promote policies that heighten poverty or threaten the environment and increase hunger throughout the world.

## HEALTH

**Mr. James Lunney (Nanaimo—Alberni, Canadian Alliance):** The final one, Madam Speaker, is on Bill C-420, natural health products. There are approximately 350 signatures here. They come from my own riding, from the communities of Nanaimo and Parksville, and also from Alberta, Ontario and other communities across the country.

The petitioners are calling upon Parliament to recognize that Canadians deserve freedom of choice in natural health products. They object to the restrictions that Health Canada is currently placing on natural health products by arbitrarily classing them as drugs as soon as a health claim is made.

*Government Orders*

The petitioners are calling upon Parliament to recognize the weight of modern scientific evidence which confirms the mitigation and prevention of disease, many diseases and disorders, through the judicious use of natural health products and therefore ask that Parliament support Bill C-420 and implement changes that will enhance the availability of natural health products for all Canadians.

## MARRIAGE

**Mr. Reed Elley (Nanaimo—Cowichan, Canadian Alliance):** Madam Speaker, I have three petitions from both my riding of Nanaimo—Cowichan and Ontario. The petitioners are calling on the government that in matters of important social policy, such as the definition of marriage, that this not be settled by an unelected judiciary but indeed by Parliament and are asking that Parliament reaffirm the traditional definition of marriage as the union of one man and one woman to the exclusion of all others.

**Ms. Marlene Catterall (Ottawa West—Nepean, Lib.):** Madam Speaker, I am pleased to present four petitions representing approximately 1,500 signatures from constituents and others calling upon Parliament to take all necessary steps within the jurisdiction of the Parliament of Canada to preserve the definition of marriage in Canada as the union of one man and one woman to the exclusion of all others.

## ASSISTED SUICIDE

**Mr. Chuck Strahl (Fraser Valley, Canadian Alliance):** Madam Speaker, I have several petitions here today. These petitions are all duly signed off by the Clerk.

One of them has to do with concerns that we maintain the sanctity of life, and the petitioners are urging Parliament to prohibit assisted suicide or euthanasia.

## MARRIAGE

**Mr. Chuck Strahl (Fraser Valley, Canadian Alliance):** Madam Speaker, I have two more petitions on the definition of marriage. The petitioners, with a slight variation in the type of petition, ask Parliament to recognize the institution of marriage in federal law as being the union of one man and one woman to the exclusion of all others.

## RELIGIOUS FREEDOM

**Mr. Chuck Strahl (Fraser Valley, Canadian Alliance):** The last two petitions, Madam Speaker, have to do with the changes to sections 318 and 319 of the Criminal Code. The petitioners are concerned about their freedom to express and to share their religious beliefs without fear of prosecution and they ask Parliament not to change or add individuals or groups to sections 318 and 319 of the code.

\* \* \*

## QUESTIONS ON THE ORDER PAPER

**Mr. Rodger Cuzner (Parliamentary Secretary to the Prime Minister, Lib.):** Madam Speaker, I ask that all questions be allowed to stand.

**The Acting Speaker (Ms. Bakopanos):** Is that agreed?

**Some hon. members:** Agreed.

## MOTIONS FOR PAPERS

**Mr. Rodger Cuzner (Parliamentary Secretary to the Prime Minister, Lib.):** Madam Speaker, I ask that all Notices of Motions for the Production of Papers be allowed to stand.

**The Acting Speaker (Ms. Bakopanos):** Is that agreed?

**Some hon. members:** Agreed.

## GOVERNMENT ORDERS

[*English*]

## INCOME TAX ACT

The House proceeded to the consideration of Bill C-48, an act to amend the Income Tax Act (natural resources), as reported (without amendment) from the committee.

**Hon. Ralph Goodale (for the Minister of Finance)** moved that the bill be concurred in.

**The Acting Speaker (Ms. Bakopanos):** Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Acting Speaker (Ms. Bakopanos):** All those in favour of the motion will please say yea.

**Some hon. members:** Yea.

**The Acting Speaker (Ms. Bakopanos):** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Acting Speaker (Ms. Bakopanos):** In my opinion the yeas have it.

*And more than five members having risen:*

**The Acting Speaker (Ms. Bakopanos):** Call in the members.

The division on the motion stands deferred.

\* \* \*

● (1530)

[*Translation*]

## CRIMINAL CODE

The House resumed from September 29, 2003 consideration of the motion that Bill C-46, An Act to amend the Criminal Code (capital markets fraud and evidence-gathering), be read the second time and referred to a committee.

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Madam Speaker, I am pleased to speak today on Bill C-46. The Bloc Québécois is in favour of the bill in principle, but reserves its decision on the division at third reading stage until we see how the government reacts to our amendments.

*Government Orders*

I would remind members that, as early as the fall of 2002, the Bloc Québécois urged the federal government to tighten the provisions of the Criminal Code so that the authorities would have better tools at their disposal to fight corporate fraud. The Bloc is therefore delighted that the government has given in to our pressures and has taken our opinions into account and retained some of our suggestions.

We do, however, find it unfortunate that not all of our suggestions were accepted. For this reason, we advise you that, barring major amendments at third reading, we could decide to vote against it, even if we do agree with the principle at this second reading stage.

These major reservations, however, relate to an aspect of the bill that we shall be trying to amend at the committee stage. We find it difficult to understand that this bill could provide that a federal attorney also has jurisdiction to prosecute Criminal Code offences concerning capital market fraud.

This is especially worrisome to us since the federal government has publicly announced its intention of establishing a Canadian securities regulator. Having a Canadian Securities Commission was one of the obsessions of the former finance minister, soon to be the prime minister of Canada. And this would be done despite the fact that jurisdiction over this area is clearly indicated, despite the fact that the securities commissions in each province have made their choice clear. The former finance minister, the member for LaSalle—Énard, seemed intent on getting his way on this.

We are concerned about what Bill C-46 will turn out like if it is not amended in order to ensure clear respect of Quebec's jurisdiction. For us, regulation of securities clearly falls under the jurisdiction of the Government of Quebec. We therefore disagree with the federal government's intentions in this regard and want to be sure that no encroachments of jurisdiction will result.

But, I want to talk in general terms about this legislation. This enactment amends the Criminal Code by creating a new offence of prohibited insider trading and creating a new offence to prohibit threatening or retaliating against employees for disclosing unlawful conduct. The enactment increases the maximum penalties and codifies aggravating and non-mitigating sentencing factors for fraud and certain related offences. In other words, the allowable sentences are being increased so as to deter people from committing this kind of offence.

Furthermore, in keeping with the Criminal Code, the enactment provides for concurrent jurisdiction for the Attorney General of Canada to prosecute those offences, taking into consideration the reservations I mentioned earlier.

In addition, the enactment also creates a new procedural mechanism by which persons will be required to produce documents, data or information in specific circumstances, to make it easier to build a solid case, without getting lost in a legal labyrinth when information is quickly needed to serve as evidence, and to ensure that any necessary changes can be made as soon as possible.

Clearly, this bill follows on the heels of recent corporate scandals in the United States. We only need mention Enron. These scandals have made us aware of how fragile our financial system is and how much we rely on it.

During the 1930s, before the crash, many of our parents and grandparents grew up believing that the stock market was undoubtedly a bit corrupt. After the crash, this sector had to rebuild a more honest, proper and appropriate image or reality. But recent scandals have tarnished the reputation of the financial sector, which desperately needs an unassailable, solid image. Investments take a beating when we can no longer trust the institutions charged with ensuring the transparency of financial transactions. The result is fewer transactions and disinterest on the part of investors. We must remedy such situations.

Although at first we thought that only large investors were affected by a stock market crisis, that is not the case. As I was saying, the biggest players on the stock markets are the pension funds. As a result, if a pension fund suffers large losses, it is the small investors who can lose their life savings and see their retirement projects go up in smoke.

●(1535)

That is why it was time for the federal government to intervene in this matter. The Bloc Québécois has been speaking out on this subject for over a year. It is a question of ensuring that, at the end of the day, the people who have invested in the pension funds and who do not necessarily have day to day control over what happens to them, the people who trust the companies who administer the funds, will not have the surprise of finding themselves, at retirement, with assets that are not what they might have expected. This situation has been begging for a solution.

For example, in 1998, the Canadian trustee pension funds held assets of more than \$500 billion. Of that \$500 billion held in pension fund assets, about \$115 billion was invested in Canadian stocks and some \$57 billion in foreign stocks. Four million Quebec and Canadian workers contribute to these funds. Only the financial assets of the chartered banks exceed the capital held by the pension funds.

That illustrates the importance of this market, the importance of assuring these small investors, those who invest trustingly, through their pension funds, that their money is well invested.

In addition, analysts have recently observed that trustee pension funds tend to favour investment in stocks rather than in fixed interest securities. It is all the more important to ensure the validity and security of the system.

In light of the previously mentioned figures, it is clear that a financial crisis would have a direct impact on the retirement incomes of millions of households and it is precisely those households that we have to protect.

Fortunately, to date, Canadian markets have been relatively spared from professional misconduct, except for the cases involving CINAR and Nortel.

*Government Orders*

In the CINAR case, the Bloc Québécois condemned it in this House and revealed that there indeed had been major fraud within this company. Today, the company has started up again with new directors, but we do not know the full story, because the federal government signed an agreement through Revenue Canada to put out the fire.

It was clear in this situation that interests close to the Liberal government were called into question, as were some people who were friends of the current regime. A way was found to prevent them from getting the sentences they deserve and that should have been handed down in these cases.

Nonetheless, the CINAR and Nortel crises, and everything that happened in the United States, should encourage us to ensure that our legislation is well drafted and stronger, in order to discourage cheats who might want to abuse the system.

However, the Bloc Québécois feels that despite the fact that our securities regulation systems are, in the opinion of many experts, much more comprehensive than what existed in the United States before the financial crisis, it is nonetheless important to send a clear message to corporate directors that financial misconduct constitutes a serious crime that is not acceptable in our society.

Let us learn from what happened in the United States. The messages were not clear enough. People had a field day and thought they could do all kinds of things like artificially inflating companies, and conducting all kinds of financial transactions that eluded pension fund administrators.

By the time a scandal breaks, it is too late for people who invested in these companies in good faith, thinking these were rather sound investments. We are not talking about investments in high risk areas. That is not how it was presented to the people who invested in good faith.

In the United States, a really fraudulent system was set up. Here, in Quebec and Canada, this did not happen because we were better protected to begin with; still, there are lessons to be learned, to ensure that in the future the system will be much more effective than it is right now.

That is why, in the fall of 2002, the Bloc Québécois called for major changes to be made to the Canadian Criminal Code in order to provide the appropriate authorities with better tools to fight crimes of a financial nature.

What are these changes the Bloc Québécois is calling for? In a nutshell, since the fall of last year, we have proposed adding a section to the Criminal Code that would make insider trading a criminal offence in order to send a clear message to company directors that the use of confidential information obtained in the performance of their duties for the purpose of making profits or avoiding losses would not be tolerated.

• (1540)

The idea is to avoid situations where, having heard that a transaction is about to take place, a person lines her own pockets during the time when no one else, or almost no one else, is aware of the transaction.

Perhaps we thought for a long time that it was enough to rely on the good faith of people. We are realizing that we need measures, actions and stiff penalties to prevent insider trading. Such offences are one of the most tragic ways that investors' confidence in the system can be shaken.

These offenders figure, "Others in the company, such as executive officers, stand to profit, while I, by the time news of the transaction reaches me, will not have the chance to buy and sell shares the usual way, since the game will be almost over and what could be gained will already have been gained because others have beat me to it, using information before they should have to pocket piles of money". This way, they make profits or avoid losses at the expense of other investors who do not have access to the same information. This sums up my point.

We wanted this provision to be added after section 382 of the Criminal Code. It would have created an offence of insider trading, which would have carried a maximum sentence of ten years' imprisonment so that people would be well aware of the consequences they could face before they decided to engage in such a behaviour. Then, should they be found guilty of such an offence, they would have to pay dearly.

We see that the government accepted our suggestion and included a new offence of insider trading in the bill. We are pleased about that. The Bloc Québécois also proposed that a new offence be created for securities fraud. This offence, which would be patterned on the measures adopted in the United States and which would also carry a ten-year prison term, would prohibit fraud when selling or buying securities.

The Bloc also proposed two amendments to section 397 of the Criminal Code. This section clearly stipulates that fraud is committed by someone who:

- (a) destroys, mutilates, alters, falsifies or makes a false entry in, or
- (b) omits a material particular from, or alters a material particular in, a book, paper, writing, valuable security or document.

These provisions could have applied to falsified financial statements. It was noticed when gathering evidence, particularly in the American cases, that documents had disappeared and that the tools needed to punish those who had made these documents disappear were not available since no punishment was provided for in the Criminal Code.

Furthermore, subsection 2 makes it a specific offence if documents are falsified with the intent to defraud creditors. This makes it even more relevant. In both cases, the sentence is five years. We, in the Bloc Québécois, believe that this kind of sentence is not harsh enough to have a deterrent effect. Consequently, we propose that the maximum sentence be increased to ten years so that the message is clearer. People must understand that this type of behaviour will not be tolerated and that those who are caught will have to pay a very high price.

*Government Orders*

Finally, we suggest that a third paragraph be added to section 397. This paragraph would deal with falsification of documents with intent to defraud stockholders. We think that stockholders, whose investments are not secured, unlike most creditors, constitute a category that is more vulnerable because they have no way of recovering their investment. Consequently, we cannot see why there is a specific offence of fraud that creditors might be the victims of, and there is no similar offence concerning stockholders. We are trying to correct this situation and we hope that the bill will correct it.

Thus, the bill contains provisions on insider trading. As I said, the Bloc is pleased to see them included in the bill. It also prohibits threatening or retaliating against employees for disclosing unlawful conduct or for assisting law enforcement officers to investigate cases of capital market fraud. These employees also need to be protected against intimidation. Of course, when a scandal occurs, when we learn suddenly that someone, particularly if it is at the top level, has committed fraud, we can be sure that some people in the company will keep a low profile. If we want them to have a lawful conduct, we must provide these employees with the leeway and the protection they need to be able to act.

These employees often have a key role to play in disclosing scandals in companies, but they may be intimidated or threatened, including through measures against their job or their livelihood. Someone may suggest that, if a certain document is found, perhaps they will lose their job and will be made to pay the price.

● (1545)

People must be protected from this; otherwise the threat can be such that some may cave in. Even if it cannot be justified, some do it. Moreover, at the present time we do not have the necessary tools. They must be given adequate protection.

Creation of a new offence of threat or reprisal relating to employment would encourage people with inside information to cooperate with law enforcement officials and would punish those threatening or making use of reprisals. This offence would be punishable with up to five years' imprisonment. Obviously, we are in favour of this provision too.

Some of the provisions regarding insider trading, threats or reprisals were requested by the Bloc Québécois and we hope they will be made into law.

To strengthen penalties in cases of fraud on financial markets, and to make sure that the punishment fits the crime, the proposed reforms would increase maximum sentences for existing fraud offences, and would establish aggravating circumstances, which the courts should take into consideration in sentencing.

Maximum sentences would rise from 10 to 14 years for the present fraud offences under the Criminal Code, and for those affecting the public market. Maximum prison sentences for market manipulation offences would increase from 5 to 10 years.

The proposed reforms would also include a list of specific aggravating circumstances allowing the courts to impose stiffer sentences for the most serious offences. Factors such as the extent of the economic impact or any negative impact on investor confidence or market stability could lead to increased sentences.

The message is very clear, if you work in that sector and if you act illegally in such a way that it has a major impact on investors' confidence, you deserve to be penalized accordingly.

On this side, we want to send a clear message to people who work in that sector, namely that there is no room for fraud because too many people are involved. Also, we are talking about the money of too many people—who often are not the direct investors—who can lose their savings because of this type of behaviour.

Moreover, a person's reputation and standing in the community or work environment, which have always been considered mitigating factors that can reduce penalties, could not apply in such a case. It would not be possible to say that the person in question was generously involved in various volunteer activities or that sort of thing. If a crime of this nature is committed, such factors cannot be used to reduce the penalty.

Finally this is a sector in which these factors are often used to minimize the impact of a crime when the wrongdoers are found out, because they are often people with important positions or philanthropic activities. But the philanthropic aspect does not, in our opinion, justify reduced penalties.

And now, the improvements: this bill provides for improved evidence-gathering procedures. Some sections have the effect of compelling professionals not to respect their duty of confidentiality. Under certain circumstances, this bill can compel a professional to produce documents and even prepare documents that may concern confidential matters, which could certainly come under someone's privacy.

Therefore, even though these sections provide that orders to produce may be subject to certain conditions in order to protect privileged communications such as lawyer-client privilege, the fact remains that some confidential information could be divulged, under certain circumstances.

Thus we might wonder if the fact of compelling a professional to communicate confidential information could undermine the confidential relationship between clients and professionals. I think that this is one idea we should explore in committee in order to ensure that the planned measures maintain the necessary balance in this regard, while still ensuring that the bill will have a dissuasive effect.

We also ought to mention section 487.015 of this bill, which is an attempt to respond to this concern by enabling anyone named in an order under the two preceding sections to apply to a judge for an exemption from the requirement to produce any document, data or information referred to in the order.

*Government Orders*

If a person says he does not want to provide the information and has good reason not to do so, he may go before the judge and obtain an exemption. So this is a kind of safety net for the protection of the information, but it does not automatically lead to the protection of such information; the judge is called upon to assess the appropriateness of the request.

• (1550)

It remains to be seen what criteria judges will use for denying the disclosure of confidential information. It will therefore be important at committee stage for witnesses to tell us what these criteria might be, and for us to study the proposals and suggestions. We will need to see whether it is appropriate for them to be incorporated in the act, or as regulations, or whether we need to take some other form of action to ensure that there is a clear understanding of the leeway available for obtaining authorization not to transmit this personal information.

Clause 487.013 allows the banks to disclose confidential information such as the account number, status and type, and the date on which it was opened or closed. As well, they can provide the account holder's date of birth, current address and any previous addresses.

We must point out immediately that this information is an integral part of a person's private life. When they are requested, the individual's privacy is of necessity being encroached upon. It is incumbent upon us to question just how necessary this breach of privacy is to the objective of this bill.

Quebec and Canada have workable laws to protect privacy. These could still be improved, but it is important that the principle be respected. We would be very pleased if the clause by clause study of the bill, and the contributions of those appearing before the committee could cast some more light on this, so that we can shape the bill accordingly.

Finally, I will address the charges by federal prosecutors. As I said at the start, this is where we in the Bloc Québécois have a problem, and this is why. The regulation of financial markets is an area that comes under the jurisdiction of Quebec and the provinces, as does the administration of justice.

Under this bill, the Attorney General of Canada would have concurrent jurisdiction with the provinces and territories to prosecute certain criminal fraud cases, including the proposed new offence of illegal insider trading. Federal involvement in this area would supposedly be limited to a narrow range of cases that threaten the national interest in the integrity of capital markets.

These limits need to be very precisely defined. There may be a way to vote in favour of this bill, if we receive enough guarantees on this point and on the whole issue of federal prosecutors.

According to information released by the federal government, the Government of Canada will work with the provinces to ensure proper and efficient concurrent jurisdiction by establishing prosecution protocols.

But between statements of good faith by the federal government and reality, there is often a grey area. I understand that measures to protect provincial jurisdictions should be adequate, clear and precise,

and meet the approval of the Government of Quebec and the other provinces.

For many years, the federal government, through the former finance minister, the member for LaSalle—Émard, wanted to implement a Canada-wide securities commission, and thereby intervene directly in provincial jurisdiction. We have to make sure that the federal government does not achieve through the back door what it has so far failed to do through the front door.

We now see what the hon. member for LaSalle—Émard thinks about transferring money to the municipalities. In a very roundabout fashion, he is proposing direct involvement in the municipalities in full view of the provinces. He is blackmailing the municipalities, saying that if they want money, they must tell their province to sign the agreement. This amounts to political bargaining, which is unacceptable and does not respect areas of jurisdiction.

So, if this can be done with the sales tax, it may be possible to do it indirectly through this bill. We must ensure that this is not the direction we are heading in.

Consequently, we cannot support these new provisions. They confirm, in our minds, the federal government's new desire to get involved in the securities sector, which is the responsibility of Quebec and the provinces, as I just demonstrated.

Overall, however, this bill respects a number of the Bloc Québécois' proposals. It will provide our system, in Quebec and Canada, with the tighter controls it needs, at a time when people have lost confidence, to some extent, in the markets and the securities sector.

So, we must send a clear signal. This bill contains some interesting measures to reinforce a system that, fortunately, in Quebec, was already better than the Canadian system.

• (1555)

The only thing left to do is ensure that Quebec's jurisdiction is respected. If so, the Bloc Québécois will vote in favour of this bill at second reading. Once there have been consultations and once the committee has heard from witnesses, if we are assured that Quebec's constitutional jurisdiction will be respected, we will vote in favour of the bill at third reading. We will thus have helped create legislation to build an even better securities sector, and we will have also made a satisfactory contribution to the Quebec and Canadian economies.

**Mr. Pierre Paquette (Joliette, BQ)** Madam Speaker, I will begin by congratulating the hon. member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques for his presentation. This is no easy subject. In these 20 minutes he has managed to explain in layman's terms the key principles of the bill we have before us.

I would like to revisit one particular aspect, the one crucial for us, namely the regulation of financial markets and the recurring plan of the federal government to create a Canadian securities commission.

*Government Orders*

I imagine that everyone is well aware that the present finance minister has sought the advice of Harold MacKay in this undertaking—the selfsame Harold MacKay who authored the MacKay report, which led to Bill C-8, a bill we passed after the last election. Mr. MacKay proposed the creation of a wise persons' committee to advise the minister on the best route to take to regulate the securities market across Canada.

This wise persons' committee should soon submit its recommendation, which, as on many issues, is likely to be along the lines of establishing a Canadian securities commission. Membership would be voluntary, to put pressure on the provinces and Quebec as well. The Ontario Securities Commission clearly supports this initiative of a Canada-wide securities commission. The federal government's game plan will be to make sure all the provinces are onside, so as to isolate Quebec, and say, "Look, we are not forcing you to get onside, but since you are alone on your side, this will be a problem".

I would like to ask the hon. member this: based on the questions he raised and what I just said, is the danger with Bill C-46 not a classic in terms of federal government interference, using a real problem and real concerns of the public—in this case, small investors and future retirees—about losing a portion of their savings because of financial fraud?

This is a real problem. We see it in the municipalities, which have financial needs with respect to infrastructures, we see it with child poverty. So, in response to a real problem, a real concern, a solution, be it legislative or financial, is proposed along with a slew of terms and conditions that result in us living in an increasingly centralized country, while what the Fathers of Confederation had in mind was a confederation. Without the guarantees the hon. member referred to, Bill C-46 may well become another part in this huge puzzle of the federal government intended to centralize Canada and make it a unitarian state.

That is my question for him.

**Mr. Paul Crête:** Madam Speaker, I thank the member for Joliette for his question and, particularly, for remembering the full name of my riding, like you, Madam Speaker; what a performance.

More seriously, indeed, with regard to the issue of the Canada-wide securities commission and the fact that the federal government is saying that membership would be voluntary, this is strangely reminiscent of how the federal government has operated in recent years, rolling over everything in its way. It is the same thing with the social union.

But things have been different here in the last 10 years or so. Before, when there was a debate in the House of Commons, people would limit their comments to the potential benefits of adopting this kind of behaviour, and not get into whether it was really our responsibility. Since the Bloc Québécois has been here, we have been asking questions and discussing them publicly.

I believe that, on the issue of the securities commission, if the Bloc Québécois had not been here for several years to provide the momentum and follow Quebec's position in this sector, perhaps the securities commission would already exist today.

But we must keep in mind that the federal government is constantly launching the attack, constantly introducing new

initiatives. This is why we are waiting to make a final decision on this bill.

In the absence of a clear signal on the part of the federal government that the other improvements in the bill are accompanied by a respect for Quebec's jurisdiction, the Bloc Québécois will not vote in favour of the bill, clearly showing its opposition to such an encroachment on Quebec's jurisdiction.

That being said, we have contributed to other improvements because we thought it was the right thing to do. We do not believe in legislation based on a worst case scenario; we believe it is important to have the best legislation possible providing the best economic framework possible. Our interesting suggestions were taken into account and we are very happy about that.

One of the reasons we will delay our final assessment is the current behaviour of the federal government in several files. A case in point, which I will not belabour, is the issue of the transfer of the gasoline tax to the municipalities. That is another example of a pan-Canadian vision of things shared for the most part by the prime minister in waiting, the member for LaSalle—Émard. His goal is very clearly to keep on denying the reality of what Quebec is.

I would rather we recognize that the various securities commissions across Canada already have a mandate, that they have a jurisdiction and that they are able to get along. If they need a federal interlocutor at the table as a witness to listen and give additional information on the legislation, or if we want to amend the Criminal Code, should we not consider the advice of each provincial securities commission and include it in the bill?

Indeed I hope they will come before the committee and say that, given their point of view and the responsibility they have under the Constitution, they will help produce legislation, under the Criminal Code—a federal jurisdiction—which will respect the jurisdiction of the provinces over securities commissions.

As a consequence, the Bloc Québécois' contribution has been to put forward the best possible amendments to the bill. Let us hope that the federal government will listen to our demand, which would allow us to vote for the bill at third reading, provided the jurisdiction of Quebec and the provinces is respected.

● (1600)

[English]

**Mr. Greg Thompson (New Brunswick Southwest, PC):** Madam Speaker, I was reading the latest edition of *Business Week* on this very topic and I wanted to bring some timely information to the House.

*Government Orders*

I have a question for the member. I am fascinated by the federal and provincial jurisdiction in this area. My understanding is that Bill C-46 would give added strength to the federal government but recognizing that jurisdiction is provincial, not taking away from the province. I know that is a sensitive issue in the province of Quebec. However my understanding is that it would strengthen the federal role but would not diminish the provincial role. Is that his understanding of Bill C-46?

[Translation]

**Mr. Paul Crête:** Madam Speaker, we are indeed casting a critical eye on this bill. We must ensure that, within the federal jurisdiction, we have the best legislation possible and that the Criminal Code is strengthened. Potential defrauders must know that if they engage in illegal activities, they will have to pay the price. That is the federal government's responsibility.

We must ensure that we have the best legislation possible in that area but, at the same time, we must ensure that the provincial jurisdiction with regard to securities is respected. Indeed, we have seen over the last few years that there is no consensus in Canada on the issue of transferring this responsibility to the federal government.

Earlier, my colleague from Joliette talked about a committee that will have to make recommendations on this subject. We must simply ensure that, through Bill C-46, we are not doing now what the member for LaSalle—Émard wants to do when he becomes prime minister, which is encroaching on provincial jurisdictions.

We hope that the final version of Bill C-46 will respect Quebec's jurisdiction while including in the Criminal Code the tools needed to reassure investors, particularly small investors, as to the safety of the system governing the whole issue of security trading.

• (1605)

[English]

**Mr. Greg Thompson (New Brunswick Southwest, PC):** Mr. Speaker, I want to put a few points on the record in regard to Bill C-46, an act to amend the Criminal Code in relation to capital markets fraud, and to enable the authorities to investigate, prosecute and imprison for wrongdoing.

A short time ago I was talking about an article I happened to be reading in the latest edition of *Business Week*. The bill is in response to what has happened in the United States and, to a lesser degree, obviously, to what has happened in Canada.

The United States congress, which is the equivalent of our Parliament, recently passed a bill called the Sarbanes-Oxley act of 2002 that will tighten up the criminal code in relation to some of the wrongdoings in the business world, and in the investment world in particular.

One of the famous cases, which I am sure everyone has heard about, was Kozlowski of Tyco International, an individual who was reported to have stolen \$170 million from the company he represented as chief executive officer. In addition to that, there were unauthorized loans and bonuses to fraud investors of that company of another \$430 million. The trial is underway in Manhattan as we speak.

That is not the only case. There have been many. We have all heard of the Enron scandal where individuals cooked the books and used accounting deceptions and procedures to make it appear as though the company was making money instead of losing money. As a result of that, companies like Enron and WorldCom have gone broke and the employees and shareholders have been left penniless, with the exception of the chief executive officers of those companies. Some of those trials are still ongoing and we have yet to know what the outcome of those will be.

The most famous example of alleged wrongdoing in the marketplace is Martha Stewart. The article I was reading from the latest edition of *Business Week* talks about some of the improprieties that might have been conducted by Martha Stewart and her company in terms of insider trading.

I only have to remind the House of when the bubble burst for Dotcom and how some of the investment companies themselves worked the system to drive up the initial price offerings of companies, only to cash in the initial offerings that they received at brokerage houses. It was discovered there were no earnings behind those inflated prices, no history of earning money and no potential to earn money. As a result of that a lot of people suffered needlessly. Innocent investors suffered. You and I know some of those people, Madam Speaker. They are our friends and neighbours who were, the term which is often used is not very sophisticated, sucked into that type of investment thinking they were good investments but which were not good investments.

The bill before us now would attempt to crack down on some of that illegal activity. It would increase the maximum sentences for existing fraud offences, establish a list of aggravating factors to aid the courts in sentencing, allow the courts to issue production orders to obtain data and documents from persons not under investigation and establish concurrent federal jurisdiction to prosecute certain capital market fraud cases. That is where the act would have to work in conjunction with the provinces, which would have the lead in any of those prosecutions because of the jurisdiction the provinces enjoy in these areas.

• (1610)

One point I briefly touched on was insider trader. This is where people within the industry provide information to allow their friends to buy shares at a particular price, knowing full well the price will be driven up by a certain announcement, an approval or whatever.

Bill C-46 creates a new criminal offence of insider trading. It is already illegal. It would create a new criminal offence with harsher penalties. This is a topic that members have heard me speak to time and time again in the House.

In fact I have a bill before the House now, Bill C-241, entitled the whistleblower's bill. It would provide whistleblowers within the public service a level of protection. When they see something wrong within government, public servants can in fact blow the whistle. In other words, they can report that wrongdoing knowing full well that their jobs will be protected. They will not be run out of the government or dismissed from the government or treated unfairly in any way for uncovering wrongdoing.

*Government Orders*

One thing Bill C-46 would do is provide whistleblowing protection to employees who expose wrongdoing under federal or provincial law. A new criminal offence of employment related threats or retaliation would carry a maximum term of five years. In other words, people within the corporate structure could in fact be prosecuted under criminal law for subjecting their employees to that type of harassment or punishment simply because they were reporting wrongdoing. I think that would allow many more people to come forward when they see that happening within capital markets or within investment houses.

One of the best examples of that I believe was with one of the top executives of Merrill Lynch. Knowing full well what was going on within Enron, he was very reluctant to classify Enron as a good buy in the investment market. He was punished by his own company. He was ostracized and humiliated. Eventually he had to leave the corporation simply because he was telling the truth. This type of legislation would protect individuals like him.

The current maximum sentence for fraud and fraud affecting the public market would rise from 10 years to 14 years. The sentences would be stiffened up. The maximum term for fraudulent manipulation of stock exchange transactions would rise to ten years from five years.

The other component of Bill C-46, which I never thought of myself until going through this legislation and understanding some of the work the committee did and how it actually arrived at this specific component, is it adds a list of specific aggravating factors that would result in harsher penalties, such as the extent of economic damage caused or the impact on market stability.

Again, if we look at Enron, it is the biggest corporate collapse in the history of the United States. The penalty for that would be much more severe because a lot of hardship was imposed on an awful lot of people, not only its employees but individual investors who had put their entire life savings into some of Enron's stock. They wreaked havoc on the lives of a lot of people, including some of their employees. Those types of aggravating factors would be considered when sentencing was handed out.

●(1615)

A person's reputation and status in the community or workplace can no longer be considered as a mitigating factor in lower penalties in cases where those who commit capital markets fraud rely on those very factors to carry out their crimes. Let us take the example of Martha Stewart. I hate to pick on her. I am not sure that is fair.

However, we could argue that Ms. Stewart has done some good in the community, even though we do not see all of it. No one would argue that in terms of donations or sponsoring specific groups. What now will happen is her profile in the community will no longer be considered a factor in terms of the sentencing. In other words, all the good we do will not be part of the sentencing. We will be treated as harshly as the next person, despite some of the public good we may have done.

If we look at the Enron case, that was the defence some of the executives used; look at the public good and how well they had behaved themselves in the community in terms of charitable donations, et cetera. This would discourage that. In other words, it

really boils down to the fact that they can not hide under that cover. They would be sentenced on the severity of the offence they perpetrated and could not hide under the cover of a public name or having done public good in the past.

We support the bill and hope that it can be strengthened as we go along. Normally this would be left up to our justice critic to debate this but our justice critic now just happens to be our party leader. I am not sure where it is in terms of parliamentary committee.

I do know the Senate banking committee spent about a year looking at the bill. During its study, it examined other jurisdictions like the United States. The U.S. Congress passed a bill, which mentioned earlier, about a year ago now. Some of the things that were recommended are not in this bill, and I just want to put those on the record.

There are obviously a lot of good things in the bill, but some things have been left out and here are just a few of them.

Code of ethics—

**Hon. Don Boudria:** Madam Speaker, I rise on a point of order. I apologize to the hon. member. For greater clarity, although it has been discussed by House leaders and perhaps alluded to, I want to confirm to the House that the reference for Bill C-38, presently scheduled to be debated tomorrow, is reference to committee before second reading.

●(1620)

**Mr. Greg Thompson:** Madam Speaker, I am as puzzled as I think you are by that intervention. I do not think I am alone in that. However we respect the House leader for standing up and doing his best to provide clarity, if nothing else.

I was talking about some of the things that were left out of the bill such as: board and audit committee members being independent; limiting non-audit services that auditors could provide to their clients; and requiring an organization's chief executive officer and chief financial officer to certify that the annual financial statements fairly represent the organization. In other words, to ensure that the information that executives are presenting is true, fair and accurate. Another recommendation was to prohibit compensation committee members from being a member of management and require them to have expertise in compensation and human resources. This is the human side of it and I think it would go a long way.

This is not just about investors or capital markets. It is about the kinds of wealth that capital markets can create provided that we have confidence in those capital markets. That confidence has been tarnished in recent years for the reasons we have outlined, and which most members have.

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To get back to a level of respectability, when we and our neighbours invest, we need to be confident that the accounting information and the recommendations we receive from stock brokers and others is accurate and not tainted. If the information is tainted and not represented properly by those representing the company, we need to know there will be consequences for those people such as stiffer sentencing and prison time, as some Enron and Tyco executives will serve if proven guilty.

I think we all support this type of legislation. It is a little slower coming to the House than it was in the United States of America, but I think we have had a chance to identify some of the weaknesses in its legislation. I know our party is prepared to support the government on this initiative.

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP):** Madam Speaker, with the trade deals that we enter into with the United States and Mexico in terms of NAFTA, can the member see any problems with this type of legislation in the event of the NAFTA rules or any kind of trade rules which may affect or protect foreign companies from this type of legislation?

**Mr. Greg Thompson:** Madam Speaker, I guess it is all a question of sovereignty. Criminal activity is criminal activity and they really cannot be protected by trade agreements.

I understand the angle the member for the NDP is taking. We have heard that argument before. I think that has been addressed by the trade minister and by the government, maybe not completely to his satisfaction. However I know, when we talk of wrongdoing and criminal offences, no trade deal in the world can protect individuals from that type of wrongdoing.

It is not so much the interpretation of a particular trade rule or an agreement. It is very much about criminal activity. When that can be identified, they are prosecuted and they would not be immune regardless of what trade deal it might be and regardless of what jurisdiction in which type of activity would take place.

I am pretty confident there is really no argument in terms of protection of these wrongdoers.

**The Acting Speaker (Ms. Bakopanos):** Before I proceed with more questions and comments, 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 Renfrew—Nipissing—Pembroke, National Defence.

• (1625)

**Mr. Roy Cullen (Etobicoke North, Lib.):** Madam Speaker, I am pleased to participate in this debate on Bill C-46, an act to amend the Criminal Code (capital markets fraud and evidence gathering). This is a very important piece of the puzzle that is needed in Canada to reassert and re-establish confidence in capital markets.

The stories we hear about Enron and WorldCom in the United States create some questions in our minds as to what this means for Canada. We have heard of the Sarbanes-Oxley legislation in the United States and many wonder why we are not implementing similar legislation. A number of us on this side of the House decided to pursue this question.

The capital markets provide the lubrication for the efficient operation of Canada's economy. If the markets are threatened, the

economic growth in Canada is impeded. Fewer jobs are created and the economic well-being of Canadians is attacked.

When we look at what has gone on in the United States with Enron and WorldCom and the response in terms of the congressional and legislative approach in Sarbanes-Oxley, we need to understand that Canada has a different set of capital markets. Canada has a different mosaic in terms of the jurisdictions that are involved in the capital markets. We need to design our own solutions here in Canada.

Bill C-46 is a very good start. It deals mostly with the enforcement and compliance components of dealing with capital markets fraud. Bill C-46 introduces new measures to strengthen enforcement against serious capital market fraud offences, measures previously outlined in budget 2003. This legislation tackles capital market fraud by creating a new Criminal Code offence of improper insider trading. It also protects employees who report unlawful conduct within their corporation from retaliation by creating a new employment related intimidation offence.

Bill C-46 also raises the maximum sentences for existing fraud offences and establishes aggravating factors to assist the courts in determining a sentence that would reflect the seriousness of the crime. It also enhances the evidence gathering tools available to investigators by amending the Criminal Code.

These are very important measures supported by the six integrated market enforcement teams that will be established across Canada over the next two years. These teams will be comprised of RCMP investigators, forensic accountants, lawyers and other investigative experts. These teams will be responsible for tracking down corporate criminals and deterring future occurrences of these crimes. This is a very important enforcement and compliance measure which I certainly support.

Canada is exposed to economic crime along the lines of Enron and WorldCom. In fact, many would argue that we have had some occurrences of that already. Many members in the House and many individuals across Canada are familiar with Bre-X Minerals. YBM Magnex, Philip Services, Livent Inc., Laidlaw, Cinar and Castor Holdings were fairly sizeable market frauds perpetuated here in Canada. We need to deal with this in Canada as well.

When we look at the approach to dealing with this type of economic fraud in Canada, we find that there is quite a quilt of different players and different jurisdictions. For example, the Canadian Public Accountability Board has been set up to monitor the independence and the role of auditors when they examine financial statements.

*Government Orders*

•(1630)

This body, which is actually chaired by the former governor of the Bank of Canada, will establish the rules by which audit firms can engage in non-audit work, such as tax work or management consulting, for audit clients of listed companies. It will set these guidelines in the sense of when auditing firms will be seen to have crossed the line of conflict of interest. It will also ensure that the firms that are auditing public companies have established mechanisms for quality control, for professional development. It will have the authority to delist auditors who fail to comply with the rules that have been established by this particular entity.

Our group that looked at this believes that this needs to be given a chance to work. We have confidence that it will work and it will deal with the question of auditor independence and auditor quality control.

When we look at the Sarbanes-Oxley legislation that was passed in the United States, there are many important best practices that are established in Sarbanes-Oxley dealing with the separation of the chairman and CEO roles, the question of the independence of directors and a host of other issues. What we need to do here in Canada is make sure that we pick those best practices that were established and where there is general consensus within the financial and investor community, these best practices should be adopted, whether they are in Canada, the United States or anywhere.

There is an important tool in Canada to show leadership in this particular area, and that is the Canada Business Corporations Act. The Canada Business Corporations Act affects many companies in Canada. In terms of the breadth of coverage of the Canada Business Corporations Act, it is something like 17% of all companies in Canada. It is quite a sizeable grouping of companies that are incorporated under this federal statute.

It is through this act that the federal government can exert some leadership by building into the Canada Business Corporations Act some of the best practices that most observers would conclude are the best practices in terms of corporate governance and a host of other items. One of those is the splitting of the chairman and CEO roles. It is probably more advantageous to separate those roles so that the chairman operates more independently and can act on a more objective basis on behalf of all the shareholders.

We have the question of the independence of the boards of directors. Too often we find that the board of directors is selected indirectly by the executive management group of corporations. They ultimately can become beholden to the management of the company. It seems to me that we need to have independent directors on the boards of public companies and we need quite a large number of them.

Let us look at the audit committees. Probably most public companies today have audit committees. It is quite important that these audit committees have directors that are well versed in financial reporting and financial affairs so that they can diligently do their work, listen to the reports of the external auditors and the internal auditors and take the steps that are necessary to protect the interests of the shareholders and other stakeholders.

In Canada, as I said earlier, there are a number of jurisdictions involved in dealing with corporate governance. For example, the federal government is responsible for the regulation of trade and commerce. It is responsible for banking and the incorporation of banks. It is responsible for patents and copyright. It is responsible for peace, order and good government and other matters not exclusively assigned to the provinces.

•(1635)

By the same measure, provinces are responsible for the incorporation of companies with provincial objects. They are responsible for property and civil rights in the province. They are responsible for the management of lands and resources and generally all matters of a merely local or private nature in the province.

As I said earlier when I gave the percentage of 17%, that is the percentage of listed companies that are federally incorporated. In fact the Canada Business Corporations Act applies to roughly 40% of all corporations, listed or not, in Canada.

One of the aspects that our little group on this side of the House looked at was whether we need to differentiate the rules on corporate governance as they relate to large corporations and small corporations. We felt that we should. How to define large corporations versus small corporations is something that needs to be looked at in more detail. Our group felt that large corporations have the breadth of resources, the scope of management and the scope of operation that they could be expected to have corporate governance at a higher level than some small companies that are restrained simply by the economies of scale, the very size and scope of their operations.

In Canada we need to ensure that we have capital markets that are operating efficiently and effectively. We also have players that monitor and regulate the securities industry. There are securities commissions in every province across Canada.

One initiative that our government has been pursuing for some time is to have a national securities commission or regulator that would bring all the provincial securities commissions under one roof. This would be the most cost effective and the most efficient way of doing it. If a company wants to list in Canada, right now it has to go to all the various provincial securities regulators. A national securities agency would be very efficient and effective.

Unfortunately the politics, as they sometimes do, get caught in the middle of this. Certain provinces want to see that happen and others do not. However, in terms of corporate governance and in terms of the efficiency and effectiveness of capital markets, having a national securities regulator would certainly go a long way to improving our corporate governance in Canada and would restore more confidence in the capital markets.

*Business of the House*

One of the securities commissions that plays a very lead role across Canada is the Ontario Securities Commission, simply because of its size, the number of listings, the number of companies in Ontario, the Toronto Stock Exchange being in Toronto, and much of the activity that takes place in Ontario and the large concentration of industrial activity. The Ontario Securities Commission falls under the Ontario Securities Act. This regulatory body is responsible for overseeing the securities industry in Ontario. It plays quite an important role in monitoring the compliance in corporate governance and financial reporting.

One thing we learned from the financial debacles in the United States and Canada, whether it was Enron, WorldCom, Livent here in Canada, or Bre-X, is the importance of financial reports that are accurate and reflect economic reality. The public companies especially have to come up with quarterly reports. There is huge pressure on management to show continued growth and earnings per share. Sometimes they are caught in a situation where they perhaps have to compromise their principles and distort the economic realities so that their shares can keep moving forward, especially if they have executive compensation schemes and stock options.

● (1640)

Stock options for executives is something that is here to stay. Our group on this side looked at the need for those stock option schemes and the way that executives and the management team are compensated to be clearly transparent. If the president has a number of stock options, it should not be hidden away in note 25 of the annual report. It should be highlighted, perhaps in the chairman's report or the president's report. It should be fully disclosed so that all shareholders are aware of the extent to which the management team participates in the profitability of the firm.

The group that we assembled would like to see some of the best practices of corporate governance incorporated into the Canada Business Corporations Act. There should be sanctions for failure to disclose financial information in a responsible and accurate way, especially for the CEO and the chief financial officer. If it is shown that the CEO and the chief financial officer misrepresented the financial statements of the company, there should be severe sanctions for that because there are many Canadians—directly or indirectly, through the stock market, pension plans or mutual funds—who are relying on the integrity of the financial reports.

Right now, under the Canada Business Corporations Act, the sanctions for misreporting financial information is minimal. We would like to see that beefed up along the lines of the measures that were introduced by the Ontario Securities Commission and along the lines of the legislation before us here today in terms of the Criminal Code.

In Ontario the penalties in the budget measures act of 2002 increased the fines and maximum prison terms for general offences, such as misrepresenting corporate financials from \$1 million to \$5 million and prison sentences from two years to five years less a day. The American equivalent, increased by the Sarbanes-Oxley act of 2002, is a fine of up to \$5 million and/or up to a maximum prison sentence of 20 years.

As I said earlier, we believe that the Canada Business Corporations Act could be amended to increase both the fines and

prison terms so that they are more in line with those of the Ontario Securities Commission. That would mean a fine of up to \$5 million and/or a prison sentence of up to five years less a day.

Bill C-46 is an important bill and I want to talk about why we should support it in the House. It is part of a thrust of initiatives that must be looked at in a coherent way in Canada. We cannot just say Sarbanes-Oxley. It would not apply in Canada. If we were to legislate Sarbanes-Oxley here in the House of Commons, it would be thrown out because we do not have that kind of constitutional power.

However, by the same token, the Canadian Public Accountability Board must do its job in ensuring that auditing quality controls are good and that there are no conflicts. The Ontario Security Commission must pushing for strong rules in terms of good corporate governance, independent directors, separation of duties between the chairman and the CEO. There must be a requirement for good, honest financial reporting and severe sanctions. The Canada Business Corporations Act must incorporate the very best practices and ensure that if CEOs and chief financial officers do not play by the rules they will either go to jail or will pay heavy fines. Then Canadians would be protected, the capital markets would be efficient and effective, and people would have confidence in the capital markets in Canada.

In conclusion, this is a bill worthy of the support of the House. We should be pushing and promoting these other measures, especially the Canada Business Corporations Act amendments. I am confident that our government will bring forward those solutions in the not too distant future.

\* \* \*

● (1645)

## BUSINESS OF THE HOUSE

**Mr. Paul Harold Macklin (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, Lib.):** Madam Speaker, discussions have taken place between all parties, as well as the member for Churchill, concerning the taking of the division on Motion No. 197 scheduled at the conclusion of private members' business later this day. I believe you would find consent for the following motion. I move:

That at the conclusion of today's debate on Motion No. 197, all questions necessary to dispose of the motion be deemed put, a recorded division deemed requested and deferred to Tuesday, October 21, 2003, at the end of Government Orders.

**The Acting Speaker (Ms. Bakopanos):** The House has heard the terms of the motion. Is it agreed?

**Some hon. members:** Agreed.

(Motion agreed to)

\* \* \*

### CRIMINAL CODE

The House resumed consideration of Bill C-46, an act to amend the Criminal Code (capital markets fraud and evidence-gathering), be read the second time and referred to a committee.

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP):** Madam Speaker, the hon. member who spoke previously talked about his judgment. In many cases I respect his judgment. I have a couple of questions for him on this particular legislation.

He did not quite clearly say what would be the governing body that would oversee these companies, corporations and businesses alike who commit these types of acts. Would it be a branch of the RCMP or would it be a separate organization on its own that would have complete authority to go in to do audits, checks and bring charges forward?

There is the other concern about whistle-blower protection for employees. As we know, there have been a few major cases in the United States, a tobacco company and Enron, for instance. How does he foresee the bill protecting employees who use their initiative to blow the whistle on these particular types of corporations?

His government entered into NAFTA talks with the United States, Canada and Mexico. Does he foresee any problems with those trade deals when it comes to enacting this type of legislation on a domestic basis?

**Mr. Roy Cullen:** Madam Speaker, with respect to the first question as to which body would be responsible for enforcement, we need to differentiate between civil and criminal enforcement, and compliance and sanctions.

Bill C-46 deals with criminal behaviour in terms of fraudulent activity, misrepresenting financial information, insider trading and protecting whistle-blowers. That is precisely one of the aspects with which the bill deals. It deals with criminal sanctions and calls for prison terms and fines.

Market enforcement teams would be established across Canada, as I said earlier, over the next of years. They would be composed of RCMP investigators, forensic accountants, lawyers and other investigative experts. The teams would be responsible for tracking down corporate criminals and deterring future occurrences of these crimes.

On the civil side, we have the Ontario Securities Commission that has sanctions of prison terms and fines for CEOs and chief financial officers who misrepresent economic realities in the financial statements. We have the Canada Business Corporations Act which could also have some civil penalties.

The point we have also made is that if we were to increase the sanctions under the Canada Business Corporations Act, the member is absolutely right to note that we would have to have the teeth and resources to monitor compliance and then we would have to have the resources to prosecute where companies were not following through on their responsibilities under the Canada Business Corporations

### Government Orders

Act, or indeed under the rules of the Ontario Securities Commission. But the Ontario Securities Commission would be something with which they would deal.

As Canadians, we should be monitoring how effective and productive these different players are in dealing with these issues because we will gain some experience and knowledge of how it is all working as we move forward.

**Mr. Peter Stoffer:** Madam Speaker, does the member foresee any kind of problems in the future regarding the trade deals we have signed in terms of many companies and corporations being of an international or multinational type basis? Does he see any problems in initiating this type of domestic law when it comes to these trade deals?

• (1650)

**Mr. Roy Cullen:** Madam Speaker, I guess in a word, no.

However, to add to that, the intent in the world community of financial players is to have some element of harmonization around these rules. For example, in Canada we have companies that are cross-listed on the TSX and also the New York Stock Exchange, and they could be on other exchanges as well.

I know there is a lot of discussion going on now on how this can be harmonized to the extent possible. If anything, there will be a push toward harmonization. A company reporting in Canada and listed on the TSX and the New York Stock Exchange will have the same requirements so that it does not have to go through the motions once or twice.

The member is aware that under the WTO there is a move afoot on financial services to free up the trade in financial services. Our government is very much involved with that WTO initiative. I think it is ongoing and it will be a positive step when it comes to fruition. I do not see any conflicts in terms of trade rules.

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP):** Madam Speaker, it gives me great pleasure to speak on behalf of my party and the hon. member for Regina—Qu'Appelle to Bill C-46.

Bill C-46 is the sister bill to Bill C-45, the Westray bill. I want to say at the outset that my party supports the bill in principle, although we would have liked a few amendments and further discussion in committee.

I consider the bill to be important legislation and something that is long overdue. Our research department has indicated to me that David Lewis, Ed Broadbent, Tommy Douglas and others of our party asked for corporate accountability for a long time. Now we are starting to slowly see a bit of that. We have to give credit where it is due, which is to the media for the way it covered the Enron story and the Bre-X story.

*Government Orders*

Canadians are saying that enough is enough. Canadians are concerned about where their investment dollars go. Workers and their families are concerned about where their pension dollar goes. Nothing can make people more sick to their stomach in terms of our own money than when we see the head of Enron living in a lavish mansion in Florida, with I do not know how many rooms, while the workers at Enron have lost all their pensionable savings. How that can happen in a free and open democratic society like the United States is beyond me.

The question is, can it happen here? Without legislation it probably could.

We are hoping this particular bill has teeth. In order to have teeth, as my hon. colleague said earlier, we must ensure that the authorities who oversee and regulate this type of legislation, whether it be a commission, the RCMP, domestic police services or whoever, have the final authority to investigate, bring charges and make them stick. They will also need the resources because we know these corporations have deep pockets. They could tie up cases of this type in the courts for a long time. It is just the way the legal system is sometimes.

We must ensure that the people who will be prosecuting these companies or corporations in the future have the resources and the technical ability to carry it through. Otherwise, this will fall like a deck of cards.

Another concern is the protection of employees. Although the bill does discuss whistleblower protection, we do not think it goes far enough. Clause 6 of Bill C-46 makes threats and retaliation against employees an offence punishable either as an indictable offence, which carries the maximum sentence of five years, or as a summary offence.

It is quite curious that the government is introducing a law that exposes an employer who makes threats to a punishment that is less than that of extortion. This is especially worrisome when the purpose of clause 6 is to deter employers from committing economic extortion. What we mean by that is that the threat will always be there for employees. What will happen to an employee who decides that someone in the legal or political world needs to know that what is happening in the company is simply not right? Many people will hold back because they do not want to lose their jobs.

As well, if people are in a particular trade or in the financial services world and they become blacklisted, who will hire them? No one should be punished for telling the truth but a lot of people in the corporate world have that fear hanging over them. We also have it in the public service world.

I will just go off track for a moment. It is interesting that the commissioner of the Coast Guard, Mr. Adams, would write a letter to all his employees and say that if any of them have contact with a member of Parliament the Coast Guard wants to know the details of any conversations.

• (1655)

Why would the commissioner of the Coast Guard want to know about my conversation with an employee of the Coast Guard? It is none of the commissioner's business. In a free and open, democratic

society, people, in my opinion, have the right to speak to their member of Parliament on any subject.

To turn back to the corporate world, we want to ensure that when people within the corporate world see, hear or feel that something is drastically wrong they will be allowed to speak openly. If they are wrong, the court of public opinion will weigh heavily upon them, but if they are right, they will be doing our country a great service.

As I said before, many of these corporations hire lot of people in this country, and thankfully they do, which is part of the good thing about businesses in this country working hand in hand with government to create a mixed economy, something I have always supported. However the reality is that we must protect people's pensions. We must ensure they have proper working environments and reliable salaries and wages to base their living on.

I come from the airline world. When Canadian Airlines merged with Air Canada I could not help but notice that Air Canada wanted to delay or hold back some of its employees' pension liability funds. We simply will never accept that. The 11th commandment in the world is "Thou shalt not fool around with thy pension". A pension is what a lot of people work for, be they in the auto industry, the forestry industry, the airline industry or even members of Parliament for that matter.

The fact is that when we leave our places of employment after many years of service we rely on that pension plan to ease ourselves into retirement. For anybody, be it government or business, to attempt to fool around with that pension plan is despicable and criminal.

I am hoping the bill will deal with issues of that nature down the road. I think the essence of the bill is accountability, transparency, openness and fairness. It would ensure that when corporations show us their books and tell us that they were audited fairly by an independent agency that they will not be buffaloing, masking the figures or whatever, that those are the facts.

Who will ever forget Bre-X? I remember people telling me many years ago that I had to get into this Bre-X because it was so hot. They told me that I would be able to retire early if I invested in Bre-X. It was around \$95 a share at that time. I possibly should have invested and left when it reached about \$130 or \$140 but I do not think I would have. I probably would have been like most investors, been a little greedy, held on and then lost everything. Why? Because Bre-X and the people behind it lied to the investors and to the Canadian people. It was out and out fraud.

How many people lost their shirts on that? How many investors were shaken in the stock market because the stock market commissions were not able to or could not, for whatever reason, find out until it was too late? This bill should send a clear warning to companies telling them that if they are thinking about attempting to defraud investors, to screw their employees and everything else, we will keep a very close eye on them. Again, we can only keep that close eye on them if we have the resources and the manpower to get that job done.

*Government Orders*

It may be my perception but, like anywhere else in a capitalist society, people can make large amounts of money if they are smart, know the right people and have a lot of luck at the same time. The thing is that a lot of those companies in the United States, and the list goes on and on, are corrupt. They use smoke and mirrors. They have influence and conduct insider trading. It goes on and on, and a lot of them get away with it.

However it appears that the United States is not afraid to go after the big guys. We saw the impeachment of Richard Nixon. We saw them go after Bill Clinton. We saw them go after the seventh largest corporation in the United States, Enron. The Americans do not appear to be afraid of these individuals, the amount of money they have or their influence. If they have done something wrong or it is perceived that they have done something wrong in the United States the government will go after them.

● (1700)

The problem in the United States, as it is here, is that far too many companies get away with those kinds of things and that is completely unacceptable.

I will give a quick analysis that was done by our research department. The integrity of our public markets and strong investor confidence has been an important issue for security regulators for a long time because these principles are the necessary foundation for any successful market.

We in the NDP always question the market system of our economy. Many of us in the NDP like a mixed market economy, one with the private sector along with government. We think government could be an appropriate tool and an appropriate avenue to work with private business to develop the economy so that we can equally share our resources across the country. As our famous leader of the CCF, J. S. Woodsworth, once said "What we desire for ourselves, we wish for all".

If the market is perceived to be corrupt or influenced in any way, shape or form by some shady characters or some outside sources that makes investors very nervous and they will put their money somewhere else.

The main contribution that Bill C-46 makes to this effort is to act as a greater deterrent to would-be insider traders and provide courts with the authority to compel the production of documents to determine the nature and extent of insider trading.

Insider trading is a tempting way to take care of one's friends. If we had a lot of stock, let us say in Air Canada, which I believe is trading now at anywhere between \$1.10 and \$1.30, and we knew tomorrow that a big deal would be coming up for Air Canada that could raise the price of shares, would we not love to know that information beforehand so we could either buy more or sell out, depending on the circumstances? There are not too many Canadians who would not love to have that type of information but that information, called insider trading, is extremely dangerous to the confidence of all other investors.

What happens is that only a select few, those in the inner circle of whatever that kind of information will assist, will get it, while the vast majority of investors will be left out in the cold. That is simply

wrong. I am glad to see that the bill actually tries to do something about that.

The codification of aggravating sentencing factors and the elimination of mitigating factors, such as status and reputation, if those attributes were relevant to the commission of the offence, will develop a more consistent and certain punishment regime. That is something we support. If corporate criminals want to commit those kinds of act and break the trust of investors and ordinary Canadians, we believe they should be punished to the fullest extent of the law. We like the idea of punishment for fraud going from 10 years to 14 years, fraud affecting capital markets going from 10 years to 14 years and market manipulation going from 5 years to 10 years.

I want to make sure that it just does not say "Here is your 14 year sentence but, by the way, if you serve one-third of it, with good behaviour off you go". No. We have to make a strong deterrent and make sure that 14 years means 14 years.

I know of other concerns. Let us look at someone who commits a criminal act and gets eight years. I had an individual in my riding who had eight previous impaired charges and on the ninth one he actually killed someone, an 18 year old girl. He was sentenced to eight years but only served two of them. Many citizens in my riding, including myself, were extremely upset when that sentence was reduced.

It is just like Bill C-46 on corporate crime. When the head of a major company, which employees thousands of people, defrauds their pension plans, he or she only gets a few years while the employees lose all their savings and lose everything, which means that if they had no private savings of their own and have no other means of supporting themselves they will then turn to the government for assistance. The government should try to prevent that by making sure that if the bill says 14 years, then that is what the person gets, not 3 years and not if they are really good in jail they can go early. That is nonsense.

● (1705)

The NDP will ensure that further amendments come to this bill. We have always said that corporate accountability, business accountability, is extremely important. To the best of our ability we will make the government aware that any agencies or regulatory authorities must have the manpower and the resources to carry out identification and charging, to ensure that they have the wherewithal to carry through with those cases.

*Government Orders*

As I said earlier, companies can be charged but when the companies have all kinds of money to fight these cases, they can tie them up in the courts for a long, long time with appeal after appeal. Our judicial system must have the authority, the manpower and the staying power to ensure that cases result in convictions. In the end we must protect the investors, protect our workers and protect fellow businesses not only in this country but around the world. If we prove to investors around the world who are looking to invest in Canada that we have a fair, transparent and open system, that would go a long way in building our economy in the future.

There is still an unanswered question to which I have not received a satisfactory answer. It has to do with trade deals such as the WTO, NAFTA, or whatever they may be. Now that many of these companies are becoming very international in their nature, will this domestic law stand up to those trade deals in terms of people who own companies but do not actually reside in Canada? Will we be able to bring them to court satisfactorily with these trade deals hanging over us? Will those trade deals impede us from bringing this type of domestic legislation to the forefront? I do not know, but I would like those questions answered.

I am proud to say that our party will be supporting this bill in principle.

[*Translation*]

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, I thank the hon. member for his speech. First, he said that the New Democratic Party had a very broad vision of what the market rules are. In other words, they needed to be limited to ensure that small investors, especially workers who invest their money in pension funds, are not swindled by financial or other harmful practices with respect to securities in particular.

I want to know what he thinks about the suggestion from Mark Pieth, OECD's expert on money laundering, who, after the Enron and other scandals, advised governments to work on regulations concerning the use of tax havens by their national companies.

I would like to know if, in his opinion, beyond Bill C-46, we should not be working on limiting the use of tax havens by Canadian and other companies.

• (1710)

[*English*]

**Mr. Peter Stoffer:** Mr. Speaker, my hon. colleague from the Bloc Québécois has raised a very important point about the extension of this bill in the consideration of tax havens around the world. The Bloc actually had a motion on this aspect, and I believe it concerned either the Barbados or the Bahamas, which we fully supported. The government did not, but we fully supported that motion.

We know that companies have the ability to hide their money, to move it in all kinds of directions. That is something that as an international community we definitely have to work on.

The House passed a motion a few years ago regarding the Tobin tax, a small, very minute tax on financial speculation in order to use that money for the common good of the world.

There is one thing I will say to the Bloc member. One very successful pension plan is the one in Quebec. My father-in-law is

now retired and that pension plan like anything else is probably not doing as well as it could be, but it has done extremely well for the people of Quebec. The people of Quebec should be quite proud of that pension plan because it was a very good thing. Not only my father-in-law but many people I have spoken to in Quebec rely upon that very seriously for their income.

It is a very successful plan. If we had more plans like that throughout our country and around the world for families and employers and businesses, it would go a long way in alleviating financial concerns for people in their retirement.

**Mr. Paul Harold Macklin (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, I would like to make a few comments on my hon. friend's commentary. I want to congratulate him on supporting this bill in principle.

He made some comments that were directed toward the enforcement of this bill and ultimately how we make it function within our market process. He is likely aware of the integrated market enforcement teams that are being set up by the RCMP as a process of trying to put together a system that will adequately enforce these measures with skilled people who are up to date in the technology of the day and the ways in which one goes about this.

With respect to funding, under that initiative there would be \$8.1 million spent in this fiscal year, or at least designated for that purpose. In the subsequent year there would be \$13.2 million and \$17.5 million in each of the subsequent three years.

If the member has any concerns about the fact that we are prepared to put our money behind the enforcement process, I think we are definitely prepared to do so. Does the member think that this is the right approach?

**Mr. Peter Stoffer:** Mr. Speaker, I certainly do not question the intent of the hon. member's statement regarding the fact that money has been allocated to the integrated market enforcement team. He did not say whether it was new money or just readjusted money within the RCMP.

Anybody who has followed the RCMP over the last few years knows that they are starved for resources. We are short approximately 2,000 RCMP officers in the country today. They simply do not have the ability to do all the tasks that we ask them to do.

When we are setting up something new called an integrated market enforcement team, which includes RCMP investigators, federal lawyers, et cetera, I guess I can answer a question with a question, is it new money for this team or is it money that has been taken from somewhere else in the budget of the RCMP? What has been cut or what has been overlooked in order to do this?

If he would like to say it is brand new money, then I would say good for him. But if it is money that has been taken out of a department that is already starved for resources, for example we have heard that they are contemplating closing the forensic labs in Halifax, Regina and Edmonton, that is something we simply would not accept.

*Government Orders*

That is the kind of concern we have in terms of money going toward the agency. Is it new money out of the general overall budget or is it money that has been redirected within the existing RCMP budget?

• (1715)

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, if the member were to make one change to the bill that was substantive enough to get the support of the NDP, what change would that be?

**Mr. Peter Stoffer:** Mr. Speaker, there are all kinds of them but off the top, without having a chance to go through in my mind what it should be, I would say it would be to strengthen the whistleblower protection, make sure that it is stronger. There should be an ironclad guarantee, without consequences, that employees who blow the whistle, who state on the public record what has happened, are protected, that their families are protected, that their incomes are protected. Their salaries and their futures must be protected. The people who tried to use economic terrorism against those employees, or groups of employees, the people who actually commit that type of infraction, the employers, must be dealt with severely and harshly. I guess that is the one thing.

I should remind the hon. member that we support the bill in principle. We would like to see it go to committee so we can bring forward witnesses to see if we can make the bill even better than it is.

**Mr. Paul Szabo:** Mr. Speaker, I am glad that the member raised the whistleblower aspect because it was a key issue in the Radwanski case. That is how Parliament was able to address that situation.

I know that the member's colleague in the NDP has been a very strong advocate for whistleblower legislation. I have a concern about whether or not the pendulum would swing too far. I think the member would admit that if due care was not taken in terms of whistleblower legislation, frivolous allegations could be made which might become public and which might damage the reputation or the productivity of the person the allegation was posed against.

Is the member of the view that the whistleblower legislation has to be done carefully? Should there be a review of the allegation by an independent tribunal to ensure it was not a frivolous and vexatious allegation in terms of the impact on others?

**Mr. Peter Stoffer:** Mr. Speaker, I agree with the hon. member. Frivolous accusations can destroy people's careers. He is in the political world and knows very well what happens when people make frivolous accusations against politicians. Those allegations stick for a long time.

We have to ensure that employees have a venue in which to be heard. They must have an opportunity to go to an independent third party with what they perceive to be the facts. We have to ensure that they know their comments will be held in private and they will not be punished in any way for bringing those allegations or concerns forward. We have to let them know that their allegations and concerns will be seriously investigated to ensure there is validity behind them.

[Translation]

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, I would simply like to point out that, in the debate on Bill C-46, the Bloc Québécois had made a certain number of proposals, in fall 2002, following the

Enron and WorldCom scandals and also our own scandal with respect to doctoring the books at CINAR.

We had proposed tightening the Criminal Code. A number of the Bloc Québécois' proposals are now in Bill C-46. We are very happy to see that, but, at the same time, we wanted to ask much broader questions. As I mentioned earlier in my question to the member from the NDP, it would be desirable in the follow up to Bill C-46 for a hard look to be taken at these issues, especially by the Standing Committee on Finance. I had already proposed that, but unfortunately, it still does not seem to top the list of priorities.

We had also hoped that there would have been a very serious look at the use of tax havens by Canadian companies. We know that Barbados, for instance, a country with which the former finance minister signed a tax agreement, has become the third most popular destination for Canadian direct investments.

We cannot say that, on the one hand, Canada will be very strict when it comes to financial practices and then, at the same time, legalize or tolerate jurisdictions that close their eyes to a number of these practices.

Earlier I mentioned that the OECD lawyer, Mark Pieth, had suggested that the OECD member states should consider this. I think that this Parliament should seriously consider this over the next few months.

The other aspect we must consider is the issue of responsible investing and measures benefiting investors and companies with responsible attitudes, not only in terms of their management practices, but also how they invest their funds.

To this end, even if we agree in principle, Bill C-46 is at most a first step toward proper regulations on administrative practices.

Bill C-46 contains a sticking point preventing the Bloc from voting in its favour. The extent of prosecution by crown prosecutors needs clarification.

During discussions on the bill, we were told that there will be prosecution protocols. Clearly, we will never vote for a bill that could be a Trojan horse for an idea the federal government has long promoted, in Ottawa and Toronto, that being the implementation of a Canada-wide securities commission.

We believe that this area comes under provincial jurisdiction, particularly in Quebec, and that our system is a good one. As proof, there have been no scandals, with the exception of CINAR, on the sort of scale seen in the United States, which does have a national securities commission.

We feel that our system has worked well. As a result, Bill C-46 must not be used to implement any secret agenda. Accordingly, we will withhold our judgment until third reading.

I wanted to speak because I thought it important to situate this debate on Bill C-46.

• (1720)

[English]

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

*Government Orders*

**Some hon. members:** Question.

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

**Some hon. members:** Agreed.

**An hon. member:** On division.

**The Acting Speaker (Mr. Bélair):** I declare the motion carried. (Motion agreed to, bill read the second time and referred to a committee)

## SUSPENSION OF SITTING

**Hon. Don Boudria:** Mr. Speaker, I think you would find agreement to suspend for five minutes and then at 5:30 to proceed with the previously requested recorded division.

**The Acting Speaker (Mr. Bélair):** Is it agreed to suspend until 5:29 p.m.?

**Some hon. members:** Agreed.

(The sitting of the House was suspended at 5:24 p.m.)

## SITTING RESUMED

The House resumed at 5:29 p.m.

\* \* \*

● (1730)

[Translation]

**THE INCOME TAX ACT**

The House resumed consideration of the motion that Bill C-48, An Act to amend the Income Tax Act (natural resources) be concurred in at report stage.

**The Acting Speaker (Mr. Bélair):** It being 5:29 p.m., the House will now proceed to the deferred recorded division on the motion at report stage of Bill C-48.

Call in the members.

● (1800)

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

*(Division No. 242)***YEAS**

## Members

Abbott	Ablonczy
Adams	Allard
Anderson (Cypress Hills—Grasslands)	Assadourian
Bagnell	Bailey
Bakopanos	Barnes (London West)
Barrette	Bélangier
Bellemare	Bennett
Benoit	Bertrand
Binet	Bonin
Bonwick	Borotsik
Boudria	Breitkreuz
Brown	Burton
Byrne	Calder
Carignan	Carroll
Casey	Casson
Castonguay	Catterall
Cauchon	Clark
Coderre	Collenette
Comuzzi	Cummins

Cuzner
DeVillers
Dion
Dromisky
Duplain
Eggleton
Epp
Fontana
Frulla
Galloway
Goldring
Graham
Grose
Harvey
Herron
Hinton
Ianno
Jobin
Jordan
Karygiannis
Kenney (Calgary Southeast)
Kilgour (Edmonton Southeast)
Laliberte
LeBlanc
Lunn (Saanich—Gulf Islands)
MacAulay
Mahoney
Maloney
Marcel
Marleau
McGuire
McLellan
McTeague
Mills (Red Deer)
Mitchell
Murphy
Nault
O'Brien (London—Fanshawe)
Obhrai
Pagtakhan
Patry
Peric
Pickard (Chatham—Kent Essex)
Pratt
Provenzano
Redman
Reynolds
Rock
Savoy
Schmidt
Shepherd
Skelton
Sorenson
St-Jacques
St. Denis
Stewart
Szabo
Thibeault (Saint-Lambert)
Toews
Torsney
Valeri
Volpe
Whelan
Wood

Day
Dhaliwal
Discepola
Duncan
Easter
Elley
Farrah
Forsyth
Gallant
Godfrey
Goodale
Grey
Harvard
Hearn
Hilstrom
Hubbard
Jennings
Johnston
Karetak-Lindell
Keddy (South Shore)
Keyes
Knutson
Lastewka
Lee
Lunney (Nanaimo—Alberni)
Macklin
Malhi
Manley
Mark
McCormick
McKay (Scarborough East)
McNally
Merrifield
Minna
Moore
Myers
Neville
O'Reilly
Pacetti
Paradis
Penson
Pettigrew
Pillitteri
Proulx
Rajotte
Reed (Halton)
Robillard
Saada
Schellenberger
Scott
Simard
Solberg
Spencer
St-Julien
Steckle
Strahl
Thibault (West Nova)
Thompson (New Brunswick Southwest)
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Ur
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**NAYS**

## Members

Bergeron
Blaikie
Comartin
Dalphond-Guiral
Desjarlais
Duceppe
Gagnon (Champlain)
Gaudet
Girard-Bujold
Guimond
Lebel
Lincoln
Masse
Ménard
Paquette

Perron  
Plamondon  
Rocheleau  
Sauvageau  
Stoffer

Picard (Drummond)  
Proctor  
Roy  
St-Hilaire  
Wasylcyia-Leis— 40

**PAIRED**

Members

Asselin  
Bulte  
Fournier  
Kraft Sloan  
Longfield  
Martin (LaSalle—Émard)  
Owen

Bourgeois  
Charbonneau  
Guay  
Lalonde  
Loubier  
McCallum  
Tremblay— 14

**The Acting Speaker (Mr. Bélair):** I declare the motion carried.

**PRIVATE MEMBERS' BUSINESS**

[English]

**ETHICS COUNSELLOR**

The House resumed from October 2 consideration of the motion.

**The Acting Speaker (Mr. Bélair):** Pursuant to order made on Thursday, October 2, 2003, the House will now proceed to the taking of the deferred recorded division on Motion No. P-15, under private members' business.

The question is on the motion.

• (1810)

[Translation]

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

(Division No. 243)

**YEAS**

Members

Abbott  
Anderson (Cypress Hills—Grasslands)  
Bailey  
Bergeron  
Blaikie  
Breitkreuz  
Casey  
Clark  
Crête  
Dalphond-Guiral  
Day  
Desrochers  
Duncan  
Epp  
Gagnon (Champlain)  
Gagnon (Québec)  
Gaudet  
Girard-Bujold  
Goldring  
Guimond  
Herron  
Johnston  
Kenney (Calgary Southeast)  
Lebel  
Lunn (Saanich—Gulf Islands)  
Marceau  
Masse  
McNally  
Merrifield  
Moore

Abłonczy  
Bachand (Saint-Jean)  
Benoit  
Bigras  
Borotsik  
Burton  
Casson  
Comartin  
Cummins  
Davies  
Desjarlais  
Duceppe  
Elley  
Forseth  
Gagnon (Lac-Saint-Jean—Saguenay)  
Gallant  
Gauthier  
Godin  
Grey  
Hearn  
Hinton  
Keddy (South Shore)  
Lancôt  
Lill  
Lunney (Nanaimo—Alberni)  
Mark  
McDonough  
Ménard  
Mills (Red Deer)  
Nystrom

Obhrai  
Perron  
Plamondon  
Rajotte  
Rocheleau  
Sauvageau  
Schmidt  
Solberg  
Spencer  
Stoffer  
Thompson (New Brunswick Southwest)  
Wasylcyia-Leis  
Yelich— 85

Adams  
Assadourian  
Bakopanos  
Barrette  
Bellemare  
Bertrand  
Bonin  
Boudria  
Byrne  
Calder  
Carroll  
Catterall  
Coderre  
Comuzzi  
Cuzner  
Dhaliwal  
Discepolo  
Duplain  
Eggleton  
Fontana  
Galloway  
Goodale  
Grose  
Harvey  
Hubbard  
Jennings  
Jordan  
Karygiannis  
Kilgour (Edmonton Southeast)  
Laliberte  
LeBlanc  
Lincoln  
Mahoney  
Maloney  
Marcil  
McCormick  
McKay (Scarborough East)  
McTeague  
Mitchell  
Myers  
Neville  
O'Reilly  
Pagtakhan  
Patry  
Pickard (Chatham—Kent Essex)  
Pratt  
Provenzano  
Reed (Halton)  
Rock  
Savoy  
Shepherd  
St-Jacques  
St. Denis  
Stewart  
Thibault (West Nova)  
Tonks  
Ur  
Vanclief  
Whelan  
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Asselin

*Private Members' Business*

Paquette  
Picard (Drummond)  
Proctor  
Reynolds  
Roy  
Schellenberger  
Skelton  
Sorenson  
St-Hilaire  
Strahl  
Toews  
Wayne

**NAYS**

Members

Allard  
Bagnell  
Barnes (London West)  
Bélangier  
Bennett  
Binet  
Bonwick  
Brown  
Caccia  
Carignan  
Castonguay  
Cauchon  
Collenette  
Cullen  
DeVillers  
Dion  
Dromisky  
Easter  
Farrah  
Frulla  
Godfrey  
Graham  
Harvard  
Hilstrom  
Ianno  
Jobin  
Karetak-Lindell  
Keys  
Knutson  
Lastewka  
Lee  
Macklin  
Malhi  
Manley  
Marleau  
McGuire  
McLellan  
Minna  
Murphy  
Nault  
O'Brien (London—Fanshawe)  
Pacetti  
Paradis  
Pettigrew  
Pillitteri  
Proulx  
Redman  
Robillard  
Saada  
Scott  
Simard  
St-Julien  
Steckle  
Szabo  
Thibeault (Saint-Lambert)  
Torsney  
Valeri  
Volpe  
Wilfert

**PAIRED**

Members

Bourgeois

*Private Members' Business*

Bulte	Charbonneau
Fournier	Guay
Kraft Sloan	Lalonde
Longfield	Loubier
Martin (LaSalle—Émard)	McCallum
Owen	Tremblay— 14

**The Acting Speaker (Mr. Bélair):** I declare the motion lost.

\* \* \*

**THE INCOME TAX ACT**

The House resumed from October 6 consideration of the motion that Bill C-325, An Act to amend the Income Tax Act (deduction for volunteer emergency service) be now read the second time and referred to a committee.

**The Acting Speaker (Mr. Bélair):** The House will now proceed to the deferred recorded division on the motion at second reading of Bill C-325, under private members' business.

● (1820)

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

*(Division No. 244)***YEAS**

## Members

Abbott	Ablonczy
Anderson (Cypress Hills—Grasslands)	Bachand (Saint-Jean)
Bagnell	Bailey
Benoit	Bergeron
Bigras	Blaikie
Borotsik	Breitkreuz
Burton	Casey
Casson	Clark
Comartin	Crête
Cummins	Dalphond-Guiral
Davies	Day
Desjarlais	Desrochers
Duceppe	Duncan
Elley	Epp
Forseth	Gagnon (Champlain)
Gagnon (Lac-Saint-Jean—Saguenay)	Gagnon (Québec)
Gallant	Galloway
Gaudet	Gauthier
Girard-Bujold	Godin
Goldring	Grey
Guimond	Hearn
Herron	Hilstrom
Hinton	Hubbard
Johnston	Keddy (South Shore)
Kenney (Calgary Southeast)	Lanctôt
Lebel	LeBlanc
Lill	Lunn (Saenich—Gulf Islands)
Lunney (Nanaimo—Alberni)	Marceau
Mark	Masse
McDonough	McNally
Ménard	Merrifield
Mills (Red Deer)	Moore
Nystrom	O'Brien (London—Fanshawe)
O'Reilly	Obhrai
Paquette	Perron
Picard (Drummond)	Plamondon
Proctor	Rajotte
Reynolds	Rocheleau
Roy	Sauvageau
Savoy	Schellenberger
Schmidt	Scott
Skelton	Solberg
Sorenson	Spencer
St-Hilaire	St-Jacques
Stoffer	Strahl
Thompson (New Brunswick Southwest)	Toews
Ur	Wasylycia-Leis

Wayne

Yelich— 96

**NAYS**

## Members

Adams	Allard
Assadourian	Bakopanos
Barnes (London West)	Barrette
Bélanger	Bellemare
Bertrand	Binet
Bonin	Boudria
Brown	Byrne
Caccia	Calder
Carignan	Carroll
Castonguay	Catterall
Cauchon	Coderre
Collenette	Comuzzi
Cullen	Cuzner
DeVillers	Dhaliwai
Dion	Dromisky
Duplain	Easter
Eggleton	Farrah
Fontana	Frulla
Godfrey	Goodale
Graham	Grose
Harvard	Harvey
Ianno	Jobin
Jordan	Karetak-Lindell
Karygiannis	Keyes
Kilgour (Edmonton Southeast)	Knutson
Lastewka	Lee
Lincoln	MacAulay
Macklin	Mahoney
Malhi	Maloney
Manley	Marcil
Marleau	McGuire
McKay (Scarborough East)	McLellan
Minna	Murphy
Myers	Nault
Neville	Pacetti
Pagtakhan	Patry
Pettigrew	Pickard (Chatham—Kent Essex)
Pillitteri	Pratt
Proulx	Provenzano
Redman	Reed (Halton)
Robillard	Rock
Saada	Shepherd
Simard	St. Denis
Steckle	Stewart
Szabo	Thibault (West Nova)
Thibeault (Saint-Lambert)	Tonks
Torsney	Valeri
Vanclief	Volpe
Whelan	Wilfert
Wood— 99	

**PAIRED**

## Members

Asselin	Bourgeois
Bulte	Charbonneau
Fournier	Guay
Kraft Sloan	Lalonde
Longfield	Loubier
Martin (LaSalle—Émard)	McCallum
Owen	Tremblay— 14

**The Acting Speaker (Mr. Bélair):** I declare the motion lost.

It being 6:24 p.m., the House will now proceed to the consideration of private members' business as listed on today's Order Paper.

\* \* \*

[English]

**CANADA PENSION PLAN**

The House resumed from March 21 consideration of the motion.

*Private Members' Business*

**Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, Canadian Alliance):** Mr. Speaker, it is my distinct pleasure to speak to Motion No. 197 regarding the treatment of worker's compensation payments and consideration given to including these payments in the definition of pensionable employment within the meaning of the Canada pension plan.

First, I would like to congratulate my parliamentary colleague from Churchill for bringing the motion forward.

The treatment of injured workers is an issue of great importance to my riding of Renfrew—Nipissing—Pembroke. So is the need to allow individuals the opportunity to accumulate the necessary savings to retire with dignity.

The troubling aspect that the motion, by virtue of it coming forward, alludes to is the manner in which the Liberal Party administers the Canada pension plan.

I believe I speak on behalf of members from all sides of the House when I suggest that the manner in which the Canada pension plan is administered, particularly to those individuals who through no fault of their own find it necessary to apply for CPP benefits, is done so in a callous and uncaring manner.

Of all the casework that I deal with on behalf of my constituents in the riding of Renfrew—Nipissing—Pembroke, Canada pension plan cases make up the bulk of the complaints directed at the Government of Canada.

It is a well known fact that it is not until the third appeal, after being rejected for benefits the first two times, is an application even seriously considered. The fact that Canadian citizens are treated so outrageously by their own government is a national scandal.

I challenge the federal government to tell Canadians the number of applicants which are successful after a single CPP appeal, no matter how long that takes. I then challenge this heartless, uncaring government to tell Canadians how many people have died waiting for the benefits.

Finally, Canadians would like to know why, if an appeal board finally grants a Canada pension, the government could not do a proper, thorough job in the first place and grant the pension when it was applied for, rather than putting individuals through the stressful process of fighting a huge, uncaring federal bureaucracy.

I would like now to read into the record a letter that I received from a medical doctor on behalf of a constituent from the town of Renfrew, which is located near Ottawa, along the river, in my riding of Renfrew—Nipissing—Pembroke. It states:

Dear Member of Parliament:

Mr. Constituent has made at least four attempts to the CPP tribunal board for acceptance of CPP benefits. He has been denied on all four attempts. There is sufficient evidence to support his claim that he is totally disabled.

Once again we are writing to say that Mr. Constituent is totally disabled and has been for a period of twelve continuous months due to a re-injury of his back. He is unable to perform regular duties of full-time occupation for which he was employed prior to his injury date.

Mr. Constituent is now very depressed due to lack of function and the inability to obtain any financial help. His wife is having to work two part-time jobs to make ends meet. He suffers from insomnia, as he can't shut off his mind due to financial worries. He has had to go on anti-depressant medication now to control this.

I hope you can help this fellow obtain some sort of financial help. He is desperate.

• (1825)

This individual eventually ended up on welfare, but not before he was forced to cash in all his RRSP retirement savings, which is an ironic twist to the motion we are discussing today. The letter I received was from his medical doctor. Unfortunately it is the front line medical providers who in many cases bear the frustration of a system that does not work.

This is a real life situation that members of Parliament are called to act upon each and every day. I have no doubt that in the day to day responsibilities as an MP, the member for Churchill was approached by an individual whose only desire was to retire with dignity, and it was a genuine desire.

I know the member for Churchill would agree with me, as do most reasonable Canadians, that the fair treatment of injured workers is all a question of priorities. The Liberal Party can find a billion dollars to waste on a useless gun registry. It can find billions of dollars to waste on its fat cat friends in big business in so-called forgivable loans to profitable companies that never seem to have to repay them.

How about giving a few of these forgivable loans to the injured workers so that they can feed their families and put a roof over their heads? If the government could experience the hardship it insists on inflicting on some of the more unfortunate in our society, maybe fairness would prevail.

The expense claims of the former executive assistant to the heritage minister alone could feed a family of six in my riding for three years, as was pointed out to me by a family that is already scraping to make ends meet. It is all a matter of priorities. With the government, it is handout to friends. They are a greater priority than treating Canadians fairly.

The one observation I would like to make, as a form of constructive observation, is whether reforming the CPP in the way the motion suggests is the most beneficial way of dealing with the issue of retirement benefits.

In the province of Ontario workers' compensation is not even available for certain classes of employment. In these cases the individual's needs are provided for by private insurance companies that tailor policies to meet the specific needs of their clients.

I believe we need to consider whether the CPP as it stands can provide the flexibility to respond to the different levels of government in different provinces which have constitutional ability in some of these areas.

In closing, I would like to thank the member for Churchill for bringing forward her motion to allow me the opportunity to participate in the debate.

• (1830)

[*Translation*]

**Mr. Gérard Binet (Frontenac—Mégantic, Lib.):** Mr. Speaker, I am pleased to have the opportunity today to speak to this motion urging the government to amend the definition of "pensionable employment" in the Canada Pension Plan to include worker's compensation payments.

*Private Members' Business*

I would like to take this opportunity to remind the House of some of the important provisions of the Canada Pension Plan and, in fact, of all Canadian income security programs, including the old age security program and the guaranteed income supplement.

I think the Parliamentary Secretary to the Minister of Human Resources Development, the hon. member for Shefford, explained the issue rather well during the first hour of debate on this motion. We are talking here about a plan, the Canada Pension Plan, but also about the Canadian income security program for the elderly, survivors and the handicapped, a plan that has been part of our heritage since 1927 when the federal government, under Mackenzie King, passed the first Old Age Pensions Act.

Therefore, this debate should focus on the overall Canadian retirement income system, which is more than just the Canada Pension Plan.

Contrary to what the member for Halifax suggested, the government respects the spirit of the plan, and I would even say that we have to take the old age security and the guaranteed income supplement programs as well as the Canada and the Quebec pension plans into account when we talk about the impacts on retirement income.

Let me set the context. The Canada pension plan was established in 1966 to guarantee a basic level of income to Canadian workers who become disabled or retire from work. The Canada pension plan also provides benefits to dependants of deceased contributors.

Twelve million Canadians who work for an employer or are self-employed are covered by the Canada pension plan. The plan also protects migrant workers in Canada and Canadians working abroad.

Canada pension plan retirement benefits are intended to replace about one quarter of a person's income. Benefits are calculated mainly based on premiums paid and length of participation in the plan. The employee and the employer each pay half of the Canada pension plan premiums. Self-employed workers pay the whole premium.

This is how the Canada pension plan is funded; it is a contributory plan which takes income into account. The costs of the plan are covered by employees' and employers' contributions and by the return on investments generated by the Canada pension plan itself.

Each month, millions of Canadians receive benefits from the Canada pension plan. During the 2002-03 fiscal year, 4.3 million Canadians received Canada pension plan benefits for a total of approximately \$2.6 billion.

During that period, the Canada pension plan paid 2.9 million Canadians a total of \$15.1 billion in retirement benefits alone.

In August 2003, the maximum monthly retirement payment was \$801; however, for various reasons, the majority of people do not receive that maximum. Pension benefits paid to Canadians average \$455 a month.

In this debate, we should not forget one fundamental principle; the purpose of the Canada pension plan is to replace part of the income lost because of retirement, disability or the death of a salaried

worker. This is why the amount provided by the Canada pension plan is based solely on employment income.

If we depart from that principle and adopt the motion proposed by the member for Churchill, which would broaden the scope of the Canada pension plan so that workers' compensation payments are considered pensionable income, where will we set the limits afterwards?

• (1835)

What will we do about future requests to include, as income, other forms of income support such as employment insurance or long-term disability benefits? Because if we pass this motion, there will be a precedent.

In the first hour of debate on this motion, the member for Dartmouth pointed out, and rightly so, that "worker's compensation is not considered pensionable employment for CPP purposes". However, she added: "Since a retiree's CPP eligibility is based upon months of pensionable employment, each month of work a person misses due to injury counts against them when the CPP eligibility is calculated upon retirement".

She also said last March that she could not understand "why the government has not already implemented this small but significant change to the CPP".

I would like to take this opportunity to explain to the member why that is. It is because the legislation governing the Canada pension plan already contains provisions to exclude periods during which a worker cannot contribute to the plan. This means that low income months are not included in the calculation of CPP benefits and, therefore, have no negative impact on the retirement income.

Contrary to what the hon. member has said, people will not lose retirement income because they were temporarily out of the work force due to an accident. The general 15% dropout period allows people to deduct 15% of their lowest earning years, for calculation of CPP benefits.

Of course, one might well ask what happens when a person suffers severe and prolonged disability as the result of a work-related accident. What if the person is unable to make contributions? The CPP legislation has a provision for persons with severe long-term disability to be eligible for CPP disability benefits, and thus their retirement income is protected.

The CPP long-term disability program is the most important program of its type in Canada. In 2002-03, CPP paid out \$3 billion to 285,000 disabled contributors and 91,000 of their children.

We have also made some positive tax changes for the disabled, and have helped national organizations for the disabled to strengthen their capacity and help advance an action plan for the disabled.

In conclusion, I would like to respectfully point out one last statement by the hon. member for Dartmouth, in which she said the government “treats injured workers as individuals who have deliberately opted out of the workforce”. Nothing could be further from the truth.

Our government believes it is important to create a wholly inclusive society. This means that it needs to ensure that the disabled can participate fully in the Canadian workforce. Our shared goal is to ensure that the disabled, including those who have become disabled in the workplace, benefit from the assistance they require in order to prepare for the job market, and to find and retain good jobs.

This is within the context of a global skills and knowledge based economy with its challenges of competitiveness. In order to ensure its future prosperity, Canada must benefit from the abilities and talents of all its people. Both our society and our economy will benefit.

The change proposed in this motion, however, might run counter to the real needs of those it seeks to help, and might demand a major investment of new resources. That is why I cannot support the motion as presented.

• (1840)

**Mr. Sébastien Gagnon (Lac-Saint-Jean—Saguenay, BQ):** Mr. Speaker, first I would like to thank my colleague from Frontenac—Mégantic for reviewing the history of the system and explaining how it works.

However, the purpose of the motion is not to question the program as a whole but rather to question its unfairness. Before I start, I would like to congratulate my colleague, the member for Churchill, for her initiative. It is a worthwhile one.

The Bloc Québécois is in favour of Motion No. 197. I will read it for the benefit of those of are listening to us.

That, in the opinion of the House, the government should amend the definition of “pensionable employment” in the Canada Pension Plan to include workers’ compensation payments.

We support this motion. Why? Because it is a matter of fairness. Why should victims of industrial accidents and occupational diseases be penalized when they are already penalized by negligence in the workplace, among others? Why kick somebody who is already down?

As we know, it is already possible to exclude 15% of the employment period as time absent from work. That actually does increase the average salary and, in turn, the amount of the retirement pension, as pointed out by my colleague. However, that is not enough. The situation must be corrected and, once again, I invite the federal government to follow the lead of Quebec.

Since the 1920s, a social consensus has emerged in Quebec among employers, the state, workers as well as unions as a whole, making the employer responsible for industrial accidents. I would like to point out that a certain prerogative in the Quebec legislation is a determining element in the difference between what is done at the federal level and what is done in Quebec, and I quote:

### *Private Members' Business*

For the purpose of benefit calculation, the months included in a period where compensation is paid may be excluded from the contribution period. Such an exclusion must be to the advantage of the beneficiary of the benefit, i.e. increase the monthly average of pensionable earnings. Thus both calculations, with and without the exclusion, must be made to establish whether it is advantageous for the contributor.

If the exclusion is favourable to the contributor, it will take effect, and the benefit will be financed in part by all contributors to the Quebec pension plan.

Those are two major differences. The federal government is going after the workers, while Quebec is trying to help them. Which brings me to my next point. Why is the federal government hurting the workers instead of helping them?

Some would argue that this measure would incur expenses. Yes, it would increase social costs. But I would remind the House that the government has built up a \$45 billion surplus in the EI account at the expense of the workers. Why not decrease EI premiums to avoid such unfairness?

This is a very simple solution that would bring us closer to a compromise and address the concerns of EI contributors as well as Canada pension plan contributors. If the federal government were sensitive to workers, it would try to eliminate such inequities in Canada. But this is not the only inequity. Let me give you some examples.

The Saguenay—Lac-Saint-Jean area is faced with some serious problems. Our young people are moving away, we are dealing with the softwood lumber issue, there are few jobs and businesses are closing down.

Let us talk about employment insurance, another program that affects workers. Graduating students in the tourism or hotel industry who would like to lend a hand to the tourist industry in the regions cannot afford to take seasonal jobs, since they need to work 900 hours to qualify for EI. This is a serious inequity that has to be dealt with for our region to develop, stand out and increase its tourism productivity on a yearly basis.

We have the same problems with the lumber workers. Again, these workers never wished for this lumber crisis. There are caught in the middle of a crisis involving two partners, the United States and Canada.

• (1845)

But it must be understood that the federal government has the power to intervene to help these workers. And yet it is not doing so.

The Bloc Québécois has suggested to the federal government that it give loan guarantees to businesses so they can turn to secondary and tertiary processing, thus allowing industry to find other markets.

We talked about businesses. Now let us talk about workers. The federal government could very well have helped workers between seasons by increasing the benefit period, but it did not do so.

*Private Members' Business*

It could also have eliminated the two-week waiting period. This is a two-week period during which the worker does not receive any benefits. But it does not want to do that either. And there is another injustice in the fact that it did so for workers who were affected by the SARS crisis in Toronto. This is unacceptable. Why do it in one region and not in another?

There is another problem. Just recently, national unions released statistics, and I will refer here to another group that has been hard hit in our region, namely women. In 1996, 48% of women received employment insurance benefits. Today, that percentage has dropped to 36%. Who instigated these drastic measures? The former Minister of Finance, the future prime minister.

I would like to give another example of an injustice suffered by the workers. My colleague, the member for Laurentides, and myself are currently promoting an anti-scab bill. This bill is important for workers across Canada. Indeed, there is a major difference between those workers who are governed by the Quebec labour code and those who are governed by the Canada Labour Code. Right now, in Canada, it is possible for businesses to hire replacement workers.

In Quebec, we heard some witnesses, including those who spoke about the labour dispute at Cargill, in Baie-Comeau, which lasted three years. The federal government does not even want to recognize this, yet there is no cost attached. It is only a question of political will. According to the data, in Quebec, a labour dispute is solved twice as quickly as in Canada. The data is there, the benefits are there. Consequently, why is the federal government refusing to help workers? Such a measure has been in existence in Quebec since 1977. It was implemented when René Lévesque was in office. We have solved most labour disputes.

I come back to my colleague. You know that, in Saguenay—Lac-Saint-Jean, there are four members of Parliament. Three are in the Bloc Québécois and one is in the government party. Unfortunately, he cannot express his views. Yet, we have the same workers, the same problems in the area, but this member is muzzled by his government, by the interests of the party in power. This is unfortunate.

For the sake of justice, why would the government not have these people benefit from an appropriate pension plan, instead of penalizing people who are at an age where they should be thinking about retiring securely. These people have worked hard all their lives. The government, by using as an excuse a problem or an illness that hits them at the age of 60, for example, would penalize them in their pension plan. But I believe and I am convinced that they rightly deserve this pension.

Simply for the sake of justice, let us show sensitivity to all these workers, let us provide them with all the dignity that they deserve.

• (1850)

[English]

**Mr. Inky Mark (Dauphin—Swan River, PC):** Mr. Speaker, I am pleased to rise on behalf of the Progressive Conservative Party to take part in the debate on Motion No. 197, which would make workers' compensation payments pensionable employment for CPP.

I want to congratulate the member for Churchill for putting forth this motion. The issue is really about injured workers being

prevented from contributing to CPP while collecting workman's compensation. Let me begin by enunciating the arguments in support of the motion as presented.

Allowing workers to continue making CPP contributions while injured most likely would result in larger CPP benefits upon retirement. After all, it is income. Another argument is that because CPP is calculated based on the number of months of pensionable employment, workers who are injured for significant periods of time receive significantly reduced CPP benefits upon retirement. Certainly this is a concern for a lot of workers, especially when people have been off work not for six months but for upwards of three to five years.

The important issue here to recognize that it is income; it is income not because workers do not want to work but because they are not able to work. The system really needs to treat this income from an income perspective and from a pensionable perspective as well.

The 15% dropout period in the CPP, which allows workers to exclude 15% of their working months from CPP calculations, is not adequate for workers who suffer severe injuries that require lengthy rehabilitation. In Quebec, injured workers receive benefits through the CSST, the Commission de la santé et de la sécurité du travail. That allows them to continue making contributions toward the Quebec pension plan.

Another argument in support of the motion is that in the federal public service pension plan workers who are absent due to injury or illness are able to, upon return to the workplace, make pension contributions retroactively in order to keep an unbroken record of pensionable service. That sounds pretty reasonable to me.

With a rapidly aging population, Canada is faced with the challenge of ensuring that its senior citizens are able to live out their retirement years in dignity. Because we are talking about pensions, recent studies indicate that approximately 70% of elderly Canadians are dependent on public pension plans. Progressive Conservatives have always viewed the CPP as a fundamental part of the Canadian social safety net, an obligation that governments must honour.

In 1997 Ottawa and the provinces agreed to two major changes to the CPP. First, CPP funds were to be invested in the marketplace and managed by an arm's length agency, the Canada Pension Plan Investment Board. The legislation creating the board was criticized for creating a weak governance structure without sufficient checks and balances. Second, premiums were to be increased more rapidly than previously planned, but capped at 9.95%, the level needed to fund the plan over the long run. By 2003 this equalled an \$11 billion increase in annual premium revenues.

*Private Members' Business*

Policies must also be developed to enable a greater number of Canadian seniors in need of caregiving to remain in their own homes rather than in more expensive institutional accommodations where their independence suffers. A Progressive Conservative government would double the \$800 value of the tax credit currently given to Canadians who care for low income elderly parents, grandparents or infirm relatives in their homes.

In addition to that, a Progressive Conservative government would not raise CPP contribution rates beyond adequate levels to ensure the long term viability of the plan. A Progressive Conservative government would require that members of the Canada Pension Plan Investment Board have pension fund or investment expertise.

We would appoint a minister of state for seniors to ensure that the unique needs of seniors were properly addressed across government departments. We would appoint the Auditor General as the auditor of the CPP Investment Board. A Progressive Conservative government would redirect resources from within the existing budget of Human Resources Development Canada to process the current backlog of Canada pension plan disability applications.

In 2000 the Liberal government announced an increase in the caregiver tax credit amount from \$2,386 to \$3,500 for the 2001 tax year. The Canada pension plan is financially sound and on track to provide retirement pensions in the future. This was the announcement made by federal and provincial ministers of finance on February 9, 2003, following the conclusion of their financial review of the Canada pension plan.

As joint stewards of the Canada pension plan, ministers of finance are required by legislation to review the plan's long term financial health every three years. In their latest review, they agreed that no changes to benefits or the contribution rates are required. The 9.95% contribution rate should be sufficient to sustain the plan indefinitely.

On February 28, 2003, the member for Cumberland—Colchester, the PC critic for the Canada Customs and Revenue Agency, presented a private member's bill that would see no application for the disability tax credit denied without it first being reviewed by a qualified medical practitioner.

Reducing the debt ratio will free up resources that will also give governments greater freedom to respond to future pressures. For example, the federal government will face pressures from an aging population, either directly through seniors' benefits or indirectly through demands from the provinces to increase transfers for health care.

According to David Zussman, president of Public Policy Forum, as printed in the *Ottawa Citizen* on November 25, 2002, currently seniors' benefits represent 2.3% of the GDP and are projected to rise to 4.7% of the GDP by 2040.

•(1855)

There are many other ways the government could ensure that we do not waste money so that there is more money for the CPP, for example, the failed long gun registry, which is into its second billion, and advertising contracts that we talked about in the House. The Privacy Commissioner's waste of public tax dollars is another example. So there are many ways of finding resources to fund the Canada pension plan.

In closing, I want to look at some of the arguments against the motion.

First, disability benefits within the Canada pension plan already exist for people who are disabled on the job. Second, if we include workers compensation as income, where do we draw the line? That question is often raised. What about employment insurance, CPP disability income, social assistance and other forms of income?

It is unfair to collect CPP premiums from people already facing a reduced income by way of workers compensation. However, if premiums were not collected to cover the increase in CPP benefits upon retirement, the CPP liability would increase.

Another question often raised is, who would pay the employer's half of the CPP premium for an injured worker? That is quite common. The last comment I have is that the 15% drop out period already exists as a provision for workplace absences.

There are pros and cons in this debate. I have presented them this evening on behalf of the Progressive Conservative Party.

•(1900)

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP):** Mr. Speaker, unlike my Progressive Conservative colleague, I would like to state that an NDP government, and that has a wonderful sound to it, would ensure that a motion of this nature, which, next to some of the motions I have presented, is one of the finest pieces of legislation to hit the floor of the House of Commons, is passed. My colleague from Churchill should be congratulated for her efforts on behalf of injured workers throughout the entire country.

Anyone who has ever dealt with workman's compensation, whether they live in the three territorial jurisdictions or the ten provinces, knows what a quagmire it can be. It is an absolute bureaucratic mess. All the member is doing is ensuring matters for people who are injured on the job. We know the statistics. Every day in Canada three people die on the job and hundreds are injured; they should not be punished in their long term retirement plans by deductions of CPP. It naturally should be included. As my colleague from Dauphin—Swan River said, it is part of a person's income and should be considered as such when it comes to retirement benefits such as CPP.

*Adjournment Debate*

We know, of course, that this is a good motion. It is good for workers and good for their families, so the Liberals must be against it then, but what is new about that? They have voted against every positive resolution we have ever presented. This is a pragmatic motion. We know there is a problem and we know the motion will address that problem. Does it address all the problems? No, nor was the member indicating it would. This is just one small step toward fixing the problems.

I know of what the member speaks. Five years ago, I presented Bill C-206, the caregivers' legislation, which, basically and briefly, stated as an example that if my wife and I had a child and we were both working, either one of us could take a year off work and get unemployment insurance, through maternity benefits or paternity benefits.

However, what happens if the doctor diagnoses our seven year old child with cancer and says our child had six months to live? What are we supposed to do? I ask members to ask themselves what they as parents would do. Would they institutionalize the child? Would they take time off work? Would their company allow them to take time off work? Would they suffer a financial loss because of it? All of these questions go through the minds of Canadians every day.

All my bill said was that if a physician stated that someone has a relative under palliative care, the caregiver should be able to take time off work to prevent that person from being institutionalized. The bill stated that the caregiver should be able to collect unemployment insurance for up to one year, like maternity benefits, which would allow the caregiver to have job security, flexibility and an income while caring for that person. For every dollar spent through the EI system, \$4 would be saved in the health care system. Those are facts, right there on pages 184 to 188 of the Romanow report.

The Liberals were against that but they did introduce a program, a very small one, a starter step, starting in January, for six weeks for children. I will give them credit for that.

However, I will come back to my colleague from Churchill, Manitoba, the polar bear capital of the world, by the way. My colleague states very clearly that there is a need for this type of legislation. I know the member quite well. She does not throw out legislation willy-nilly just to have a conversation and tie up this full House we have tonight, standing room only of course. She thought this over very carefully. She has worked with various groups, organizations and individuals who have gone through this. She, being a good member of Parliament and a fine representative of her beautiful area of northern Manitoba, has said very clearly that she would like to introduce this into legislation.

It has some merit, because the committee that deals with private members' business has made it a votable item. The committee of her peers is not made up of fools. They are good people from all the respective political parties. They know the motion has merit. We are rather ashamed that the Liberals are against it, but we have not spoken to every one of them. Hopefully we can change their minds and work toward this motion being passed.

● (1905)

No injured worker under any circumstance should have to suffer when it comes to CPP. We in the NDP have always stated that a pension plan is a cornerstone to retirement. Although the Canada pension plan has not done everything that we would like it to, it has prevented an awful lot of people from slipping into dire straits.

The public pension plan is a very good idea. In fact, it is a social democratic idea. It was people like Stanley Knowles, M.J. Caldwell and J.S. Woodsworth, and the pages are looking at me wondering who were those great people. They were the founders of our party. They were the ones who fought for health care. They were the ones who fought for pensions, long before it was ever cool to talk about these things. They knew the need was out there. If it were not for those great people, we would not have those things today.

The New Democratic Party, and previously the CCF, has done terrific work. Although we have never formed a federal government, one day I hope I to sit in this House as a member of an NDP government. The reality is that this is the type of legislation people would see from a very progressive government, a social democratic government.

Public health, public education, a publicly funded military, a publicly funded police force, a publicly funded system of roads and transportation are all social democratic ideas. We are very pleased when opposition parties right of centre, and the Liberals are the right of centre of party now, actually support some of those initiatives. They grew up in this country under those programs. Those programs were fought for by members of the New Democratic Party as well as many people in the social movement. Union members have died for these types of rights. If I can give the union movement a plug right now, if it were not for the unions, we would not have the concept known as the weekend.

Having said that, this is a fine piece of legislation. It is worthy of further debate. It should go to committee so we can have a more constructive debate and dialogue on it. There are those who would oppose it in any way through lack of information, lack of knowledge or maybe they just do not like it. Maybe we can change their minds to vote for something to help injured workers in this country in their retirement plans.

[*Translation*]

**The Acting Speaker (Mr. Bélair):** It being 7:09 p.m., pursuant to order made earlier this day, all questions necessary to dispose of Motion No. 197 are deemed put and a recorded division is deemed demanded and deferred until Tuesday, October 21, 2003, at the expiry of the time provided for government orders.

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## ADJOURNMENT PROCEEDINGS

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

[English]

NATIONAL DEFENCE

**Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, Canadian Alliance):** Mr. Speaker, as the member of Parliament for Renfrew—Nipissing—Pembroke which includes Base Petawawa, I am honoured to fill my role in defending the brave men and women who serve in the Canadian armed forces from the actions of a callous uncaring government.

I want the military community in Canada, and particularly the families of each and every member who is part of Operation Athena, the current deployment to Afghanistan, to know that I will honour the deaths of their fallen comrades by holding the government accountable, particularly the Minister of National Defence, for their unnecessary and tragic deaths.

The Minister of National Defence is hiding in his statements when he says now is not the time to raise these questions. When it comes to the safety of our troops, now is always the right time.

Time and again the Minister of National Defence has demonstrated an absolute callous disregard for the safety of our soldiers. This was done when the minister ordered Canadian Forces logistics personnel in Afghanistan to give up their weapons. It was done when the decision was made not to provide proper arid uniforms. It was done when the decision was made not to provide the ballistic plates for the fragmentation protection vests until they were forced to.

And now it has been done with ordering Canadian soldiers to patrol in a combat zone in the Iltis jeep that affords no protection to its occupants from landmines.

The defence minister knew he was sending Canadian soldiers to their deaths when he went around making the statement “expect casualties”. The minister would not have been making that statement if he did not believe it. He was telling the families of our soldiers to expect casualties because he knew that the deaths were inevitable, given the state of some of the old equipment soldiers are expected to make do with.

Pre-announcing casualties was part of an elaborate PR campaign to try to deflect criticism when bodies started to be shipped home. If the minister spent as much time securing equipment for our troops as he does as an apologist for our old helicopters and leaky second-hand subs, our soldiers would have the equipment they need.

With a defence minister who is a pre-eminent armchair warrior, I know that he wants to deny the facts. The truth is, if our soldiers had the equipment they need, they would be alive today.

Former U.S. ground commander Colonel Frank Wiercinski warned Canada that the Iltis jeep was a death trap for any soldier using it in Afghanistan.

For Canadians who are unaware, the Iltis is a 25 year old vehicle based on a Volkswagen which at the time was built under contract by the perennial Liberal Party financial donor, Bombardier.

To the credit of our allies the Americans, they told the Minister of National Defence to leave the Iltis jeep at home when the 3rd Battalion of the Princess Patricia's Canadian Light Infantry were deployed to Afghanistan last year. Knowing that Canada is short of

*Adjournment Debate*

having the proper equipment, the Americans insisted on supplying armoured Humvees that provide some element of protection for the occupants from landmines.

It is said that history repeats itself. We have a defence minister who is a modern day equivalent to Sam Hughes of World War I fame. The decision to provide our soldiers with a rifle that jammed more often than it was fired because it was provided by a “friend of the party” is still remembered by legions across Canada today.

Helicopters, jeeps, leaky subs, we can take our pick.

•(1910)

[Translation]

**The Acting Speaker (Mr. Bélair):** The hon. Parliamentary Secretary to the Minister of National Defence has four minutes to answer.

[English]

**Mr. Dominic LeBlanc (Parliamentary Secretary to the Minister of National Defence, Lib.):** Mr. Speaker, I thought that adjournment proceedings were to focus on questions that in the opinion of the member were not answered properly when they were first posed.

This question was asked by the member for Renfrew—Nipissing—Pembroke on May 9. However in her comments she chose to add a series of rather exaggerated and outrageous statements, but I will follow what I thought was the procedure and try to clarify for her, as we have many times.

The hon. member's question related to the theatre activation team that was deployed in April 2003 and was not permitted to carry weapons without the proper authorization given by the ISAF commander. This did not solely apply to the Canadian Forces but also to NATO's own reconnaissance team.

The responsibility to provide for the theatre activation team's security rested with ISAF. Our advance team elements were protected at all times.

That being said, it is important perhaps to remind the House and Canadians that it has never been more needed than to have Canadian participation to secure and rebuild Afghanistan.

There are people who oppose the international community's efforts in Afghanistan and who will try to dissuade us from our mission. The Canadian Forces will neither retreat from their mission nor will we retreat from our international responsibilities.

The government and Canadians are fully committed to our mission in Afghanistan. The operation in Afghanistan is part of Canada's broader commitment to the worldwide campaign against terrorism.

The member referred to some of the tragic events of late last week and I think it would be important to paraphrase what Lieutenant-General Hillier said at this week's memorial service for our fallen soldiers. He said, “soldiers are tangible expressions of our nation's beliefs and extend our values and ideals worldwide”.

*Adjournment Debate*

I know that I speak for everyone when I say the professionalism and expertise of the Canadian Forces is also renowned worldwide. They are remarkable ambassadors and promoters of Canadian values and they are making us proud in Afghanistan.

The House can rest assured that the priority of both the Canadian Forces and the government is always the security of our soldiers. This is certainly the case as the Canadian Forces prepared for their deployment last spring to Afghanistan. Every effort was made in the planning of our mission to provide for the safety of the troops and to ensure the success of the mission.

That is exactly why we are providing our troops in Afghanistan with excellent equipment, such as remotely piloted aircraft that allow Kabul to be surveyed from the air, counter-bombardment radars, which detect incoming projectiles and new night vision equipment.

Not only are our troops properly equipped for their mission but they have also received the best training possible. It is simply not accurate, or I find very responsible, to pretend that our troops were not secure when they were in Afghanistan last April, nor are they protected as they carry out their important mission there today.

• (1915)

**Mrs. Cheryl Gallant:** Mr. Speaker, the government just does not get it. It keeps on passing the buck. The drones are not yet there flying and the night vision goggles still fog up.

When it comes to the men and women who serve in our armed forces, in the eyes of this government they are nothing more than second class citizens. When the 3rd Battalion of the Royal Canadian Regiment was deployed to Afghanistan the Minister of National Defence promised that “No no effort and no money will be spared to protect Canadian Forces”.

More important, the Minister of National Defence made a promise to the people of Canada. In an interview with Craig Oliver he promised that he would resign if any Canadians died because they did not have the right equipment.

It is time for that promise to be kept. A man of honour would do the right thing. The right thing is to step aside for a full, independent, public and complete investigation.

[*Translation*]

**The Acting Speaker (Mr. Bélair):** The parliamentary secretary has one minute to conclude this debate.

[*English*]

**Mr. Dominic LeBlanc:** Mr. Speaker, as usual the member is full of rather dramatic exaggerations. It is in fact her goggles that are fogged up, not the night vision goggles that are there.

She talked about the Iltis jeep. General Leslie was on a patrol in Kabul in an Iltis jeep last Friday. To pretend that somehow this tragedy could have been avoided with different equipment is simply not borne out by the facts, and it is rather irresponsible for the member to make outrageous statements.

She said that the minister pre-announced casualties and sent these soldiers to their deaths. That is disgraceful to ascribe that kind of comment to the Minister of National Defence and she should be ashamed of herself.

[*Translation*]

**The Acting Speaker (Mr. Bélair):** The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 7:19 p.m.)

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