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OFFICIAL REPORT
(HANSARD)

Thursday, November 4, 2010

—

Speaker: The Honourable Peter Milliken

CONTENTS

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

HOUSE OF COMMONS

Thursday, November 4, 2010

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

SUPPLEMENTARY ESTIMATES (B), 2010–11

A message from His Excellency the Governor General transmitting supplementary estimates (B) for the financial year ending March 31, 2011, was presented by the President of the Treasury Board and read by the Speaker to the House.

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● (1005)
[English]

GOVERNMENT RESPONSE TO PETITIONS

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

* * *

PROTECTING CHILDREN FROM SEXUAL PREDATORS ACT

Hon. John Baird (for the Minister of Justice and Attorney General of Canada) moved for leave to introduce Bill C-54, An Act to amend the Criminal Code (sexual offences against children).
(Motions deemed adopted, bill read the first time and printed)

* * *

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Joe Preston (Elgin—Middlesex—London, CPC): Mr. Speaker, pursuant to Standing Order 113(1), I have the honour to present, in both official languages, the 20th report of the Standing Committee on Procedure and House Affairs regarding the membership of the legislative committee on Bill C-49, An Act to amend the Immigration and Refugee Protection Act, the Balanced Refugee Reform Act and the Marine Transportation Security Act.

The Speaker: Pursuant to Standing Order 113(1) the report is deemed adopted.

BUSINESS OF SUPPLY

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, there have been consultations among the parties and I believe if you seek it you would find unanimous consent for the following motion. I move:

That, at the conclusion of today's debate on the opposition motion in the name of the Member from Toronto—Danforth, all questions necessary to dispose of the motion be deemed put and a recorded division deemed requested and deferred to Tuesday, November 16, at the expiry of the time provided for government orders.

The Speaker: I have a question for the hon. member for Vancouver East. The conclusion of today's debate will be at 5:15 p.m., so if the question will be put and the division will be deemed requested and deferred until Tuesday, what do we do from 5:15 p.m. until 5:30 p.m.? I understand there is a deferred division at the conclusion of the time allotted for government orders, which would be at 5:30 p.m.

I wonder if perhaps the House leader could clarify what the intention is in light of this because, of course, the bells will not ring for half an hour, 15 minutes or whatever starting at 5:15 p.m.

● (1010)

Hon. Gordon O'Connor: Mr. Speaker, I believe our preference is to have the bells start at 5:15 p.m. for the vote on the budget tonight at hopefully 5:45 p.m.

The Speaker: Is it agreed that the bells begin at 5:15 p.m. even though this division is deferred?

Some hon. members: Agreed.

The Speaker: So we will treat 5:15 p.m. as though it were 5:30 p.m. for the purposes of the other division. I am glad this was clarified and I appreciate the co-operation of all hon. members.

The House has heard the terms of the motion proposed by the hon. member for Vancouver East. Does she have the unanimous consent of the House to propose the motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

Routine Proceedings

(Motion agreed to)

* * *

PETITIONS

ANIMAL WELFARE

Mr. Francis Valeriote (Guelph, Lib.): Mr. Speaker, today I am presenting two petitions. The first petition concerns animal welfare.

Ensuring that animals are treated justly and that their welfare is protected needs to be a priority for the government. There is unquestioning consensus among members of the scientific community that animals can feel pain and they do suffer as a result of abuse or inhumane conditions.

Over one billion people around the world rely on animals for their livelihood and, as such, signatories to this petition find it incumbent upon the Government of Canada to act to better protect animals. Moreover, animals are often significantly affected by natural disasters and yet are seldom considered during relief efforts and emergency planning.

It is for those reasons that I submit this petition urging the government to support a universal declaration on animal welfare.

PUBLIC TRANSIT SAFETY

Mr. Francis Valeriote (Guelph, Lib.): Mr. Speaker, my second petition urges the Minister of Justice and Attorney General of Canada to amend the Criminal Code to better reflect the growing incidence of violence against public transit, school bus, paratransit and intercity operators.

Over 40% of bus operators have indicated that they have been physically assaulted in their careers and that this needs to change. In 2008, there were 2,064 reported incidents of assault committed against transit workers and, as such, the signatories of this petition ask that the government take action to address the alarming and very dangerous escalation of violence against transit operators by amending the Criminal Code so that they are legally recognized in the same fashion as peace officers.

[Translation]

AEROSPACE INDUSTRY

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, I am pleased to present a petition on behalf of 250 workers in local 1751 of the International Association of Machinists and Aerospace Workers who work at Air Canada's maintenance and overhaul units, as well as members of their families. The petitioners are calling on the Minister of Finance to ensure that Air Canada or its subsidiaries comply with the Air Canada Public Participation Act, which requires that Air Canada maintain three operational centres in Winnipeg, Mississauga and Montreal. At stake are 23,000 direct and indirect jobs.

[English]

COPYRIGHT

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, I am proud to rise in the House and present a petition brought forward by many people across Canada who are concerned about the

government's very unbalanced approach to copyright, particularly its provisions on digital locks, the technological protection measures.

It is one thing to have technological protection measures on copyrighted works to ensure they are not stolen or pirated, but to put technological protection measures in place to erase the rights that Canadians would otherwise be able to enjoy would interfere with the rights that Canadians have, rights that are defined under Canadian parliamentary tradition. Serious questions are being raised about its effect on education and the development of further arts.

Many of these petitioners are concerned that what will end up happening is the locking down of content that Canadians have paid for.

I would like to present this petition and call upon the government to recognize that we need a balanced approach on the digital lock provisions under Bill C-32.

BULLYING

Mr. Leon Benoit (Vegreville—Wainwright, CPC): Mr. Speaker, I rise today to present a petition on behalf of constituents, mostly from Edgerton and Chauvin in my constituency, who note that bullying is becoming a very significant problem in Canada. Particularly with the new communication methods, including the Internet, email, cell phones, et cetera, bullying is becoming easier for people to carry out.

The petitioners call upon Parliament to consider introducing legislation that would target putting an end to bullying.

• (1015)

VETERANS AFFAIRS

Hon. Dan McTeague (Pickering—Scarborough East, Lib.): Mr. Speaker, I am pleased to offer a petition that was presented to me by President Elsie Hetherman of the Pickering Veterans Association. It is very fitting, given the rally that will be here on the Hill on November 6.

We were presented this petition by dozens of second world war and Korean War veterans, and so its significance is not to be underestimated.

The hundreds of veterans from our communities of Pickering, Ajax, Markham and Scarborough call upon the government to enact the new veterans charter and other federal acts, programs and regulations. They ask that the government reintroduce legislation to recreate all lost programs, benefits and certain legislation, including that which is contained in the Pension Act, and place a regulatory moratorium on the reductions to VAC.

They also wish to emphatically renew the mandate of the veterans ombudsman, Colonel Pat Stogran, and implement legislation guaranteeing the veterans ombudsman is always a veteran and his office is independent from the agency.

We understand that there are several other grievances but in light of November 11, I think this is very timely.

SEEDS REGULATIONS

Mr. Ron Cannan (Kelowna—Lake Country, CPC): Mr. Speaker, I appreciate the opportunity to rise on behalf of constituents in the Okanagan who are tabling a petition with regard to Bill C-474. They have concerns with respect to the seeds regulations and support amending the seeds regulations to require an analysis of potential harm to export markets be conducted before the sale of any new genetically engineered seed is permitted.

BREAST CANCER

Ms. Judy Foote (Random—Burin—St. George's, Lib.): Mr. Speaker, I rise today on behalf of all Canadian women who are over the age of 40, to present a petition calling upon the Government of Canada to work with the provinces and territories to improve screening practice to reduce breast cancer mortality.

On the weekend, I attended the 2010 National Conference for Young Women Living with Breast Cancer. The guest speaker at that event was Yvonne Jones, the leader of the Liberal Party in Newfoundland and Labrador and the leader of the official opposition. Yvonne, who is just 42 years old, has just been diagnosed with breast cancer.

Breast cancer diagnosed in women in their forties accounted for an estimated 16.5% or one in six of all breast cancer deaths. There are approximately three million Canadian women in the 40 to 49 age category. Mammographs, mammography and screening for that group for 10 years would save 2,100 lives.

However, significant differences exist across jurisdictions. They include policies regarding the screening of women 40 to 49 in high risk women. Breast cancer screening programs offered by Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick and Newfoundland and Labrador do not accept women age 40 to 49, while in British Columbia, Yukon, Northwest Territories, Alberta with a referral, Nova Scotia and Prince Edward Island do. Nunavut does not have an organized screening program at the moment.

The women who signed this petition at the conference, and there will be other petitions coming, are asking the federal government to establish funding and programs so that all provinces and territories have an organized screening program, that women aged 40 to 49 be eligible for free-of-charge breast screening to begin at age 40, and that all women be able to self refer to each province's screening program.

The problem right now is that women cannot do that until they are 50 years old. Therefore, we are calling upon the federal government to work with the provinces and territories to improve screening practices to reduce breast cancer mortality in our country.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC): Mr. Speaker, I ask that all questions be allowed to stand.

The Speaker: Is that agreed?

Business of Supply

Some hon. members: Agreed.

* * *

• (1020)

[*Translation*]

POINTS OF ORDER

PROCEDURE AND HOUSE AFFAIRS

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, earlier, a Conservative member tabled the report of the Standing Committee on Procedure and House Affairs regarding the membership of the legislative committee on Bill C-49.

The problem is that the Standing Committee on Procedure and House Affairs delegated the negotiation of this membership to the four whips. Our practice has usually been that for us to consider that the Standing Committee on Procedure and House Affairs has adopted the decision of the four whips, the whips must have signed off on the report. This takes the place of adoption by the committee. But the Bloc Québécois whip has not signed off on this report, and in my opinion, this means that the report of the Standing Committee on Procedure and House Affairs has not been adopted by the committee.

My point of order does not have to do with the content of the report—I have not seen it—but I think that this sets an extremely dangerous precedent for a practice that, up until now, has been accepted by all of the parties and the chair.

I therefore request that the tabling of this report be withdrawn until we are certain that the four whips have signed off on the document.

The Speaker: I do not have any information regarding the status of this report, which was simply tabled in the House. However, I will look at it shortly to see whether the hon. member's complaint that the report is not acceptable has merit. If that is the case, I will get back to the House.

The hon. Leader of the Government in the House of Commons on the same point of order.

[*English*]

Hon. John Baird (Leader of the Government in the House of Commons, CPC): Mr. Speaker, we certainly await your judgment and, if there is any way we can clear up the House or the Bloc's concerns, we should be happy to work with them on that issue.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

OPPOSITION MOTION—FOREIGN TAKEOVERS

Hon. Jack Layton (Toronto—Danforth, NDP) moved:

Business of Supply

That, in the opinion of the House, since the recent takeover bid for Potash Corporation raises concerns about the adequacy of the foreign investment review process under the Investment Canada Act (ICA), the Government of Canada should take immediate steps to amend the Investment Canada Act to ensure the views of those most directly affected by any takeover are considered, and any decision on whether a takeover delivers a "net benefit" to Canada is transparent by: (a) making public hearings a mandatory part of foreign investment review; (b) ensuring those hearings are open to all directly affected and expert witnesses they choose to call on their behalf; (c) ensuring all conditions attached to approval of a takeover be made public and be accompanied by equally transparent commitments to monitoring corporate performance on those conditions and appropriate and enforceable penalties for failure to live up to those conditions; (d) clarifying that a goal of the Act is to encourage foreign investment that brings new capital, creates new jobs, transfers new technology to this country, increases Canadian-based research and development, contributes to sustainable economic development and improves the lives of Canadian workers and their communities, and not foreign investment motivated simply by a desire to gain control of a strategic Canadian resource; and that the House express its opposition to the takeover of Potash Corporation by BHP.

He said: Mr. Speaker, I am pleased to rise in the House today to debate this important topic. I will be sharing my time with the member for Windsor West.

[English]

New Democrats believe it is time here in Canada that we took strong stands on the issue of foreign investment and, in particular, that it is the Prime Minister's job to make sure Canada benefits from foreign investment. The litany where this has not been the case is a tragic one: Inco, Alcan, Falconbridge, Stelco, Nortel. These Conservative fire sales have not benefited community. Instead they have left workers out in the cold, having been thrown off the job despite promises made by both the government and the companies involved.

Think of the communities of Sudbury, Timmins, Hamilton, Miramichi, Kenora, Thunder Bay and Vancouver Island, whether it is mining or whether it is the wood sector. In many others, workers have been left without an income for their families. That has been the consequence of the government's unwillingness to stand up to these multinational corporations, which come in here and want our resources, want to make a play in the global market and want to put our jobs offshore. They have any kind of nefarious plan up their sleeves, and the government has gone for it hook, line and sinker. That is until the people of Saskatchewan rose up and joined in a chorus to say no, and we are thankful that they did so because the government has left local economies deflated, people without their jobs, pensions attacked and collective agreements shredded by these companies.

•(1025)

[Translation]

The NDP is not opposed to foreign investment, but it wants to ensure that it is good investment, investment that creates jobs in innovative areas, that promotes sustainable practices and that produces other benefits that Canadians are looking for.

When it comes to selling major Canadian companies, we believe that Canadians need to know how the sale will benefit them. But that will not happen as long as the Investment Canada Act is not amended.

[English]

Right now, decisions are made behind closed doors. Government does not have to tell us. We are just supposed to take its word for it when it approves these takeovers, and frankly, Canadians are left in the dark when it comes to the future of their natural resources, their jobs and key industries in our economy.

Ottawa does not have a good track record on this, when it comes to the question of trust. In the last 25 years, between the two governing parties, they managed to reject only one bid while they rubber-stamped 13,500 takeovers and investments.

The conditions that the government claims it is putting in place clearly are not enough. They are just as quickly ignored as they are put down on paper. The government's signature, it turns out, does not really mean much when it comes to defending Canadians' interests.

That has to change.

[Translation]

The chairman of Sherritt International, Ian Delaney, said, and I quote, "Canada has squandered its title as the centre of global mining finance."

Neither the Liberals nor the Conservatives would intervene when Inco and Falconbridge were in trouble. They made no effort to help them, to work together or to ensure that the companies would be successful and jobs would be protected.

[English]

They simply left it to the foreign investor to come walking in with every kind of siren call and every kind of promise, and they signed off on it. We have to wonder if they even looked at the paper they signed.

However, I will tell members one thing. When the pink slips went out and people saw that signature and had to go home to their families and tell them they had lost their jobs after they had been offered hope by the government, which said it was approving this foreign investment so that we would have a better economy, that was a tragic day and each of those families has suffered as a result. We are talking about thousands of people who are facing a very cold winter as a result.

We have to fix this. If we just think about the thousand workers who have been laid off at Stelco, in Hamilton, I think members will know what I am talking about.

We have an act dealing with foreign investment that is not working. Let us be crystal clear about this. It is not working. Of course when we raised these complaints, the government just simply railed on with its ideological phraseology instead of taking to heart the kinds of implications that are meted out to people in this country by these decisions.

That is why, as a result of all this, the people of Saskatchewan said no. If they had not been able to watch what happened in Sudbury, in Timmins and in the forestry communities across this country when takeovers took place, they would not have been so concerned. However, they saw the record of the current government and they said we cannot let that happen here with potash. That is what they said.

Dwain Lingenfelter, our NDP leader in Saskatchewan, raised these issues forcefully in the legislative assembly. I have to say that the government there, at the time, ridiculed the idea that there should be any concerns about a foreign takeover. That is just exactly what we saw here, in fact, when we raised questions. The Prime Minister sloughed it off by saying, "Oh, well. It's just an Australian company taking over an American company. Who cares?" That is virtually what he said. Who cares? It turns out that the people of Saskatchewan care and the people of Canada care. That is why we need to take action here today. That is what this is all about.

• (1030)

[Translation]

Several provincial premiers from all parties have come out firmly against it. Members of Canada's business community have publicly warned the Prime Minister, and this is not the first time they have done so.

[English]

Dick Haskayne, the University of Calgary board chair emeritus, for whom its business school is named, also a Potash Corporation shareholder, says he is absolutely opposed to this takeover. He says it is an issue of giving up a large inventory of our strategic natural resources. Once those resources slip through our fingers, they are gone for good. We are not going to get them back.

[Translation]

Today we are moving a motion that would help Canadians believe that their government is acting in their best interests and that would give a little political common sense to a government that blindly upholds free market values.

[English]

We can amend the Investment Canada Act, make the process more public, more transparent, more accountable and demand that governments prove that there is in fact a net benefit at the end of the day.

How do we do this?

First, our motion says to make the process more public. Second, commit to transparency so that Canadians can see the full reasoning. We are still completely in the dark as to the reasoning behind the decision of the government on potash so far. Finally, be clear about what that net benefit is: jobs, technology, research and development, sustainable economy. Let us make sure that the list with the specifics is public and available to Canadians, because if the government is not going to police these companies, Canadians will be able to police these companies and make sure the benefits are there.

It is good discipline, and there are some very good managers in some of these companies here in Canada. They are trying to do the

Business of Supply

right thing, but often their head office somewhere far away, motivated by shareholders who want to squeeze every dollar out of the global operation, end up saying to the Canadian manager, "Sorry, we are shutting you down". If he or she is able to point to the agreement with the people of Canada, which is public and the Canadians are watching, this can have an impact. It is moral suasion backed up by law, and that is what we need.

[Translation]

We are calling on this government to prove that there is a net benefit, first by making the process public and second, by committing to transparency so that Canadians can see the reasoning behind any decision. Lastly, we are clearly defining what we mean by "net benefit": job creation, technology, research and development, a sustainable economy and so on.

[English]

Multinational bids on our natural resources are not about to stop anytime soon.

[Translation]

The NDP believes it is time the Conservatives understood the difference between hostile foreign takeovers that are nothing more than an attempt to control our natural resources and foreign investments that create jobs, innovation and sustainable practices for our country.

[English]

I will close with this, as the motion does.

Our motion calls for the House to reject the proposed takeover of the Potash Corporation as proposed by BHP. We think governments should be obligated to clearly demonstrate that the foreign investments will benefit Canadians and that the sanctions are there if they do not.

That is the import and content of our motion. We hope all members of this House will join in supporting it, because that way we can move forward with good foreign investments and reject the bad ones.

Hon. Jim Abbott (Parliamentary Secretary to the Minister of International Cooperation, CPC): Mr. Speaker, I have listened with great interest to the NDP leader's speech today. I find that it certainly appears as though he is not knowledgeable about the contents of the act to which he refers. Either that or he is misinformed.

I noted on television last night that he was railing on about the fact that we did not close the door for 30 days and that this was terrible. Of course, he was confronted on TV with the fact that the legislation, the law of the land, calls for a 30-day period in which this company can state its case before the door can be closed. The hon. member did not seem to be knowledgeable about that.

Today in the hon. member's speech I heard him say that we are still in the dark about the content of the decision. Well indeed, that is the way it should be. That is what the act calls for.

I suggest that the leader of the NDP might choose to inform himself about the laws of Canada.

Business of Supply

•(1035)

Hon. Jack Layton: Mr. Speaker, I have spent more time dealing with foreign investment legislation than I care to talk about. I have a copy of the act and I am very familiar with it. In fact, the point we are concerned about is that Canadians are being kept in the dark. That is why we want the act changed. That is why we are proposing a motion to change the act. That is the problem with the act.

The parliamentary secretary is, of course, right that the act keeps us in the dark. If I had the opportunity to ask him a question, I would ask him if his government is willing to shed some light on this darkness.

Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.): Mr. Speaker, one of the challenges we have is how to identify those industries that are considered to be essential for Canada's future growth and potential, while not creating a climate that impedes foreign direct investment, which we know is crucial to generate the funds necessary to have a competitive economy.

What criteria does the leader of the NDP think that a government could actually use to differentiate between those private sector businesses that are considered to be essential and necessary for the public good of Canada and could not be sold to outside interests and those that could have a majority ownership by foreign interests?

Hon. Jack Layton: Mr. Speaker, the criteria that we believe should be set forth are in our motion. We are not saying that any particular category of business should never be subject to a discussion about foreign ownership. We are simply setting out what the criteria should be. We are insisting that the determination regarding those criteria should be public so that all Canadians can see what is going on.

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, when the Conservative government came to power, Falconbridge and Inco were international mining leaders. The Conservatives sat back and glibly snickered at any concerns that were raised about the hostile takeovers by Xstrata and Vale. We have seen thousands of job losses. We have seen the copper refining capacity of Ontario shut down. Ore is being shipped out of the region.

I would like to ask our leader a question regarding potash. It is pretty clear, is it not, that the people of Saskatchewan and the people of Canada put the government on notice, because the government has no credibility when it comes to standing up for resources or standing up for jobs in Canada?

Hon. Jack Layton: Mr. Speaker, I recall the time when the member stood in the House and asked the government why it was allowing a takeover of a business that could affect his community. The Conservatives dismissed it. They threw out every kind of rhetoric in the House of Commons. Then they signed an agreement with the company that took over businesses in the member's riding.

He said we are afraid we will lose jobs. Well, guess what? That is exactly what happened, and that is wrong. That is the kind of thing that should not be happening. These investments are supposed to bring jobs to our communities, not throw people into the streets.

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, it is a privilege to rise in support of the motion put forward by the member for Toronto—Danforth.

To validate some of what he has said already, we only need look at some of the public commentary not just from those who have been advocating for a number of years to shed some light on this issue, but also from people who are not normally in the NDP's corner.

Professor Joseph d'Cruz of the University of Toronto's Rotman School of Business, who said that he is not normally sympathetic to the NDP, said today:

I'm in grave danger of agreeing with the NDP. But on this one, I think they're on the right track. I think having public hearings is pretty healthy. I've always been a bit concerned that the commitments that the foreign companies make to Investment Canada are confidential and the public doesn't know what they are. On an important public policy issue, I think confidentiality is not healthy.

This is critical because the Investment Canada Act has command over many different jobs, not only jobs controlled by domestic companies and foreign companies, but value-added jobs that are critical for a modern economy to function.

Canada is offside with the Investment Canada Act. This act was put in place in 1985 and since then we have seen wholesale sell-offs of a number of different industries.

It is important to recognize that the act was recently undemocratically reformed through a budget bill. The Conservative government commissioned the Wilson report, which came up with a series of recommendations. The government included them as part of a budget bill. Because the Liberals felt squeezed at the time, they voted with the Conservatives. The result was that the Investment Canada Act was changed without any review whatsoever.

The motion put forward by the member for Toronto—Danforth calls for a process that had been skipped over, which is amazing when we think about it. With world consolidation of natural resources, minerals and other types of businesses, we actually turned away the opportunity to update and modernize our law in a democratic way. A debate in the House of Commons, such as the one we are having today, should have been held before the Investment Canada Act was changed because the changes made to the act actually opened the door even further.

The business community and others were left out of hearings.

We need to listen to the stories told by the people in Sudbury who were thrown out of their jobs and went on strike because they had to fight for their nickel bonus. A Brazilian company was slapping down on them. They did not get a chance to have their say.

We did not hear from the investment community which looks at the significance of the investments on the stock market and the trading opportunities that are created when these types of things go back and forth. We did not hear from people in the investment community.

Business of Supply

The government told everyone in Canada that it can take care of everything, that everything is under control. The government did not change the law democratically. It decided to ram it through. That is an American style of politics the Conservative government has used on several occasions, and it is really hurting this country. The government has done that with a number of budget bills. We never saw that practice before. We have been raising the alarm constantly about this.

I want to correct the record on a number of important timelines. It is critical that Canadians understand that although this issue has come to a head recently, it has been in the press in the past and we have raised this issue before.

On August 18 the federal NDP member for Nickel Belt raised this issue in a press release. I want to thank him and the member for Sudbury. I had a chance to visit their communities and meet with the workers who were on the picket lines. I heard about the problems they faced as ordinary Canadians. For over a year they struggled to make ends meet.

That was the result of a takeover. Instead of a Canadian champion being created out of Inco and Falconbridge, the Conservative government decided to sell out to foreign companies and it made sure it did so in secrecy.

We have been hearing the Minister of Industry brag about the fact that the government turned away one case, the MacDonald, Dettwiler case. I would like to thank Peggy Nash for her hard work in making sure that company stayed Canadian. If she had not done all the necessary work, that company would not have stayed Canadian. She was the driving force behind that.

The Conservatives brag about going through a court case with respect to U.S. Steel. That is not a victory. To describe as a victory a company being taken to court because it shut down operations is bizarre at best.

● (1040)

How is it great to be able to brag about the fact that we have lost value-added work and that people have to haul their business partners off to court? What kind of a message does that send? That is very significant because there have been thousands and thousands of takeovers in this country and we have not been able to see the terms and conditions.

There have been opportunities along the way. We could have committee hearings. There are a number of ways we could get access to some of the documents. Any sensitive documents would not have to be made public, but there needs to be light shed on the process. There needs to be accountability and follow through.

This file continued throughout the summer and into the fall. It is interesting because back on August 20 the NDP leader was already calling on the Minister of Industry to take action on this file and to show leadership. We never saw that. At the end of the day yesterday, sadly, the minister told the Canadian public that his officials have no opinion. When there are 11 people in a department reviewing these files, one would expect they would come back with an opinion, yes or no.

Obviously, there are some political tactics behind that. We know the government refuses to take advice from bureaucrats on a regular basis. One example would be Statistics Canada. We lost the chief statistician because the government tried to manipulate his words.

The government comes back with no recommendations from the department and then claims it is not in the best interests of Canadians but it cannot provide any further information. It has left the door open for another 30 days for the Potash Corporation deal to go forward. It is true it is the letter of the law that 30 days are available, but there seems to be a bit of glee in the minister's appeal to come back with different conditions. I am not convinced that this file is finished by any means.

The job for the people of Saskatchewan and Canada who want to see a different vision is not done. We will stay vigilant on this. We will continue to raise these issues because it is more than just this one case. This is about the sell-off of Canadian industry and the lack of an industrial policy for Canada. Brazil, China and other countries are looking to acquire natural resources in different types of sectors to facilitate their modern economies. Canada's plan is to sell out, to get rid of some of the most important features that we have been strong on.

Not only should members listen to the words of the NDP, but they should listen to the experts in the field. Let us look at some of the commentary in the *Financial Times*:

Could Barrick [a Canadian company] take over Norsk Hydro? Shenhua Coal? Rio Tinto? No. That's because the Brazilians and Norwegians and Chinese and Australians would never allow such a thing to happen. But in Canada you can come in and buy anything. You can come in and buy Barrick for the right price.

That is what the experts are saying. They are identifying that these other countries are coming up with industrial strategies. It is clear that Canada does not have that type of philosophy and we are failing because of it.

I want to finish with a bit of discussion related to the types of jobs that we are losing. These are value-added jobs, jobs on which we can build a modern economy. It is important to recognize that because we have seen a shift to part-time employment and jobs that do not have pensions. We are losing out on the opportunity for those workers to raise their families with dignity and integrity so their children can do better than they did. We have lost that vision. We have become apathetic to that. Many students are coming out of university with huge debt loads in an economy that does not have the type of market to help them pay off that debt.

I want to thank the member for Toronto—Danforth and my caucus members who have been leading the fight for many years. I first raised issues about the Investment Canada Act back in 2002 when China Minmetals was looking to buy out part of Canada. I have been pushing the national security file on that issue for many years. It is ironic that an undemocratic state government can own Canadian resources, but it is wrong for Canadians to own their own resources.

● (1045)

Mr. James Rajotte (Edmonton—Leduc, CPC): Mr. Speaker, I welcome this motion. It raises some very important points that we in Parliament should consider.

Business of Supply

The member will know that we have added national security under the Investment Canada Act, which was a very important addition. It in fact allowed the government to say no to the MDA deal which he referenced. The industry committee played a very important role in that, which the member referenced with respect to the former member.

I want him to address in particular section (d) of the motion with respect to encouraging foreign investment. At the end he touched on state-owned enterprises. I would ask him to address how we should react to state-owned enterprises. He is right. China Minmetals wanted to buy 100% of Falconbridge and take it off the TSX entirely.

I am wondering if he could address the impact this motion would have on state-owned enterprises, as well as companies listed on the TSX. Obviously the concern is that if a foreign takeover occurs and the company is taken off the TSX, then it obviously affects jobs in that area, especially the financial services sector.

Could he address those two points in particular?

Mr. Brian Masse: Mr. Speaker, the hon. member and I have worked together for a number of years on the industry committee and this file has come up, off and on, at different times. With the issue over China Minmetals and the state of China, for example, we have to come to grips with the reality that they believe there is some free market society out there that floats around on its own. But it is not real when we have the fact that state-owned companies, backed by governments, can actually bring in capital and can undercut our own private sector businesses that are competing. We have to look at these in terms of national significance and strategies.

What is interesting is that during this timeframe of the Investment Canada Act and the sellout, we also sold shares of Petro-Canada, actually taking a bath on them because six months later they were worth a lot more than when we sold them. We could not own even part of Petro-Canada. We had to sell that off, versus it being okay for the Chinese people to be able to own the natural resources of Canada. It is wrong. We need to start looking at some of those resources strategically. Potash is one of those. Potash is critical for food supply and food management. That is why it needs to be controlled by Canadians. That is why we should keep it. It is the last bastion and we should make sure we do not lose it.

• (1050)

Mr. Claude Gravelle (Nickel Belt, NDP): Mr. Speaker, I wonder if my colleague could expand on his point about the importance of strengthening the Investment Canada Act to ensure that approvals of foreign takeovers actually benefit workers and their communities.

To be clear, the NDP is not against foreign investment. We are opposed to the kind of foreign takeovers we have witnessed in several parts of Canada, such as northern Ontario, Hamilton, Newfoundland and northern Manitoba.

The NDP has consistently called for lowering the threshold for public review of foreign takeovers, ensuring public hearings are held in affected communities, and requiring publication of the reasons for decisions and the conditions to be met by approved foreign owners.

Here are the facts. There have been over 13,500 foreign takeovers in Canada and almost 400 in the last year.

Here is another fact. The federal government has disallowed only one. That is right, only one, and that is due in part to the work of Peggy Nash. The NDP plan is totally achievable if only the government had the will and vision to do so.

Mr. Brian Masse: Mr. Speaker, there is a big difference between foreign investment and a hostile takeover, and that is what this was with Potash Corporation. It was a hostile takeover. The government does not understand that. When we look at, for example, Fiat investing in Chrysler, I supported that because it was not a hostile takeover. It was something that was done with investment strategies. It was done through the lens of the community, with educating the community and being more open and accountable.

Conservatives do not understand the difference between a hostile takeover and investment. That is what we are talking about here. We should be measuring these deals in terms of the types of jobs they are creating and then look at them through the lens of improving the community. There is nothing wrong with doing those audits. Let us audit these deals, and we cannot do that unless we have more information. Hiding behind the curtain of secrecy does not cut it.

When we look at the issues and at some of the natural resources, there are no significant trade secrets in these deals that need to hide everything. No, we can have a more open and more accountable process and measure them. When we measure them, we are measuring the government, measuring the investor, and making sure that it is different, because a hostile takeover is way different from investment. That is the difference with New Democrats, because we believe in the investment. The Conservatives believe hostile takeovers are okay.

Hon. Tony Clement (Minister of Industry, CPC): Mr. Speaker, with your indulgence, I will be splitting my time with the Minister of Agriculture and Agri-Food.

It is certainly my honour and privilege to rise in the House to take part in the debate with respect to the motion put forward by the NDP leader concerning foreign investment in Canada.

Before I begin, let me take a moment to recognize my Conservative colleagues from Saskatchewan. I want to say how responsibly my colleagues have acted throughout this process. I know they probably received more than their fair share of emails, telephone calls and constituency office visits. However, they recognized, as I recognize, that the government and I as their representative have a responsibility before the law to make a public policy decision with respect to the BHP Billiton bid that is in the best interests of the country, that is within the four corners of the Investment Canada Act, a decision that can be defended as one of principle, and as I said, one in the best interests of the country.

The members understood that and they acted on that basis. I want to thank them, as I am sure it weighed on their minds as much as it weighed on my mind.

Business of Supply

I cannot say much more, other than what I said yesterday, with respect to the BHP bid. Under the law, under the Investment Canada Act, I made an interim decision, as it is called under the legislation, that the bid was not likely to be of net benefit to Canada.

This has excited a little bit of comment in the media and amongst the opposition benches, because there is a 30-day period under the Investment Canada Act for the bidder to make further representations.

I want to make it clear, because I believe the hon. leader of the official opposition in particular, the Liberal leader, was playing fast and loose with the facts yesterday. Maybe he is more familiar with American law on this matter or British law, but he certainly is not familiar with Canadian law. He tried to insinuate before the cameras that I had some preference or some discretion when it came to the 30-day period, that this was some sort of Conservative conspiracy and that I was not being clear with Canadians.

I want to be clear with Canadians. I have to act within the law. The law is very clear. The Investment Canada Act is very clear that I am only able to make an interim decision at this point. The final decision comes 30 days from last night's announcement. That is very clear in the law.

I am very disappointed that the leader of the official opposition, the Liberal leader, was not clear with Canadians. Maybe he did not understand how the law works. That is possible, too. Or maybe he did not want to understand how the law works. If that was the case, then the member for Wascana, who has more experience, being in Canada far longer than the leader of the official opposition, should have educated his leader on how the law works. Maybe he will do that in the future.

I also took note of what the NDP leader said last night. To my mind, again, he does not want to take our answer on its face as being one of principle, one that is within the four corners of the law under the Investment Canada Act. He is alleging all sorts of conspiracies.

I can assure this House once again that I made my decision based on the facts that were presented to me, based on what I have the duty to do, which is to assess the bid pursuant to the test of net benefit to Canada and to thereby protect the rights and interests of Canada and Canadians. That is what I did.

I can assure hon. colleagues that I am very much looking forward to speaking with greater clarity on the merits of the decision at the end of the 30-day period. That is the period during which I am obliged not to describe in greater detail the reasons for the decision, but I will have an opportunity to do so in a month or so.

● (1055)

I want to use the balance of my time, if I might, to speak about the context. The context is the importance of foreign investment in Canada.

Unlike the members of the NDP in this House, we do believe that foreign investment has a place in our country. We welcome domestic investment. We welcome foreign investment, and in fact, that is a quid pro quo for some of the great investments that Canadian companies have made in other countries, whether it be in the United States or overseas, including countries such as Australia.

The fact of the matter is that our great Canadian companies make more investments overseas than countries make investments into Canada, and this has been a point of concern among some of the commentators in the past. We are a net exporter of capital by a significant margin, and we certainly welcome it when Canadian companies can not only grow jobs here but they can grow their balance sheet by making judicious investments abroad. By the same token, we also welcome investment to our shores.

I would only say this, though. The investments to our shores, if they are reviewable under the Investment Canada Act, because they have to meet certain criteria in order to be reviewable, have to follow the act. There are certain obligations they have. There are certain obligations that the minister of industry has. Those are the rules of the game. I do not think it is too much to ask, when we open our doors to foreign investors, that they follow our rules.

We are a country that is ruled by the rule of law. We are proud of that. We actually export that as a value and principle of our democracy. We believe in the rule of law, but that means that companies must follow our rules too. We do not open the door wide and say, "You can come in and you are not responsible pursuant to our laws and you do not have to be respectful of us".

We do not say that. We do not mean that. We want them to be responsible and respectful of our laws. That includes the Investment Canada Act and that includes the test of net benefit to Canada under that act, which presumes, if I can be so presumptuous, that in some cases the Investment Canada Act would mean that something is of net benefit to Canada, and there may be occasional cases where that is not the case. Such was the case of BHP Billiton's bid, as I enunciated yesterday.

However, generally there are some good cases. StatsCan reported earlier last year that, in terms of our investments abroad, Canadians owned and controlled foreign assets worth more than half a trillion dollars. That is the importance of two-way trade, so I would say to my hon. colleague that this is a good deal for Canada and a good deal for Canadians.

When Canadians invest overseas, they follow the rules of those countries, including Australia, which I might add has something similar to a net benefit to Canada test. It has a national interest test. I would put it to the House that it is more or less the same thing. We play by the rules of the game when Canadian companies invest in Australia; it would only stand to reason that it would do the same here. That is how we create wealth and opportunity for Canada and Canadians.

I know the hon. members on the NDP benches like to tax companies to death and they like to regulate them to death, and then when they are dead, they like to subsidize them to death. That is the NDP way, but that is not good enough in a 21st century economy.

In conclusion, we are taking our responsibilities under the Investment Canada Act seriously. There is a good opportunity to debate the principles and the clauses of that act and I look forward to further debate.

Business of Supply

• (1100)

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, I thank the minister for his intervention here today. I found it interesting, though. Yesterday the minister was quite clear in saying, “This is my decision”, and now he is here in the House of Commons talking about his decision being an “interim” decision.

That was not the language he used yesterday, and certainly when the rejection of MacDonald, Dettwiler and Associates came, the minister was very clear right away where he stood on that and virtually closed the door. Yes, there is a decision and then there is a 30-day appeal. It appears that he is trying to beg BHP to get back in the game here. That is what seems to be happening. There seems to be a double standard taking place, because with MacDonald, Dettwiler and Associates, it was very clear, and it was very clear yesterday. There was not the language of “interim decision” used. He was very clear in saying, “This is my decision. I have reached my decision”.

Why is the minister coming today to talk about this in the new format and new language of “interim” versus that of his “decision”?

Hon. Tony Clement: Mr. Speaker, this is exactly the same procedure that was employed in the MacDonald Dettwiler case. There was an interim decision and then a final decision.

I will respond to the question by quoting Sigmund Freud, “sometimes a cigar is just a cigar”.

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, in his analysis of this could the minister outline the items that were not to the benefit of Canada?

Hon. Tony Clement: Mr. Speaker, the hon. member raises a good point. I am quite anxious to enunciate the reasons why it is not of net benefit to Canada and the specific clauses within the legislation that are the basis of the decision, a principled decision, completely within the four corners of the Investment Canada Act. I am forbidden to do so until the 30-day period is up, but believe me I will do so with alacrity at that moment.

• (1105)

[*Translation*]

Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ): Mr. Speaker, I would like to ask the minister a question. In 2007, the Conservative government allowed Rio Tinto to acquire Alcan. The Saguenay—Lac-Saint-Jean region and all of Quebec called for conditions relating to employment levels and secondary and tertiary transformation.

The minister at the time blindsided us, pulled the rug out from under us and made the decision far too quickly. I think that yesterday's decision could be called strategic. I think they made that decision because of political pressure from Saskatchewan.

It seems to me that there is a double standard. Does the minister think that Quebec's natural resources are less important than Saskatchewan's?

Hon. Tony Clement: Not at all, Mr. Speaker. It is important to note that each decision is based on the specific circumstances of each case.

[*English*]

Each decision is taken on its own facts. For him to allege that it is a political decision is completely false. As I have said in the House, and as I said yesterday, this decision was made pursuant to the provisions of the Investment Canada Act. It was done pursuant to the principles and the facts of the case.

I know the hon. member does not want to accept that, but that is the truth. I will be elaborating on this when I am allowed to do so under the Investment Canada Act.

Hon. Gerry Ritz (Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC): Mr. Speaker, it is a pleasure to stand and join my colleague, the Minister of Industry, in discussing, not so much the BHP bid and Potash Corporation of Saskatchewan, but the motion put forward by the NDP. The motion recommends that we change the way the Investment Canada Act would arbitrate these types of situations. It would also take away a lot of the end result decision making from the Minister of Industry. We are working under a legal precedent. However, if I remember correctly, this document first came about in approximately 1985, some 25 years ago, and everything should be updated. There is no doubt in my mind about that.

However, under the act, the Minister of Industry and government members, who are involved in whatever region that decision would have an impact upon, are constrained legally. I am distressed, to say the least, when certain members of the opposition, and I will not even bother to name them because they are inconsequential, bray at the moon and howl and scream when they know there are legally things that can and cannot be done. As a member of the democracy we call Canada and as a regional minister from Saskatchewan, when I look at the way some of the media and members of the opposition handled this I take affront to that. They went beyond the pale in their condemnations and their demands.

As we know, these companies are both major global players. Potash Corporation of Saskatchewan has holdings throughout the world, as does BHP, maybe on a different scale but similar in that they are international. The legislation is set out as it is because of market disruptions. Ripples that would go through the marketplace would send the incorrect and devastating signals to a lot of investors and so forth.

I commend the Minister of Industry, my Saskatchewan colleagues, the overall cabinet and caucus of this great government for keeping this interior. The ultimate decision rests with the Minister of Industry. However, I know, from the Saskatchewan caucus perspective, we had some 17 meetings with all the stakeholders, everybody who had a role to play or something to say on this matter. We entertained that, took it to heart and passed it along to the Minister of Industry to help him make this decision.

A lot of the discussion is all about politics. Certainly from the opposition side, I see that. When we go back and assess what those members have said and how they have done it, it was all about partisan politics. I think Canadians at the end of this will condemn them for that. Whenever the coalition decides to bring this government down and go to the polls, I think Canadians will remember the disrespectful way it handled itself in this instance.

Business of Supply

Now this is a one-up situation. There is a lot of discussion about how this would impact negatively Canada's place in the world when it comes to outside investment. That is absolutely ridiculous. These are all adjudicated on a case-by-case basis. More will happen. It could be today, or tomorrow or next week. We do not know. However, in a free-market enterprise like Canada, a democracy and the rule of law, we are a welcome investment. Look at the strength of our dollar. Look at the way we have come through this recession. A lot of countries entertain investment in Canada because of that stability, and we welcome that.

However, we certainly reserve the right to judge each one of these on a case-by-case basis as per the net benefit clause as set out in the act. It is what is in the best interests of Canada moving forward.

I can speak from an agricultural perspective. With the marketing we have done around the world now, in country after country, working with industry, working with my provincial colleagues, opening markets, rejuvenating markets, Canada is becoming of age again on the global stage. It had been dropped for some time. We were not really getting out there and doing the job.

When we arrive in a lot of these countries, one of the first things we are asked is where we have been. The Australians, the Americans, the European Union, Brazil, and some of the emerging economies like China and India are aggressive marketers and are getting to be more so. They welcomed us being there. They recognized the safety and security of the food supply in Canada. Part of that safety and security is also on the input side. When we look at a strategic resource like potash, which is the basis for fertilizers and so on around the world, we do a tremendous job of supplying both potash and foodstuffs, in a lot of cases to the same countries, for example, China, India, Korea. These are great markets for our fertilizers, as well as our finished foodstuffs. It gives us a power and a strategic position in the global food supply to be a major supplier of both the inputs and our crop and livestock production.

• (1110)

From a strategic standpoint, we have that in spades in Canada.

Under the net benefit, having someone different mine it certainly does make a difference in that Australia is a major marketer of a lot of the same foodstuffs that Canada has. We are a volume producer and so is Australia. For it to be able to go to the Indies and Chinas of the world and say that it now controls their fertilizer too, I think would have had a very detrimental effect.

I know the Minister of Industry took all of that under advisement and it helped him and his department formulate the decisions they have taken. At this time and place, it is absolutely the right decision. There is no doubt in my mind whatsoever. I think the Saskatchewan people have recognized the great work done by my colleagues and the Minister of Industry on this file. I think they also recognize the questionable attitude of some of the members of the opposition in trying to make partisan politics out of this.

At the end of the day, the decision is based on the criteria that comes before the minister, straight up and that is it, and the right decision was made.

As we move forward, I am more than happy to have this debate about changing how we assess these because there will be more, not

less. Canada is a land of wealth and riches. We have great raw materials. We have tremendous resource wealth. As we strive to open up our Canadian north, which we have done as a government, and secured that sovereignty there and as we look at our fresh water supplies and the growing demand around the world, we will have to come to grips with that demand from the rest of the world to either invest or buy outright these types of commodities.

At this time and place, we can say no because we do have some guidelines. Could they be better guidelines? Probably. We are looking at things that are in demand now that never were when this act was written in 1985.

I welcome the opportunity and the motion from the NDP. I take exception to some of the political undertones in it. The last line is an outright denial. I do not think we can do that in a free and democratic society in a global stage, where we are becoming and growing rightfully into a major player.

Some of this is couched in politics. That is what we do here and I welcome that. I love the rough and tumble of it. We get our elbows up in the corner. It is like a good hockey game. However, at the end of the day, there are rules and regulations and the referee is the Canadian people. They will adjudicate this deal. We are aware of the fact that a growing number of Canadian residents and a growing number of Canadian businesses, which are free traders, support this decision in the way it is written.

When I read editorials in certain papers and at certain authors who claim to be on the inside track, I wonder how they justify their stance to their subscribers and advertising purchasers. I also look through the lens of an opposition that votes for things like C-300, which in a global situation, and PCS and BHP Billiton are part of that, would condemn them and force them to continually fight a rear flank action with causes and situations that come up in some global outpost somewhere. We would have to shut down production on behalf of PCS and adjudicate that.

I also look at the opposition's stance on raising the tax on business. Part of what draws investment to Canada is that lower tax rate. All the opposition members stand in question period and condemn us for moving forward with tax cuts to business. They all go on about big business. However, the tax cuts pertain to little guys too. Every business in Canada is important. Businesses are the growth of the economy. They are the job creators. They are the engine of the economy. Everyone gets that.

Business of Supply

Why do those members condemn tax cuts as we come out of the recession? We have seen net job growth in Canada, unlike our closest ally in the U.S. We see stability in our systems in Canada, unlike the turmoil in our closest partner, the U.S. We see a growing acceptance of Canada on the world stage. We see a growing acceptance that Canada can do more. I cannot understand their stance, other than it is a pure crass political situation. I condemn that, but I welcome the opportunity to have this debate.

• (1115)

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, I listened to my hon. colleague. Again and again he said that this was all about politics. To him, it was like a hockey game. It was not like a hockey game for the people in Timmins and Sudbury who raised concerns with the government and expected the government to do the right thing.

If we go back four years, when we raised questions in the House, and he can look at *Hansard*, we raised questions about what would happen to the copper refining capacity in Ontario if the Xstrata hostile takeover went through. The government had the same kind of glib, cheap answers that it gives today.

At the time, no one suggested that the Xstrata deal be stopped. What people were saying was that we had the opportunity to create a world-class mining giant with the Inco and Falconbridge merger, which was being held up in regulatory processes in the United States. The only thing we asked for was that the government hold off a corporate raider like Xstrata until a Canadian bid had a chance to get to the table. The government said, “Absolutely not”.

I do not know if the hon. member has ever visited northern Ontario. If he came, he would see the damage to the Canadian mining industry because of the Xstrata and Vale situation. Would he now admit that the government made a colossal blunder? Hopefully the government has learned a few lessons on potash.

Hon. Gerry Ritz: Mr. Speaker, all of these are adjudicated on a case-by-case basis at that time and place. Since these deals were put in place, we have seen companies that have not lived up to what they promised. In some cases we have taken them to court, which has never happened before. These transactions were always rubber-stamped and never went to court. We are doing this, and we are happy to do it.

We are seeing a recession that rocked the boat around the world. Certainly, these industries will have a chance to come back again. We saw this with General Motors. We stepped up and did what needed to be done, as a government, and put them back into play.

I welcome the opportunity for a Canadian investor to come forward now, when these industries are at a low ebb, and put forward a bid.

Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.): Mr. Speaker, I would like to ask the minister a question similar to the one I asked the leader of the NDP.

The minister mentioned some of the challenges facing the future of our assets, which are extremely important to our country. What framework would the government use to differentiate between those companies considered to be strategic assets, and thus exempt from being placed under majority ownership by a foreign group, and those

companies that would be allowed to be acquired by a foreign consortium?

It is important to tell the Canadian public which companies are considered strategic assets and which are not. It would also give direction to the private sector, letting investors know where to put their money for maximum effect.

• (1120)

Hon. Gerry Ritz: Mr. Speaker, we will look forward to doing that in 30 days, when our legal requirements are up under the Canada Investment Act.

I would say to my hon. colleague on the other side that, from this government's perspective, every business is strategic that helps to drive the economy and create jobs. That is why we are dispirited when we see carbon taxes coming from the member's party; when we see support for Bill C-300, which would drive all our mining resources out of this country; and when we see the opposition talking about raising business taxes. That is why we get upset. That is why we feel that every business in this country is strategic.

[*Translation*]

Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ): Mr. Speaker, in 2007, the government and the then Industry minister allowed the transaction—and this is the question I asked the minister—in which Rio Tinto acquired Alcan. No conditions were imposed despite the fact that the community called for two conditions: they wanted jobs and they wanted Rio Tinto to be required to undertake secondary and tertiary aluminum transformation in the Saguenay—Lac-Saint-Jean region. The government and the minister demonstrated extreme negligence by failing to impose those two conditions.

Will the minister acknowledge that the minister of the day made a serious mistake by failing to impose conditions before allowing Rio Tinto to acquire Alcan?

[*English*]

Hon. Gerry Ritz: Mr. Speaker, I cannot speak to what happened a number of years ago. The Minister of Industry at that time made the decision based on the best information he had.

As the minister said to our colleague from the Bloc Québécois, resources across this country are all treated equally in this government's eyes. Under the Constitution, these resources belong to the province of record, which helps these decisions along.

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, I am pleased to take part in the debate today about potash. It is a commodity that many people may not have heard much about, at least not until six or eight weeks ago. But since then, potash has become a symbol of how Canadians value and measure the public interest and the strategic interests of our country. That is not something they want sold out or taken over.

Business of Supply

Potash is a mineral nutrient that is a vital ingredient in fertilizers, and 53% of the world's known reserves are located in Saskatchewan. Potash is used to renew and enrich arable farm lands. It is indispensable to food production worldwide and will be so for generations to come.

Our soil types here in Canada are different from many others around the world. We do not use a lot of potash in our country, at least not yet. One day we most certainly will. In the meantime, its strategic value in feeding a hungry world is indisputable and is growing more strategic and more valuable every day.

It came as a surprise to many, about two weeks ago, when the Prime Minister answered a potash question in this House in a remarkably superficial and dismissive manner. In reference to the hostile bid by the massive transnational BHP Billiton Corporation of Australia to take over the Potash Corporation of Saskatchewan, the Prime Minister said, essentially, "What is all the fuss? It is just an Australian company trying to buy out an American company, so who really cares?" That was the tone of the Prime Minister's answer.

As it turns out, millions of Canadians care, and they care deeply. The Prime Minister was wrong about the Potash Corporation. It is not an American company, 49% of its shareholders are Canadian and only 38% are American. More important, two-thirds of its directors are Canadian citizens and Canadian residents. Control of the company rests in Canada, in Saskatoon, Saskatchewan.

Beyond being erroneous, the Prime Minister's remark was taken by a lot of people in Saskatchewan as an insult, an indication that Saskatchewan was being taken for granted again and maybe taken to the cleaners, that Saskatchewan's interests could easily be sacrificed on the altar of ultra-Conservative ideology, sold out to Australia because the Prime Minister had a personal bias in favour of the proposed takeover.

That is how Saskatchewan read the Conservative position two weeks ago. The government was out of sync with a big majority of Saskatchewan people who did not want, and do not want, to stand by and see this transaction result in the biggest resource sellout in history. They do not want to lose control, permanently and irretrievably, over this strategic commodity and an entire industry.

Offended by the Prime Minister's foolish remark, public opinion galvanized and mobilized. The Saskatchewan government and the provincial legislature were of one mind on this issue. If anyone knows the politics of Saskatchewan, that is indeed a rare moment.

Premier Wall was buttressed by former premiers Calvert, Romano, Devine, and Blakeney, and the opposition accumulated far beyond Saskatchewan. Former Alberta premier Peter Lougheed weighed in, as did the current premiers of Alberta, Manitoba, Quebec, and New Brunswick. The Ontario finance minister warned the federal government to listen carefully to Saskatchewan. And as the official opposition in the House of Commons, we issued the same warning for six long weeks, day after day, question period after question period, .

The wave of common opinion rolled beyond politics. Icons of Canadian business became very vocal. Early out of the gate to oppose the deal was Stephen Jarislowsky of Montreal, who owns an

estimated some 9 million shares of Potash Corp., and stood to make a tidy profit at \$130 per share. He said, "No, do not do it."

The same counsel came from the legendary Dick Haskayne of Calgary, the man for whom the business school at the University of Calgary is named. He, too, said, "No, do not do it."

• (1125)

Then Roger Phillips of Regina, former vice-president of Alcan when it was a Canadian company and later CEO at IPSCO Steel, said no as well. From there, the list of those with substantial misgivings just kept growing. Norman Keevil of Teck Resources, Dominic D'Allesandro, Calin Rovinescu of Air Canada, Roger Martin of the Rotman School, Gerry Schwartz of Onex, Red Wilson, and many more.

The questions being asked were all much the same. If the Potash Corporation of Saskatchewan were to be sold out to BHP, control over the operation would move from a board in Saskatoon, where two-thirds of the directors are Canadian, to a very different foreign board in Australia, with maybe one Canadian director out of 11. So how is that a net benefit?

If Saskatchewan stands to lose jobs, investment, and provincial government revenues totalling between \$3 billion and \$6 billion, how is that a net benefit?

If the deal means the inevitable destruction of the Canpotex marketing group and the muscling out of other players like Agrium and Mosaic, how is that a net benefit?

If the biggest resources sell-out in Canadian history adds potash to the list of Alcan, Inco, and Falconbridge, all former Canadian champions now lost from Canadian ownership, lost from Canadian control under this Conservative government, how is that a net benefit?

If Saskatchewan and Canada lose all effective influence over one of the world's most strategic commodities in food production, especially in burgeoning markets in India and China at a time when these economies are poised to begin driving the global economy, if we give up that influence, how is that a net benefit?

If Canada's image is reinforced on the global stage as a corporate pushover, an easy mark for takeovers, or if people are led to believe, to use the words of none other than the former chairman of BHP, that "Canada's policies are the worst...Canada has been reduced to an industry branch office largely irrelevant on the global mining stage", then where is the net benefit in letting BHP take over?

Business of Supply

We asked all of these questions over and over again in the House of Commons. Business leaders asked them too, as did the province of Saskatchewan. After weeks of interrogation, the government has finally admitted that it cannot find any net benefit either. Because this was so obvious for so long, people are left to wonder what the government was really thinking during all that time.

It goes back to the answer from the Prime Minister two weeks ago. This is a government that wanted to say yes, that planned to say yes, until the Conservatives saw themselves threatened politically.

The Conservatives polled furiously over this past weekend. They leaked a bunch of trial balloons to the news media to see what might fly. They tried to test what would sell, so that they could ride a horse in two different directions at the same time, but the reaction was all consistently negative. They could not make a silk purse out of this sow's ear.

In the end, they had to be dragged kicking and screaming to get on the same side as a strong majority of Canadians and an overwhelming majority of Saskatchewanians, and just say no. Even then, their position remained a bit vague. Yes, the rules require a 30-day response period for BHP, but in fairness to the corporation, it should not be drawn into some kind of wild goose chase.

The people of Saskatchewan have not said maybe. They have unequivocally said no. The Premier of Saskatchewan has not said, "Make me a better offer". He has said unequivocally no.

BHP officials should know what is in their power to address and what is not. Could they do better on the share price, jobs, investment, provincial taxes and royalties, or the size of their Saskatoon branch office? Maybe. But as Premier Wall points out, how could they address the fundamental strategic considerations that go far beyond merely haggling over the price?

• (1130)

In other words, Saskatchewan's potash resources are clearly so strategic, how does BHP officials render those resources unstrategic? In a hungry world in which soil fertilization is vital, how do they diminish control over 53% of the global supply of potash to nothing more than the routine marketing of axe handles? If it is special and it is strategic and BHP cannot change that, then why lead it on? Yes, give the 30 days that the law requires, but do not raise false hopes on the part of the bidder and do not cause doubts among Saskatchewan people about what the answer is. When it comes to potash, no means no. That is what 80% or more of Saskatchewan people want to hear.

They do not want to be told that they are bad or weak people because they expect their governments to stand up and safeguard a strategic resource. Some of the extremist commentary that has been peddled about Saskatchewan being a banana republic and the premier being some kind of Hugo Chavez of the north is just ideological claptrap. The cream of Canada's business leadership says that standing up for a strategic resource and standing against this particular transaction is not anti-business and not anti-investment, it is simply the right thing to do.

Canada's global reputation is not that we are too tough on foreign direct investments. It is that we are too soft, to the point where even the former chairman of BHP was making fun of us. Neither Australia nor any other sophisticated economy would rubber-stamp a deal like

the foreign takeover of PotashCorp. The right-wing Conservative elites who make the contrary argument are the same people who opposed robust financial regulations and promoted big bank mergers about a decade ago. If their bad advice had been followed then, Canada's financial system would have suffered the same big trouble as the American system that so damaged the U.S. economy through the recession of the last two years. A strong legal framework and robust oversight are not bad for business but the Investment Canada process does need to be improved.

Early in this debate, several weeks ago, the Liberal official opposition made that very point and we called for four types of changes. The first one was that there needed to be more precision in the definition of what constitutes a net benefit under the Investment Canada Act. Right now it is a bit of a moveable feast. It is vague, it is whatever the minister says that it is from time to time and it changes from time to time. For all sides in the debate about foreign direct investment there needs to be more clarity about what net benefit means. To this very moment, BHP still believes that it passed the test. To a big majority of Canadians, it is beyond doubt that it did not pass the test and perhaps could not. Such ambiguity is not helpful to any side in a large, complex commercial transaction. So number one is that there be greater certainty in the definition of net benefit and the factors that determine it.

The second change concerns transparency. As it exists today, the Investment Canada process is a totally secret black box. No one knows the information that goes in or the arguments that are exchanged. No one knows what analysis if any gets done and no one knows the basis upon which recommendations are made. We have the bizarre situation here in the BHP case where the minister says that there was an analysis but that there were no recommendations. Well, how silly is that, an analysis without recommendations? Equally silly is that any conditions attached to any government approvals are also secret. Now that is ludicrous. If the public cannot know what the conditions for an approval are, then how can there be any measurement of performance? Provisions need to be embedded in the legislation to ensure proper public disclosure of necessary information and a more transparent procedure in the public interest.

The third change concerns enforcement. As we have seen all too often since 2006, big promises are too often made by takeover bidders in order to close their deals, only to be broken within a few scant months thereafter.

Business of Supply

•(1135)

The practical experience on this front has been bitterly disappointing to a great many Canadians. It is not good enough to say “then sue them”. Where would that get us? Litigation would be tied up in the courts for 10 years or more while Canadians lose their jobs. The act needs to be amended to include practical, timely, readily available remedies to enforce any promises that are made.

Fourth, as we have seen in the Potash case, this federal jurisdiction over foreign direct investment can impinge squarely upon provincial constitutional jurisdiction over natural resources. Premier Wall was prepared, if necessary, to take that question to court as the people of Saskatchewan would have expected him to do.

While the Investment Canada Act cannot resolve every question of constitutional jurisdiction, it can at least obligate the federal authority to consult more closely and to keep profoundly affected provinces more effectively in the decision-making loop. They deserve some recognized status in this whole procedure.

The motion before us today is by no means a panacea. Some of its proposals are useful while some may not be workable or even desirable, but at least a discussion needs to begin on how to improve the Investment Canada Act and its procedures as we called for about a month ago. That discussion needs to get going before there is another megatakeover looming on the horizon. The Potash case has demonstrated that the present regime is not adequate, so let us get it fixed.

In the meantime, this motion in its last sentence says clearly that the BHP takeover bid needs to be stopped. That is the primary message in this motion today that I hope all members will endorse.

•(1140)

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, for a while I thought I was listening to an NDP member. The Liberals when in opposition can talk a great line and sound progressive but their history in government is something quite different. In fact, when they were in government they stopped absolutely zero in terms of foreign takeovers.

I want to take the member back to November 2, 1989, when Grant Devine was the Conservative premier of Saskatchewan. The Potash Corporation of Saskatchewan was privatized. For many years it had been government owned and very successful. It was privatized by a Conservative government at that time. Mulroney was the prime minister at the time and the Liberals were the official opposition but I do not recall the Liberal Party of Canada taking a strong position against that particular issue.

Bill C-300, the corporate social responsibility bill sponsored by a Liberal member, which was recently before the House, would have forced Canadian mining companies to act responsibly in foreign jurisdictions and treat workers and the environment fairly. The member's own party held out sufficient members when it came time to vote so his colleague lost his bill. That is the way the opposition acts. The Liberals sit on both sides of issues but particularly with Bill C-300.

While the member made a great speech, we have some questions about how solid the Liberals are in terms of following through if and when they ever get back into government.

Hon. Ralph Goodale: Mr. Speaker, it is hard to know if a question was actually buried there. It seemed to be more like a rhetorical statement.

The fact is that in the lifespan of the Investment Canada Act, going back to the mid-eighties, there has not been a proposed transaction in the resources sector in the order of magnitude as the Potash case. This is the first one that has been this big, and we have been very clear about our position on the case of Potash.

We have also indicated that the major takeovers of large chunks of Canadian natural resources, whether that was Inco, Falconbridge or Alcan, they have all occurred since 2006 under the watch of the present government, not the previous government. I think the hon. member should pay a little more attention to the timeframe and direct his criticism where it belongs.

The stripping away of Canada's ownership of its natural resources in terms of the control factor has all occurred since 2006. If Potash were to be added to the list of Inco, Alcan and Falconbridge, many in the Canadian business community would look over the horizon and ask, “What is left? It is all gone”. It is very clearly time to draw the line in the case of Potash.

On the issue of Bill C-300, I would point out to the hon. gentleman that in the course of that vote, every Liberal in the House voted in favour and there were members of Parliament missing from all political parties at the time that vote was taken.

Mr. Rob Clarke (Desnethé—Missinippi—Churchill River, CPC): Mr. Speaker, for 18 years I was in the RCMP and I respect the criminal law and understand the Criminal Code that guides the whole country on criminal acts and behaviour. I had to work with Canadian people and clients in order to prosecute and bring people to justice.

Is the member aware of section 36(5) of the Canada Investment Act which stipulates that it is a criminal offence if the minister comes out and speaks about it in detail? Was the member, for the last two weeks and last night, counselling the minister to break the law?

Hon. Ralph Goodale: Mr. Speaker, of course not. The point is that the government has been trying on this issue to have it all ways to Sunday and not to be clear with Canadians about where it wanted to go. We heard that in the answer that was given by the Prime Minister two weeks ago yesterday when he was asked the question about Potash and gave that flippant, dismissive response that said, “Who cares? It is just an Australian company trying to buy an American company and it really does not matter”.

The people of Saskatchewan took that as a personal insult. They knew it was factually wrong to start with but they were offended by the dismissive, back of the hand kind of approach that they saw from the Prime Minister. It also betrayed a bias on the Prime Minister's part that he was tending to go down the road of approving this transaction.

Business of Supply

That galvanized public opinion in Saskatchewan and across the country. The ball really got rolling when Canadians said that they would need to stop this transaction because if they left it to the government, it would let it go.

• (1145)

Hon. Geoff Regan (Halifax West, Lib.): Mr. Speaker, in relation to the previous question that was raised, it strikes me that whatever the Criminal Code says about ministers, it certainly does not say that members of Parliament must be silent, that they cannot speak about an issue. Unfortunately, however, we have heard nothing from the 13 Conservative MPs from Saskatchewan over the past few weeks. Thank goodness that the people of Saskatchewan and its premier spoke out so strongly.

Does my hon. colleague, the member for Wascana, think that if it had not been for the overwhelming response from western Canada, especially from the people of Saskatchewan, and their insistence that the Prime Minister change his tune on this issue, the government would have rubber-stamped this deal in no time at all?

Hon. Ralph Goodale: Mr. Speaker, there is a lot of public opinion in Saskatchewan that holds exactly that point of view, that it was absolutely essential for the province of Saskatchewan to take the position that it did, for the opposition in Saskatchewan to take the position that it did, for other premiers to become engaged, for other former premiers to become engaged and for the business community to come out and express their point of view clearly and strongly.

If there had not been that groundswell, the government was on a different course. The government was headed in the wrong direction, It was public opinion that brought it, kicking and screaming, to the conclusion that it arrived at last night. Now Canadians want to be sure that that conclusion will stick and that it will not just dribble away in the next 30 days.

Mr. Paul Calandra (Oak Ridges—Markham, CPC): Mr. Speaker, what is quite clear is that the member read the wrong speech today. He read a speech based on a different sale.

It is driving him crazy that the 13 Saskatchewan members in the Conservative caucus have been able to do more since 2006 than the member and his party have ever done for this country and that the net benefit to Canada actually started in February of 2006 when that lot was thrown out and the Conservative government and Prime Minister were put in office.

For 13 long years, the Liberals did absolutely, positively nothing. They did not listen to the provinces, they cut health care and they raised taxes for Canadians. They did absolutely nothing. To stand in his place and suggest otherwise is absolutely ridiculous.

Would he not agree with me that the reason we might have to consider changing the Investment Canada Act is that the party of the member opposite did absolutely nothing? All it ever did was rubber-stamp every single one of these things, and it is this government that has finally put the interests of Canadians and Saskatchewanians first.

If the member wants to really do something for the people of Canada, he should consider crossing the floor to this party because we are the only party that actually stands up for the people of Saskatchewan.

Hon. Ralph Goodale: Mr. Speaker, what an invitation. The answer to that one is, indeed, no.

On the role of Saskatchewan's MPs, I note the commentaries in the media in Saskatchewan that refer to them in very unflattering terms. I will not put those epithets into the record because they are pretty tough, but they are described as MPs who are missing in action, who scurry away from the microphones, who refuse to take a position, refuse to stand up for Saskatchewan and only take a position after the Prime Minister has told them what they think.

That is the kind of taking for granted of Saskatchewan that the province roundly resents. That is why the notion of having a one-party political monopoly on Saskatchewan is something that province is very anxious not to have.

ROUTINE PROCEEDINGS

• (1150)

[*English*]

FOREIGN AFFAIRS

Hon. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, there have been discussions among the parties and I think you will find unanimous consent for the following urgent motion. I would like to add that this motion was adopted unanimously by the Standing Committee on the Status of Women and is supported by the members for Beauport—Limoilou, Laval and London—Fanshawe. I move:

That pursuant to the motion adopted earlier today by the Standing Committee on the Status of Women, this House ask the Minister of Foreign Affairs to take the strongest action possible to demand that the government of Iran permanently stay the execution of Sakineh Mohammadi Ashtiani, and to release her, and her son, and that furthermore this House communicate its deep concern directly to the President of Iran.

The Acting Speaker (Mr. Barry Devolin): Does the hon. member have the consent of the House to move the motion?

Some hon. members: Agreed.

The Acting Speaker (Mr. Barry Devolin): The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to)

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

OPPOSITION MOTION—FOREIGN TAKEOVERS

The House resumed consideration of the motion.

Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ): Mr. Speaker, every time I have the opportunity to speak in the House of Commons, I try to find out whether the bill, the motion or the debate directly affects the people of Chicoutimi—Le Fjord, the riding I represent in the House.

Business of Supply

Although this matter is unfolding far from Saguenay—Lac-Saint-Jean, we recently went through something very similar. When I read the text of the NDP motion, it struck a chord with me. Three years ago, on October 18, 2007, I condemned the then industry minister's lack of forethought in the Rio Tinto takeover of the Alcan Group.

Before going any further, I would like to spend a few minutes on the text of the motion before us. There are some similarities between the Potash Corporation takeover, the subject of today's motion, and the Alcan file. The length of the motion no doubt is representative of the many problems with the Investment Canada Act.

The Investment Canada Act, which covers the review of foreign investment, is complex but has some shortcomings. At present, the act gives too much latitude to the Minister of Industry and is too complacent with respect to foreign corporations. We must establish a more transparent process.

I will present the Bloc Québécois's position right away. On the very eve of the debate on the motion—yesterday, November 3, 2010 at 6 p.m.—the Conservative government finally decided to block the current transaction by declaring that there was no net benefit to Canada. However, rather than slamming the door shut, the Minister of Industry left it open a crack by giving BHP Billiton the opportunity to submit a better offer within 30 days. In short, the matter is not settled and the Conservative government may still allow the foreign takeover of Potash Corporation.

Even though, this time, public outcry and the Saskatchewan premier's opposition forced the Conservative government to use the Investment Canada Act to block the transaction, it is the exception to the rule. In general, the Conservatives pay little heed to foreign takeovers of Quebec and Canadian corporations. Even worse, the Conservative government makes a point of making decisions in a vacuum, without respecting the positions of the major players: the representatives of workers and the industry and, above all, the governments of Quebec and the provinces.

Do we need to remind the government that natural resources, as in the case of Potash Corporation, come under the exclusive jurisdiction of Quebec and the provinces? The Conservative government's position is quite worrisome because the flow of foreign investment has been increasing internationally for years, particularly in the natural resources sector. Natural resources have a strategic significance that foreign countries crave, and Quebec and Canada need to make sure that they do not lose control of those resources. The international business environment is in favour of international trade and foreign takeovers of Quebec's industry icons.

The importance of these industries for Quebec goes beyond trade and encompasses the total economic and social development of our society. Foreign takeovers have often resulted in job losses and a loss of control over business decisions.

• (1155)

Many trade agreements include a dispute settlement mechanism allowing foreign investors to contest legislative measures unfavourable to their financial interests.

In the March 2010 Speech from the Throne, the Conservative government expressed its intention to facilitate foreign takeovers in a number of our key sectors including satellites, telecommunications

and mines. Foreign investment should be synonymous with new capital, economic growth and job creation, instead of just foreign takeovers of our well-established industries.

The current wording of the Investment Canada Act already allows the Minister of Industry to consult representatives from industry, the labour market, provincial and local governments and any other interested parties. The motion aims to make these consultations mandatory.

The Conservative government has already quietly amended the Investment Canada Act through the Budget Implementation Act, 2009, which made it possible to raise the threshold for review by Industry Canada to \$1 billion simply by an order in council.

The Conservative government's approach does not promote transparency or inspire the confidence of the House in its actions with respect to this kind of transaction. The federal government should respect decisions that Quebec and the provinces make about foreign takeovers, particularly since Potash Corporation operates in the natural resources sector, which is under the exclusive jurisdiction of Quebec and the provinces.

The Bloc Québécois supports the NDP motion we are debating today.

As I said at the beginning of my remarks about today's NDP motion, we all know how important Alcan is to Quebec. In my region, Saguenay—Lac-Saint-Jean, the news that Rio Tinto was buying Alcan was like a bomb going off. There were a lot of unknowns surrounding the transaction. Things were going to change. Would plans change? Alcan became foreign-owned. Our dams and our rivers became, in part, foreign property. That is worrisome.

Before the Alcan-Rio Tinto transaction, the company had its headquarters in Quebec. The resources were Quebec's property and the capital was mostly in Quebec and Canadian hands. Today, the company is headquartered abroad. Our resources are foreign property and most of the capital is elsewhere. Alcan's Montreal headquarters are now a Rio Tinto administrative office.

Because the company's decision-making hub is no longer in Quebec, the shareholders' meeting on Rio Tinto's business activities in North America is now held in London.

For the past three years, I have crossed the Atlantic with other elected representatives or people representing employees at Rio Tinto plants in Saguenay—Lac-Saint-Jean to ask the London-based Rio Tinto executives some questions. These issues are so important to the region that it wants to make sure its message gets heard where decisions get made.

Business of Supply

Before Rio Tinto acquired the company, shareholders' meetings were held in Montreal. Company leaders were nearby. When people talked about Saguenay—Lac-St-Jean in Montreal, the issues were well known. Now, in London, in a huge room full of groups from dozens of countries, each with their own issues, it is harder to get the message through. Also, in Montreal, people could express themselves in French because some of the top brass were our own. In London, it is a whole different story.

● (1200)

I am not trying to prevent the sale of Canadian businesses to foreign companies. I simply believe that the Canadian government has the tools needed to ensure that the transaction will have a positive, significant impact on our economy, our workers and our communities.

In fact, the Investment Canada Act allows the federal government to impose conditions when a Canadian company or business is being bought by a foreign investor. For instance, that legislation allows the government to authorize or refuse a transaction after examining whether it will benefit Canada. For me, the case that comes to mind is Rio Tinto and Alcan. The Minister of Industry did not express any objections or impose any conditions on Rio Tinto in 2007. To this day, I have a hard time really understanding how a company as large as Alcan, which was the pride and joy of the Quebec economy, could have been sold without anyone really taking a close look at the impact of such a decision.

The Bloc Québécois and a number of stakeholders in Saguenay—Lac-Saint-Jean called for conditions, but the minister at the time ignored those demands. He pulled the rug right out from under our feet. He rushed to make a decision and hastily accepted the transaction. Unfortunately, Rio Tinto has since acquired Alcan. The minister did not demand any commitments from Rio Tinto concerning the number of jobs to be preserved, although that should have been a priority in the process. Nor did he demand any commitments regarding secondary and tertiary aluminum processing activities in Saguenay—Lac-Saint-Jean or even in Quebec. As a result, an entire legacy built by people in my region ended up being sold off in just a few days. It seems logical to me that in such a situation, someone should ask some questions and impose certain conditions on the new owners.

Since the NDP motion mentions Potash Corporation, I would like to talk about this saga. Potash Corporation extracts potash, which is a rare mineral that is used in fertilizers. Potash Corporation used to be state-owned but it was privatized in 1989 and now owns nearly 20% of the world's potash reserves. In mid-August 2010, BHP Billiton, an Anglo-Australian mining company, made a hostile takeover bid to the shareholders of Potash Corporation for a total sum of \$28.5 billion, or \$130 a share. This hostile bid sparked an immediate reaction from Potash Corporation's management, who essentially called it robbery. BHP Billiton also repeated its promise to keep the company's headquarters in Saskatchewan and to transfer the management team from its potash division to the province and maintain the same number of jobs there. Potash Corporation responded by taking legal action in American courts.

Potash Corporation is special to the people of Saskatchewan and is a source of pride for the province. This explains the hostile reaction

that this takeover bid sparked from the people of Saskatchewan. The premier even spoke out publicly against this transaction, which he deemed to be strategically unacceptable for the economic future of his province. He also felt that this transaction did not offer any net benefit for the country, as is required by the Investment Canada Act. From a financial point of view, Saskatchewan could stand to lose up to \$3 billion a year in royalties if Potash Corporation were sold to foreign investors.

● (1205)

I would like to take this opportunity to present the Bloc's requests regarding this motion.

Considering the fact that there is a dispute settlement regime favourable to foreign investments on the international scene, and that a limit of \$1 billion could make it possible for many outstanding assets of Quebec's economy to be sold to foreign investors without the government even having an opportunity to determine whether the takeover would be of net benefit to the local economy, the Bloc Québécois is suggesting that these provisions be abandoned and that the threshold be set at \$300 million.

This amount would allow foreign investments in Canada without unnecessarily putting a stop to them, but major investments above this threshold would be reviewed before being approved. Thus, the government would have a right to review the nature of major foreign takeovers and the risks associated with them and would be able to determine the foreign investors' intentions regarding the management of their Canadian assets.

It is up to the Minister of Industry to decide whether the proposed investment is of net benefit to Canada. Unfortunately, when a foreign company and the government negotiate an agreement, it is classified as confidential. I can understand that a private company does not want to show its hand. However, I sincerely believe that certain terms and conditions must be established and made public.

As my speech has indicated, there is no doubt that the Bloc Québécois is in favour of the NDP motion. I repeat, we are not against the foreign acquisition of Canadian companies, but I believe it is important to set more transparent standards and require commitments that will help ensure the future of the company. That is what I would have liked to see in the 2007 transaction when Rio Tinto acquired Alcan. The minister at the time had not set any conditions. The regional community called for two conditions: that a certain number of jobs be created and that the aluminum be processed in the Saguenay—Lac-Saint-Jean region.

In closing, in comparing yesterday's decision to the one made in 2007, we see that there is a double standard when it comes to Quebec. For strategic reasons, the Conservative government intervened yesterday to say that the sale of this company would not go through, but in the case of Alcan, the government did not intervene and was negligent in not setting any conditions. Does the Conservative government think that natural resources are less important in Quebec?

Business of Supply

The Conservative government did not intervene for political reasons. This issue mobilized people, governments and the industry in Saskatchewan. In my region, in Saguenay—Lac-Saint-Jean, the hon. member for Jonquière—Alma did nothing to pressure the Minister of Industry. The then minister, the current minister and hon. member for Jonquière—Alma, and the Conservative government have all demonstrated gross negligence.

• (1210)

[*English*]

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC): Madam Speaker, I have a question for my colleague across the way, the Bloc member. I would have liked to have asked it of the member for Wascana before he scurried away from his seat shortly after his speech. I will just give a bit of history to my Bloc friends regarding the member for Wascana.

The member for Wascana was the provincial Liberal leader for some time in that province before he escaped to Ottawa. He was kind of lonely there, being the only, lonely Liberal for a period of time. Now he has come here and history repeats itself, I guess, insofar as he is the only, lonely Liberal in the whole province, surrounded by a sea of 13 Conservatives, and he does not much like that. He does not particularly like the fact that he is no longer in the government, in the government caucus, in the cabinet. He can yap and yip all he wants on that side because he does not have disclosure restraints. There are no criminal sanctions that would apply to him as a member of the opposition, yipping and yapping on the other side.

The members from the Conservative Party, the 13 of us here in this place, take our responsibility seriously in providing the kind of input that the minister requests as he gathers all the input he requires for a very serious and very sobering kind of decision. At the end of the day, the minister, as he has rightly said, made a good decision, that it does not present a likely net benefit to Canada, in respect of the Billiton bid.

I would remind the Bloc member and the Liberal member for Wascana who was here in his seat talking some moments ago that the current Liberal leader in the province of Saskatchewan actually said in public comments that this should be wide open, that we should just let it happen, that the government should not be involved at all.

So it is fine for the member for Wascana to flail his arms and all of that in this place, to flap his arms and his gums, I guess I would say, but what does the Bloc member think of the fact that the federal Liberals rubber-stamp everything and the provincial Liberal leader said it should just be left open, when in fact—

The Acting Speaker (Ms. Denise Savoie): Order, please. I would like to give the hon. member for Chicoutimi—Le Fjord an opportunity to respond.

[*Translation*]

Mr. Robert Bouchard: Madam Speaker, I thank the member for his question. I find that the Liberals and the Conservatives are all the same. It is six of one and half a dozen of the other.

In the past 25 years, the government has intervened very few times. Yesterday's decision to reject the transaction is an exception. In my region, people believe that the Conservative government

adopted a laissez-faire attitude and did not set conditions for the 2007 Rio Tinto acquisition of Alcan.

I have been in this House since 2004, and that takeover happened on my watch. This Conservative government was negligent, the Conservative members from my region were also negligent, and the member for Jonquière—Alma was negligent. He went along with his party and toed the line.

• (1215)

[*English*]

Mr. Jim Maloway (Elmwood—Transcona, NDP): Madam Speaker, I want to thank the member for his comments today. The fact of the matter is that it was the previous Conservative government of Grant Devine in Saskatchewan that privatized Potash Corporation of Saskatchewan on November 2, 1989. It is a corporation that was very successfully operated for many years under the ownership and management of the people of Saskatchewan, and the ideological Conservative government of Grant Devine privatized it in 1989. What did the federal Conservative government of Brian Mulroney do at the time? No concerns were expressed at all. The Liberal opposition did not seem to be concerned about it at all. That was the beginning of the problems with regard to this particular deal.

The statistics overall point to a very sorry record of successive Conservative and Liberal governments. For example, in 1,638 foreign takeovers, there were 334 just last year alone and only one was disallowed by the Canadian government. In 2009, the government reviewed only 22 out of 338 takeovers, according to Industry Canada. In one year alone, 2006, foreign control over Canada's mining sector rose from 12% to 40%. Between 1985 when the Investment Canada Act came into force under Brian Mulroney and September 30, 2010, Industry Canada reviewed, once again, 1,638 foreign acquisition worth almost \$600 billion and approved all but one.

So the fact of the matter is that, historically, whether it is Conservative or Liberal, it is the same thing.

[*Translation*]

Mr. Robert Bouchard: Madam Speaker, I agree with the member; the Conservatives and the Liberals are like two peas in a pod. The member also said that Potash Corporation was a crown corporation before it was privatized in 1989.

The Bloc Québécois respects the responsibilities of the provinces and Quebec, and it is up to each province and Quebec to choose how such corporations are managed. Quebec has Hydro-Québec, a crown corporation which is considered a jewel and of which I am proud. It is a crown corporation that manages a natural resource.

[*English*]

Mr. Glenn Thibeault (Sudbury, NDP): Madam Speaker, I come from a riding that knows this Investment Canada Act all too well, unfortunately.

Business of Supply

Xstrata, which was Falconbridge, and Inco, which is now Vale, have both seen the net benefit. The net benefit has been 686 job losses in February 2009, 400 job losses at Vale in May and a year-long strike. I can continue to talk about job losses, and I can continue to talk about layoffs, but the thing that has been very clear is that my city and my community has been ravaged.

There has been no net benefit to families who have to find a way to keep their homes and no net benefit to families who are not able to send their children, their teenagers, to college or university because they have lost their job.

This net benefit needs to be clear. I got elected two years ago, and when the first layoffs came around, it was six months in. I said we would look at the Investment Canada Act and the agreement and find out what we could do to protect the jobs.

What I was told by the government was that it was a confidential agreement and I could not see it. However, it was allowing a corporation to lay off 686 people, with 686 families affected.

I would like to ask the hon. member this. How does he think it is fair to keep these agreements hidden from the Canadian public, who we represent?

• (1220)

[*Translation*]

Mr. Robert Bouchard: Madam Speaker, the case that the member just presented could be considered plausible. It is not fair. I think that this transaction was grossly mismanaged. The minister at the time should have fixed undertakings and conditions for the company prior to the transaction. There should have been conditions—for example, a certain number of jobs—or else the transaction would have been cancelled.

That is what we are calling for. The motion also calls for a minimum amount of transparency so that the public can be informed. The minister must pay attention. The Investment Canada Act allows the minister to listen to what the Quebec and provincial governments, the community and the workers are calling for and to fix undertakings and conditions before the transaction takes place. That is what we need. The minister must defend the public.

[*English*]

Ms. Chris Charlton (Hamilton Mountain, NDP): Madam Speaker, I will be sharing my time with the member for Sudbury this morning.

I am delighted to participate in today's debate on our NDP motion to amend the Investment Canada Act. It is a debate that is long overdue in this country, and last night's interim decision on the sale of PotashCorp only reinforces that point.

The industry minister said that there is “likely no benefit” to Canada and Canadians but that BHP Billiton has 30 days to respond. The very use of the word “likely” suggests that there may be some doubts still in the mind of the minister, but we will never know for sure because everything is happening behind closed doors. There is no transparency. Without transparency there cannot be any accountability.

We will never know why the government is rejecting the BHP Billiton bid for PotashCorp, nor will we ever know why it has

rubber-stamped so many other takeovers in the past. Yet this is a critically important issue for literally thousands of Canadians and communities from coast to coast to coast.

It is the Investment Canada Act that creates the legislative framework for the review of proposals for foreign takeovers of Canadian companies. It is this law that requires the government to turn down such proposals if they are of no net benefit to Canadians.

Since 1985, more than 13,500 Canadian firms have fallen to foreign interests under successive Liberal and Conservative governments. Until last night's partial rejection of a bid only one foreign takeover application had ever been turned down before, and that was the bid for MacDonald Dettwiler. MacDonald Dettwiler of course is the company that produced the Canadarm and other strategic space technologies, which were sought after by a U.S. weapons contractor. Thankfully that takeover bid was denied, but it was the exception, not the rule.

An astonishing 87% of foreign takeovers were approved without ever being reviewed. How could it be otherwise when in the entire federal government there are only 11 people charged with the responsibility of reviewing the hundreds of proposals coming forward, and 2 of those staff are in clerical positions? By default, Canada's businesses have become ripe for the picking.

No one is safe. Foreign interests have already absorbed Canadian icons like Stelco, Molson, Labatt, Inco, The Bay, Falconbridge, Alcan, Nortel and even the Montreal Canadiens.

Canada as we know it is simply slipping away. Foreign-based companies are gaining more and more control over our strategic industries like steel and nickel, as well as our energy reserves, natural resources and cultural industries. Over and over again, Liberal and Conservative governments have failed to ensure that foreign investments create new jobs for Canadians, bring new capital to Canada, transfer new technology to this country, increase Canadian-based research and development, contribute to sustainable economic development and improve the lives of Canadian workers and their communities.

Only if those conditions are met should the government feel assured that new proposals are indeed a net benefit and be prepared to sign off on a foreign takeover. Instead foreign investments have been motivated simply by a desire to gain control of Canada's strategic industries and resources. Sadly that seems to be just fine by the government.

A perfect case in point is the recent takeover by U.S. Steel of Hamilton icon, Stelco. It provides the cautionary tale of an approved takeover gone terribly awry. Let me give members of the House a little background on what happened in Hamilton.

U.S. Steel acquired the former operations of Stelco Inc. in 2007. That included both Hilton Works in Hamilton and Lake Erie Works in Nanticoke. Under the Investment Canada Act, U.S. Steel had to demonstrate that its investment would provide a net benefit to Canada. As a result, it had to make commitments with respect to job creation, production levels and domestic investment.

Business of Supply

To that end, U.S. Steel and the Government of Canada signed an agreement that committed U.S. Steel to 31 different undertakings and promises. U.S. Steel then started up its operations in the fall of 2007. Just a year later, layoffs began at Hilton Works and in 2009 at the Lake Erie Works as well.

In the spring of 2009, the government started to ask questions and U.S. Steel responded with a host of reasons of why it is excused or ought to be excused from meeting its employment and production commitments. These excuses did not fly, and so the government took U.S. Steel to court in July of last year.

The Steelworkers and Lakeside, a company with a potential interest in acquiring U.S. Steel operations, were granted intervenor status. This was a huge victory for the Steelworkers. Winning intervenor status is rare in cases such as these, but the court said that the union had “unique interests” that ought to be considered in determining an appropriate remedy.

• (1225)

U.S. Steel, of course, did not just roll over. In September 2009, the company went back to court challenging the constitutionality of the entire act. Thankfully, in June of this year the judge dismissed U.S. Steel's claim. Once again U.S. Steel filed an appeal and then asked for a stay. The court did not grant the stay application, but to this day the charter challenge is continuing through the courts. In the meantime, U.S. Steel is expected to file its materials from the original case and the hearing will likely be some time in 2011.

Where does that leave us today? I think a number of issues are thrown into relief.

First, by taking U.S. Steel to court the federal government has acknowledged that it does have a legal duty to ensure that foreign investments provide a net benefit to Canada.

Second, the case makes it clear that commitments made by foreign corporations with respect to job creation, production levels and domestic investment are legally binding. They are not fair-weather wish lists that foreign corporations can unilaterally abandon.

Both of those things are good news. But, and this is a big but, clearly they are not ironclad guarantees. If they were, it would not have been possible for the government to take U.S. Steel to court while taking no action against Vale.

Vale permanently cut hundreds of jobs from its Canadian operations, and yet the government did not take Vale to court. Why is that? What was it in Vale's agreement that was different from the agreement with U.S. Steel?

Herein lies the crux of the problem. We do not know. We do not know because the agreements between foreign corporations and the federal government under the Investment Canada Act are negotiated in private and are never made publicly available. It does not need to be that way, and it should not be that way.

That is why our motion proposes two critical changes to the Investment Canada Act. First, public hearings must be made a mandatory part of all foreign investment reviews and those hearings have to be open to all those who are directly affected as well as any expert witnesses that they choose to call on their behalf. This would

mean that there would be worker participation in the reviews of foreign takeovers. Unions must be at the table so that any agreements can ultimately be enforced through the collective agreement.

Second, the agreements must be made public. The single biggest challenge to holding companies to their commitments under the act is not knowing what commitments were made in the first place. That is why our motion demands that all conditions attached to the approval of a takeover be made public and be accompanied by equally transparent commitments to monitoring corporate performance on those conditions and appropriate and enforceable penalties for failure to live up to those conditions. In essence, we are creating a legal requirement for transparency and accountability.

As it stands now, enforcement is spotty at best. Even where the government is taking action, workers have to rely on the courts to decide on the appropriate remedy. The court may order fines, divestment, compliance or some combination thereof. But it is the workers who need to be made whole, and the best way to do that is to ensure that they are part of the process from day one.

The alternative is what is playing out in Hamilton right now. The Minister of Industry came to Hamilton and said that he had sympathy for the workers, who are likely to be locked out by U.S. Steel at the end of this week, but that there was nothing he could do. That was on October 15. As U.S.W. Local 1005 rightly pointed out, the minister was “factually wrong, socially irresponsible and politically stupid”.

The agreement signed with U.S. Steel did not expire until October 31, so the company could not, as the minister suggested, “make decisions, good, bad or indifferent, according to their timetable and responsibilities”. U.S. Steel was still bound by its agreement with the federal government, but the minister simply threw up his hands.

Taking a company to court is one thing, but the cavalier attitude displayed by the minister in Hamilton means that reform of the system is desperately needed. The enforcement of foreign takeover agreements cannot be left in the hands of ministers who are not on top of their files.

Canadians deserve better, and our motion delivers better, because our Canada is not for sale.

• (1230)

Mr. Charlie Angus (Timmins—James Bay, NDP): Madam Speaker, I listened to my hon. colleague lay out what happened to the people of Hamilton and the absolutely irresponsible excuses that the Minister of Industry brought forward at the time in response to this debacle. It sounds to me too similar to when we look at what happened to Sudbury. The largest nickel copper resource in the world was allowed to be basically vandalized under the minister's watch. He told the people of Sudbury, in the face of the shutdowns, the layoffs and the crippling strike, that we would look back and remember that Vale came to save Sudbury at the time when Inco was dying. It was not only factually incorrect, it was one of the most idiotic statements a Canadian minister could ever make because four years ago Inco was at the top of the base metal mining game. If we were to talk to anyone in the mining industry they would tell us that the merger between Inco and Falconbridge would have created synergies that were unprecedented. It was under the minister's watch and the government's watch that this industry was devastated.

Business of Supply

I know no one will ever put innovation and Tory in the same sentence, all we need to do is think of the Avro Arrow, but I would ask my hon. colleague what the people in the steel industry are saying. The people from the mining sector are saying that what happened to Inco and Falconbridge under the present government's watch has crippled the base metal mining potential in this country to the point where it will never be back to the level that it was at, thanks to the government's debacle.

Ms. Chris Charlton: Madam Speaker, I had the great privilege of joining the hon. member for Nickel Belt and the member for Sudbury when the workers at Vale were on strike for almost a year in their fight to protect their pensions and their jobs and to fight for their colleagues who had been laid off. Over 600 workers had been laid off in Sudbury and they were struggling for their livelihoods.

That is exactly what is happening in Hamilton and in the riding of the member for Timmins—James Bay. People are fighting for themselves, for their families and for their communities. When these foreign takeovers happen, they are fire sales of Canada's most precious resources. The people who are paying the price are not only the taxpayers of Canada but, in particular, the workers whose companies are being taken over.

In Hamilton right now, about 1,000 workers will be locked out as of likely midnight this Saturday because of a foreign takeover gone awry. We in the House cannot do anything specifically to help the workers fight the government because the government will not tell us what is specifically in the agreement and what it will do to enforce that agreement. The first glimpses we had of the agreement that was signed were through the media. A little more access happened through the court cases, but there ought to be transparency and accountability at the front end. Workers in Canada deserve nothing less.

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Madam Speaker, the hon. member is among the best spokespersons in the House on behalf of workers and their families and I wish to thank her for that.

In my province of Alberta, we have noted in this debate about potash that the oil industry is now speaking out and raising concerns about the potential for the government to approve foreign takeovers of that industry which is one of the few revenue generators in the country at the moment, since everything else has been shut down because of these takeovers.

I wonder if the member could speak to the issue, which is so clear in the motion, and that is the issue of openness and transparency, which is what the government supposedly ran its campaign on. Is it not critical that Canadian families have a voice in expressing what really is in the best interests of current and future generations of Canadians?

• (1235)

Ms. Chris Charlton: Madam Speaker, the member for Edmonton—Strathcona is absolutely right, that is at the heart of the motion that is before us today. Communities have a right to have input into the sale of resources within their communities. Workers affected have a right to be heard. More important, when we are talking about the resource sectors, whether it be oil, nickel or copper, in any one of the strategic industries, including steel in my hometown of Hamilton, it

is imperative that we have transparency when agreements are signed so that we can ensure the agreements are enforced. However, we can only do that if there is transparency.

I think the motion is absolutely critical to the future, not just of the Investment Canada Act, which is really at the heart of today's debate, but it is absolutely critical for the future of our country.

Mr. Glenn Thibeault (Sudbury, NDP): Madam Speaker, I thank my hon. colleague from Hamilton Mountain for sharing her time with me. I know, with the situation that has happened in her riding, that she could have spoken for 20 minutes, if not two weeks, on this subject about how her riding and the families in her riding are being affected by the net benefit of the Investment Canada Act.

I also thank my leader from Toronto—Danforth, the leader of the New Democrats, for bringing forward this motion. He is the only leader listening to the people in my riding and the people who have been affected by foreign takeovers from Timmins to Hamilton to Saskatchewan and right across our great country.

The motion that he introduced wants to ensure that we review foreign investments more publicly, transparently and make it accountable to Canadians. That means a lot to the people who are affected by foreign takeovers.

We need more than just the government's word that a foreign takeover will be good for a community. Clause (c) of our motion wants to ensure that:

...all conditions attached to approval of a takeover be made public and be accompanied by equally transparent commitments to monitoring corporate performance on those conditions and appropriate and enforceable penalties for failure to live up to those conditions;

To me and to the people in my great riding of Sudbury, this is something we wanted to find out all along.

When Inco was taken over by Vale and Falconbridge taken over by Xstrata, there was some concern in my community as to what this would mean to their jobs, families and livelihoods. At first, things seemed okay, but then the economic crisis happened. It seems that many corporations used this crisis as a way to bend some of the rules and have layoffs. In February 2009, Xstrata laid off 686 miners, which meant that 686 families were affected by this net benefit Investment Canada Act and the decision made by Xstrata.

What did we do as good parliamentarians? We said that we would look at the rules and see what could be done to ensure Xstrata was not breaking its agreement and that it was following the rules of the Investment Canada Act. What happened? We were told that we could not see it. We were told to trust the government because it did this with the net benefit of Canada in mind.

When I have 686 miners in a room trying to explain to me how their families will be affected, there was no net benefit for them. There was no net benefit for the store owner who ended up losing business because these people no longer had a job. There was no net benefit for the teenagers of these families who were hoping to go to college but instead had to take a job at Tim Hortons, or something along those lines, for a year to hopefully save enough money so that they could go to school.

Business of Supply

There are only so many times as politicians that we can sit in our office and see a grown man cry because he does not know how he will keep his house or keep his family together. That is what this Investment Canada Act has done to my community. It has not shown the net benefit necessary.

For the people of Saskatchewan, I think we have been able to wipe our brow and say “whew”, because we have seen the examples. Sudbury, unfortunately, is an example of what happens when we do not know what it is we need to combat when decisions are made by foreign companies.

Xstrata and Vale made decisions, and we can respect those decisions, although we may disagree with them, but if we want to know what legislation or what agreement they were talking about, we cannot see it. That is what gets people in my riding of Sudbury scratching their heads.

People look at this House and recognize that some of us may be wearing a different colour tie, we may represent different parties and we may have different philosophies but at the end of the day we all represent them. Why is it that we cannot see agreements signed by the government with a foreign company to find out how they will affect our livelihood? That is what gets people scratching their heads.

• (1240)

No matter where the ownership of the Potash Corporation of Saskatchewan ends up, there must be a better deal for Saskatchewan from the development, mining, processing and sale of this strategic resource. Stopping the BHP takeover is the first step in helping make that happen, because the last thing we want to see is more of the losses, more of the negative side of the Investment Canada Act.

We are talking about transparency commitments to monitoring corporate performance on those conditions and appropriate and enforceable penalties for failure to live up to those conditions. When we lost 686 jobs at Xstrata, when we had 400 layoffs at Vale, and when we had a strike for over a year, there was no way we could find out if there should be any type of penalty enforced on these companies because we could not find out what the agreement entailed.

That is the unfortunate thing about this. How do we know if the agreement said that there could be no layoffs and no strikes for the first three or four years or there would be penalties? We do not know. Maybe the companies should have been forced to make some payments and suffer some penalties that could have offset some of the costs that these laid off workers were experiencing. However, when we do not know we do not know how to deal with the situation.

Maybe the agreement was of benefit to the corporation and the government but we do not know. The reason we are asking for transparency is so we can go back to our constituents and look the people in the eye who are being affected and say, “This is the agreement. This is what the government signed on your behalf. You can agree or disagree with it, but this is what the agreement is right now”. People could respect that, but when we hide behind this wall with no transparency, the people who have lost their jobs just do not get that.

What we are hoping for is that this motion will start the talk and bring forward the commitment to ensure foreign investment enriches our communities instead of hollowing them out. I could look three hours to the west of Sudbury, my hon. colleague from Sault Ste. Marie can attest to this, and we have had a foreign investment with S.R. Steel. I do not know all the details of the agreement with S.R. Steel like I do with Vale and Xstrata, but S.R. Steel has become a good corporate citizen in that community. It is involved with its United Way campaign, and as the former executive director of the United Way in Sudbury, I know it is involved there as well. It has been involved with trying to maintain the Huron Central Railway. It has been an advocate to ensure that we keep this vital link between Sudbury and Sault Ste. Marie. It is ensuring that its employees have an opportunity to have a say in discussions.

When we look at what happened at Vale and Xstrata with the takeovers from Falconbridge and Inco, the miners who are actually down 7,000, almost 8,000 feet below the surface working for this company, would they not know what is best to ensure that the company is being profitable and find ways of improving production? Would they not know how to work with their foreman? Instead, these people have been completely kept in the dark. They have not been told what they can get involved with. They have not been told how the company is being affected, because again, the Investment Canada Act is hidden. It is not transparent.

That one part of our motion today is critical, in my opinion, to ensuring that we can bring forward this issue and end the hidden agenda, it seems, that is coming forward with the current Investment Canada Act.

Many times I have sat in my office with many of the miners, laid off miners and people who have been affected by the corporate takeovers and they always ask what they need to do to get this information out. I tell them that they need to continue to advocate on their own behalf because it is our belief that this motion to ensure that the act is more transparent will protect workers and families, and, if we get the right type of investment, we can create jobs, technology and research development.

• (1245)

Mr. Paul Calandra (Oak Ridges—Markham, CPC): Madam Speaker, I enjoyed parts of the member's speech and I am thrilled that he is going to be joining us. We have been standing up for Canadian families of course by our tax reductions, such as the reduction in the GST from 7% to 6% to 5%, and all of the other cuts that we have made to support Canadian families. I am encouraged that he will be considering voting in favour of those in the future as opposed to against them.

I wonder if he will agree with me that we need to consider making changes to the Investment Canada Act. For 13 very long years in this country, we had a Liberal government that absolutely did nothing to protect Canadians, nothing to protect Canadian businesses. It simply rubber-stamped every single takeover that was brought before it.

I know he would probably agree with me that the heroic efforts and the strong representation of the members of the Conservative caucus from Saskatchewan have gone a long way in helping to transform Saskatchewan into the vibrant economy it is today.

Business of Supply

Could the member comment on the lack of responsiveness of the previous Liberal government to ever protect Canadian jobs or businesses?

Mr. Glenn Thibeault: Madam Speaker, if the hon. member would like to come to Sudbury and talk to the laid-off miners about the tax cuts that you think are so fantastic for them, after they have just lost their jobs, I encourage you to do so.

In relation to the previous Liberal government and the current Conservative government, where you have been able to say, “We have stopped one and the Liberals stopped zero”, we still have 30 days to see how that is going to play out.

The Acting Speaker (Ms. Denise Savoie): Order, please. I would just ask the hon. member to direct his comments through the chair.

Mr. Glenn Thibeault: Madam Speaker, the important thing to recognize is that we are asking for transparency. We are asking for the Investment Canada Act to involve the workers and to involve the communities that they are affecting, and that is the important piece of this motion. We are making sure that this is going to come forward and be more transparent for those who are affected.

Mr. Charlie Angus (Timmins—James Bay, NDP): Madam Speaker, my hon. colleague is from a mining and smelting community and I am from a mining town. We are no strangers to heartbreak. We have seen mines close. We have seen deals go down. We have seen communities built up in the wilderness and then the capital falls because the price of ore drops. These things happen, but what happened with Falconbridge and Inco stands alone in the history of Canadian mining because so many people warned and predicted that if we allowed the potential merger that could have taken place to be ripped apart by a corporate raider, the long-term impacts would be devastating.

The government at the time told us, “Do not worry. There is a nickel boom right now. Everything is fine”. It showed the fundamental misunderstanding that it has, that just because there is a boom in mining does not mean there is not going to be a bust. There will always be a bust and it is who controls the resources at the time of the bust that becomes a central issue. Right after the takeover by the hostile corporate raider, Xstrata, and then Vale took over Inco, we hit the bust.

We lost 1,000 jobs in Timmins. We lost all our copper refining capacity in the province of Ontario because of the government. I would like to ask my hon. colleague what it meant for the people of Sudbury, when they knew and were warning the government that this deal with Falconbridge and Inco being taken over was a disaster in the making. What did they think of the refusal and the glib answers that they received from the government?

● (1250)

Mr. Glenn Thibeault: Madam Speaker, we are going back a few years. Falconbridge and Inco were talking about merging together to become the largest nickel mining company in the world. The community was thrilled and excited. People were talking about it everywhere. We were going to create synergies in our community. We were going to take the big trucks off our main streets. These two large companies were going to work together to create a better community for all, and unfortunately, the government sat on its hands and that deal failed.

What did we get? We got Xstrata coming in and taking over Falconbridge, talking about all the great things it was going to do for our community, and then it laid off 686 workers and shut down mines, but kept the high grade mines open because they pretty much cost zero dollars to operate. Vale on the other side, again, Inco and Falconbridge could have been creating all of these synergies but instead, there was a year-long strike that not only affected 3,000 families, but affected the mining supply and services sector which is 17,000 families in our community, which then affected our broader community overall. Our entire community was suffering. If only we could have gone back four years and gotten the government to stop sitting on its hands.

Hon. Lynne Yelich (Minister of State (Western Economic Diversification), CPC): Madam Speaker, I would like to split my time with the member for Cypress Hills—Grasslands.

First I want to applaud this government. I want to applaud the Minister of Industry for his careful review of the BHP deal. I fully support this decision. As a Conservative member of Parliament from Saskatchewan, I want to commend my Conservative colleagues. We acted responsibly and were forthcoming in sharing our knowledge and the concerns of our constituents in this matter.

Under the previous Liberal government, every single transaction was approved without investigation knowing full well that the act requires an assessment of the net benefit test. When the member for Wascana was at the cabinet table, he rubber-stamped every single deal and never once took a company to court to challenge it on its commitments. His recent actions were nothing but rhetoric and bluster.

This government believes in foreign investment. It is vital to our economy, especially our resource sector, but the deal must meet the criteria that it be a net benefit to Canada. Yesterday the Minister of Industry announced that he believes this deal is not likely to be a net benefit to Canada and we fully support him in this decision.

Moving to today's discussion, the motion before us states in part:

—the Government of Canada should take immediate steps to amend the Investment Canada Act to ensure the views of those most directly affected by any takeover are considered, and any decision on whether a takeover delivers a “net benefit” to Canada is transparent by: (a) making public hearings a mandatory part of foreign investment review; (b) ensuring those hearings are open to all directly affected and expert witnesses they choose to call on their behalf; (c) ensuring all conditions attached to approval of a takeover be made public and be accompanied by equally transparent commitments to monitoring corporate performance on those conditions and appropriate and enforceable penalties for failure to live up to those conditions; (d) clarifying that a goal of the Act is to encourage foreign investment that brings new capital, creates new jobs, transfers new technology to this country, increases Canadian-based research and development, contributes to sustainable economic development and improves the lives of Canadian workers and their communities, and not foreign investment motivated simply by a desire to gain control of a strategic Canadian resource; and that the House express its opposition to the takeover of Potash Corporation by BHP.

Business of Supply

As I have mentioned, under the Investment Canada Act, where an investment is subject to review under the act, the minister must approve an investor's application for review before an investor can implement an acquisition. The minister only approves applications where he is satisfied based on the plans, undertakings and other representations of the investor that the investment is likely to be a net benefit to Canada. The review process under the act is rigorous. It involves careful analysis and extensive consultations with government departments and the provinces.

Let me take a moment to explain the confidentiality provisions of the act. They do not permit the minister responsible to make comments about specific investments without the investor's prior agreement. Divulging confidential information outside of the narrow exceptions of the act is a criminal infraction.

Some members of the House have questioned why the confidentiality provisions of the act are so strict. The confidentiality provisions of the act reflect the fact that the information shared by the investor with the government is often commercially sensitive information, which, if disclosed, could harm the competitive position of the investor and harm its partners, including, for instance, its suppliers. Unless investors are sure that their information will be protected by the government, they will be reluctant to share information that is critical to the rigorous review process.

• (1255)

To ensure the minister can obtain the information he requires to make his net benefit determination, very strict confidentiality provisions have been included in the Investment Canada Act, and these must be followed.

During the review process, the investor generally provides plans and undertakings to support that its new investments are likely to be a net benefit to Canada. All approved investments are subject to monitoring to determine the extent to which the plans and undertakings provided by the investor have been implemented.

An evaluation of the implementation of the plans and undertakings provided by the investor is ordinarily performed 18 months after the implementation of the investment, and additional evaluations are performed based on the duration of the plans and undertakings.

The act provides for remedies where a non-Canadian investor implements an investment on terms or conditions that vary materially from those contained in an application, or where the investor has failed to comply with a written undertaking.

The decision to take enforcement measures under the Investment Canada Act is based on the overall performance of the investor in implementing its plans and undertakings, and decisions to take enforcement measures are made on a case-by-case basis by the minister based on the specific circumstances of the transaction.

I would remind the House that our government is the only Canadian government to take enforcement measures. Under the Liberals, not once did that occur.

Our government's record is clear. We firmly believe in foreign investment. We have taken measures to increase foreign investment

in the satellite sector. We are consulting on how to achieve similar goals in the telecommunications sector.

Canada is open for business, but only when the proposal is of a net benefit to Canada.

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Madam Speaker, I would like to bring up an issue that was raised in the House back in 2005. Just to give it perspective, at that time in my part of the country we were in a very heated debate about the Atlantic accord. The whole idea was that the people of the province would be the principal beneficiary of the resource contained within the waters off Newfoundland and Labrador. In that case it was oil and gas.

I would assume the member would appreciate the fact that the people of Saskatchewan would be the principal beneficiaries of their own resource.

When it comes to the Investment Canada Act and a motion like this one, we are talking about disclosure and transparency. Would not more transparency, more openness and more disclosure actually lend itself to more information for the average person in Saskatchewan, saying that the people of Saskatchewan are the principal beneficiaries of this resource?

• (1300)

Hon. Lynne Yelich: Madam Speaker, this resource is very important to Saskatchewan.

I have to remind the member that it was a Liberal government at the time the accord he mentioned took place. I cannot answer for that particular time.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Madam Speaker, I am pretty unclear at this point as to whether she and the government will be supporting this motion.

In the last two years the government raised the general review threshold to \$1 billion over a four-year period which currently stands at \$312 million in gross assets. This makes it easier for foreign takeovers to occur.

The government is giving a mixed message. On the one hand it is trying to streamline and make foreign takeovers easier, and on the other hand, now that it finds one that it actually does not like because it is causing some political troubles in Saskatchewan, it is putting the brakes on.

Will the member be supporting this motion which would make some meaningful change in the review process?

Hon. Lynne Yelich: Yes, Madam Speaker. We always support the people of Saskatchewan. In fact, just last week we showed how well we support them.

Mining is important to Saskatchewan.

The opposition coalition is not transparent. Those members were not clear or transparent with their constituents. They talk about mining and how they support it, but Bill C-300 would have devastated the whole mining industry.

We are working hard to adhere to the law and to the act.

Business of Supply

As for BHP and the government of Saskatchewan, the industry was aware of the concerns raised by the government of Saskatchewan, and those concerns were taken into consideration. It is important for the member to know that we support the government and the industry minister in his decision yesterday.

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC): Madam Speaker, the member commented on the net benefit clause in the investment act.

On the one hand, the Liberals rubber-stamp everything that comes along; on the other hand, the NDP opposes everything.

An individual named Jim who has a membership in the New Democratic Party infers that nationalization might be the way to go. How the coalition works out that polar opposite, I am not sure.

I would like the member's take on comments made by the Liberal provincial leader in Saskatchewan, which seem to contradict some members comments here in the House.

Hon. Lynne Yelich: Madam Speaker, that was probably the most interesting part of the debate. The member and his party in Saskatchewan are obviously on opposite sides of the issue, because the Liberal leader in Saskatchewan came out unequivocally against the decision made by the minister yesterday.

I want to remind members that we have done what is right for Canada and what is right for Saskatchewan.

Mr. David Anderson (Parliamentary Secretary to the Minister of Natural Resources and for the Canadian Wheat Board, CPC): Madam Speaker, I want to thank my colleague from Blackstrap for splitting her time with me today on this important issue.

Last night, the Minister of Industry determined that the BHP proposal to purchase PotashCorp was in his opinion not likely to be a net benefit to Canada.

For weeks we have heard the member for Wascana rant and rave. We have heard the opposition use ever more inflammatory language, with a lack of understanding of both the process and common sense. Last night the Minister of Industry kept a cool head. He weighed the facts and made his decision.

I want to say today that Canada is open for business. Canada's economy needs foreign investment. Interestingly, Canadian firms invest more money outside of Canada than foreign firms invest here. We live in a world in which Canada has strong economic fundamentals. I would argue that this is in part due to our economic action plan and to the great leadership of the Prime Minister. Our companies are better able to compete abroad. We cannot and we must not close the door to foreign investment.

Our government was elected on the platform of standing up for Canada, and we will fulfill that commitment.

Under 13 years of Liberal rule, the Liberals ignored the west. Yet in the past few weeks, the Member for Wascana seems to have forgotten that.

While we had one member from Saskatchewan promoting his own interests, we had thirteen members from Saskatchewan working with the government to promote the best interests of Saskatchewan.

As my colleague pointed out earlier, he cannot even get along with his own colleagues in the province. This is basically the rule of thumb for how things operate there for him: he is in disagreement with his own provincial Liberal leader about the position that he took.

I have also been surprised at some of the comments made about my own colleagues. They are made by people who, in many cases, do not even bother to call and talk to us. There are some people who think that unless there is division and dissension nothing is getting done. I can say that nothing is further from the truth.

There is another story that needs to be told. There are 13 MPs here who are able to work together, who are used to working together. We bring 13 different perspectives, 13 different histories, to the House. We bring 13 different opinions to our discussions. The folks whom I work with from the Saskatchewan caucus bring a team attitude. They set their individual egos aside for the betterment of our province. It is a group that can carry a unified message and is willing to present a unified front when we bring our ideas to caucus and to the government.

I am proud to be part of this group. I am proud to work with them. One of the reasons I am proud is that this approach has worked for Saskatchewan. Saskatchewan has benefited from this group of MPs. There has been consistent leadership in Parliament and in our party. Over the last few years, we have brought forward a balanced platform of tax cuts, a balanced stimulus package, a well-organized economic action plan, and a focus on strengthening our economy.

That is one of the things that has made our province a leader in the country. Others look to Saskatchewan for leadership. It is not an accident that this has happened since a Conservative government has come to power in Ottawa.

The former Liberal government approved every single one of the applications for foreign takeovers. It never challenged any of them. Our government believes strongly in foreign investment, but a vital part of the deal is that it must be of benefit to Canada. We need take no lessons from the member for Wascana.

Furthermore, we could see last night, if we were watching TV, that his leader has demonstrated a complete lack of understanding of how Investment Canada acts and how foreign investment works in this country. This is strange, because there has been a foreign takeover taking place in the Liberal Party for the last five years. We would think Liberals would know a little more about it than they seem to.

The government recognizes that, although foreign investment is generally to the benefit of the host country, there may be instances where a given transaction, according to the present legislation, upon close and diligent scrutiny, is determined not to be beneficial.

I would like to talk about the Investment Canada Act. To ensure that significant acquisitions of Canadian enterprises by foreign companies are of net benefit to Canada, the Investment Canada Act requires that the Minister of Industry examine and approve a proposed investment before it can be made.

Business of Supply

•(1305)

Under the present act, the minister must be satisfied, based on the plans, undertakings, and other representations of the investor, that the investment provides a net benefit to Canada. In making the determination, the Minister of Industry must consider the following factors: the effect of the investment on the level and nature of economic activity in Canada; the degree and significance of participation by Canadians in the Canadian business or new Canadian business; the effect of the investment on productivity, industrial efficiency, technological development, product innovation, and product variety in Canada; the effect of the investment on competition within any industry or industries in Canada; the compatibility of the investment with national, industrial, economic, and cultural policies; and the contribution of the investment to Canada's ability to compete in world markets.

This process and this act require that significant foreign investments are of net benefit to Canada. That is only half the story. I want to talk about the many associate benefits that Canada reaps when Canadian businesses make investment abroad.

Until the 1970s, certain branches of economics viewed outward foreign direct investment as generally detrimental, particularly with respect to economic growth in capital-exporting countries. Large enterprises investing outside their home countries were thought to be depriving the home country of economic growth and employment. Thankfully, we now know that this is an inadequate perspective.

Nowadays, Canadian investment abroad contributes to a more dynamic and competitive economy both in other countries and at home. To be more specific, I am going to go through a few points about our foreign investment. Data show that the growth, productivity, and profit from Canadian firms involved in global markets has been superior to the performance of domestically oriented firms. Income from Canada's foreign direct investment increased sharply with the increase of outward foreign investment. Direct investment income averaged \$6 billion between 1990 and 1996, almost \$2 billion more than between 1985 and 1989, and that directly helped to improve our standard of living.

The growth of Canadian investment abroad leads to an increase in exports, and this directly affects Canada's economic health. Exports account for more than one-third of our gross domestic product. They are the path to future growth and continued competitiveness in the global marketplace. No one knows this more than the folks in my part of the world who grow agricultural products.

Investment abroad offers Canadian high tech companies better access to foreign skills and foreign technologies. It also increases research and development in Canada, which in turn leads to innovation, expanded market potential, and better employment opportunities for highly educated workers.

The spillover effects benefit companies that are not necessarily investing abroad themselves.

We cannot shut the Canadian economy off from foreign investment, as the NDP and the coalition seem to want. The benefits are too great. We must be vigilant. We must make sure that the net benefit of a transaction is, in fact, a net benefit to Canadians. That does not mean building a 60-foot wall, as the coalition would like to

see, as the current NDP leader in particular would have us believe is necessary.

As a small economy, we welcome foreign investment because it is an important economic driver. Foreign investment contributes to our economy and is absolutely critical. The trend toward globalization and foreign investment provides many benefits to Canada, and it is important to adopt policies that encourage trade and investment. That is what Canadians expect, and that is what our government will deliver.

•(1310)

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Madam Speaker, I thank my colleague for his comments, although focusing so much on the member for Wascana probably does him too much of a service.

The member talked about what his government was elected on, what the mandate was. It is fundamental to politics that we campaign on something. People look at the campaigns, compare them, and elect us on that supposed mandate.

The Conservatives also talked a great deal about accountability and transparency in government. Part of the NDP motion today, which addresses not only potash but also foreign investment in general, is to ask that public hearings actually happen. We need to make public hearings a mandatory part of a foreign investment review. This would not require every moment of the foreign investment to be made public. But something should be put into the legislation that allows the public the opportunity to see the arguments made by the foreign company or foreign government looking to buy a Canadian asset.

In the spirit of accountability to the Canadian people, and to the workers of a company that might be purchased, would my hon. colleague agree with that sentiment? Would he agree that at least some part of the review should be made public? Would he agree that the public should have an opportunity, in the fair and true light of day, to see exactly what is being done to a Canadian firm?

•(1315)

Mr. David Anderson: Madam Speaker, I think we need to talk about something else, and that is credibility on this issue. The NDP does not have credibility on this issue. It does not have credibility on the issue of foreign investment. It certainly has no credibility on the issue of trade deals. It absolutely has no credibility in the province of Saskatchewan and what has happened there. It was been in power so long that it pretty much destroyed our economy. It has taken this federal government, working together with Saskatchewan, to get it back on track.

We came in on a platform that we would build Canada. We have been able to do that. We have come through one of the toughest times in the last number of decades. Because of the great leadership provided by the Prime Minister, we have been able to build Canada's strength in the economy. Every one of those things was opposed by the NDP.

Business of Supply

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): Madam Speaker, I think what the member is really talking about is the great leadership of the Premier of Saskatchewan.

He seems very sure in his view that this takeover should be blocked. Obviously he is basing his opinion on some very strong arguments and facts, not merely on gut political instincts.

Specifically, why does he believe this takeover should be blocked? Why would the Prime Minister, who dismissed this whole takeover bid, as he did in the House last week, disagree with him?

Also, he mentioned all the takeovers that took place during the Liberal era. Which ones does he believe should have been blocked?

Mr. David Anderson: Madam Speaker, the member opposite probably knows the law and knows the requirements of those law in this situation. I think he is well aware of that. However, I can again go over the kinds of things the Investment Canada Act requires the minister to consider in making his decision. I know these are the things that he considered, things like the effect of the investment on the level and nature of economic activity in our country, the degree and significance of participation by Canadians in that new business, the effect the investment would have on productivity, industrial efficiency, technological development, those kinds of things, the effect of investment on competition, the compatibility of the investment with national policies and the contribution of the investment to Canada's ability.

He knows full well that there is a 30-day period and we cannot comment beyond that. I am not sure why he would try to bring out that comment. It was clear last night that his own leader did not understand the requirements of the act. Hopefully the Liberals understand that a bit better today than they did last night.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Madam Speaker, I will be splitting my time with the member from Algoma—Manitoulin—Kapusking.

I recently asked the parliamentary secretary if he was open to transparency and accountability. It is of good note for the public that he refused to even answer the question at all, whether he was supportive or not, or had any actual opinion on the idea of public hearings.

The record shows that there have been 13,500 Canadian firms taken over in a brief amount of time, with only two of those bids being rejected. Out of 13,500 takeovers, the government, and the previous one, found only two that they did not see as a net benefit to Canada.

When we ask the government to define what net benefit actually means, other than just an anecdotal term, it offers nothing. It offers a "trust us" type slogan.

This process allows companies to meet behind closed doors and never involve the public in any moment of the deliberations, never involve the employees, the shareholders, the workers, or the communities that may be affected. This has left a path of destruction behind it. At a fundamental level, it is irresponsible government. It is laissez-faire as an ideology taken to a point of ultimate doom for communities that survive and depend on some of these companies.

We know the list of communities and companies that have suffered because of this lack of oversight.

The government may smile, but it needs to talk to the former employees of Vale Inco, Stelco, or Falconbridge. It needs to talk to the 300 Alcan employees who lost their jobs in Quebec. All of these takeovers somehow passed the net benefit test of the government.

In some cases, the government has been forced to take the company to court to receive some sort of compensation back, but there is no due process in a court of law that will be compensatory to the families that have been uprooted, that have had their whole lives turned upside down because they have lost their jobs through no fault of their own. Often the communities and employees have built the company up, often from scratch, to a world-leading status. These are strong companies as they are being sought after by other companies around the world.

I can recall an incident in the House when the finance minister was asked about the potential purchase of Noranda by Minmetals, a wholly-owned subsidiary of the Chinese communist government. The finance minister had the gall to say that we could not stand in the way of foreign so-called investment. A solely owned communist government company was going to come in and buy our largest mining interest and the government had no problem with it whatsoever. It was as if the Chinese government would not use that as a leverage for its own national interest and against ours. This is beyond belief and the ability to imagine from the government.

I do not know if it is a lack of experience. I do not know if it is ideological blinkers that the Conservatives have placed on themselves. However, they have to wake up to the reality of the 13,500 consecutive takeovers and the experience in places like Thunder Bay, Sudbury, Timmins and Hamilton.

The people of Saskatchewan woke up to the reality that this would not be a net benefit to them. There was not a chance. If BHP Billiton decided to move its head offices or shut down operations, as it talked about in a Chicago court but did not mention it to the government, then the people of Saskatchewan working for this company and affected it would have no recourse whatsoever.

It was only after much political pressure, when the people of Saskatchewan stood and said "No more. On this one, fight for us please" to the 12 or 13 hon. members who come from the Conservative caucus out of Saskatchewan, did the Prime Minister find himself caught between a rock and a hard place. The rock was the will and determination of the people of Saskatchewan. The hard place was his ideology that the market solves all in all cases, full stop.

We know for a fact that foreign investment is not always the same thing and can have multiple results. It is uncertain. There is foreign investment that creates jobs. In the NDP motion talks to foreign investment that creates opportunities for our economy. We are a trading nation and the New Democrats recognize that. We recognize that foreign capital can enable companies to do more, to go out and seek opportunities that they otherwise could not get at. However, foreign capital that takes away jobs, shuts down head offices and puts people out of work is not what I would determine good foreign investment.

Business of Supply

We have this process in place, this act in which all of these takeovers are governed by, but it protects nobody except the narrow interests of the investors of those taking over the company, and these companies are truly global in scale.

• (1320)

BHP Billiton is based in Australia, but the investors are all over. They do not care a whit for the people of Saskatchewan or Canada. It is about the bottom line. In the current markets in which they exist. It is not about the next five or twenty-five years of profitability. Often these CEOs and their executive boards are attached to the next quarter's results, because their pay and compensation is linked to the next quarter, the next three months, not the next thirty years.

The reason Potash was so successful, started by an NDP government, was because it had a long-term view. It was able to make strong investments. It was able to look to the long-term view and understand that potash would be a strong resource for many years to come. That was created from a left-leaning government to enable the economy of Saskatchewan to stay strong for many years to come.

My colleague from Algoma—Manitoulin—Kapusking will talk about the real life examples. The government can talk about this in cold, harsh economic terms or just get up on its hind legs and attack the parties and all this nonsense. However, in real people terms, the effects of some of these takeovers have been a net loss to Canada, and it has to admit that in the cold light of day. They have been a net loss to the people of Sudbury. The people of Timmins, or Hamilton, or Kitimat, B.C. are feeling no net benefit. There has been a net loss and the government just has to recognize that the act needs to be improved, and the NDP is calling for that.

In our motion, the first request we make of the government is to make the hearings public. What sitting member can turn to the people of Saskatchewan and tell them they are not allowed in the door to hear what is going to happen to one of their most significant economic drivers, that they should trust the member and that the power is going to reside in the hands of one person, the minister, as if the minister has this divine inspiration to make the right call and understand all the facets?

I guess the government is saying that people are just too dumb to understand, that they do not have the right to access these hearings. What a bunch of malarkey for a formerly grassroots movement, which was the Reform Party, to come to this place with such arrogance. I use the word carefully but significantly. To say that the Canada Investment Act needs no public disclosure whatsoever, that the good people of Saskatchewan, or Sudbury or Kitimat have no right or capacity to possibly understand what is being discussed is arrogant. It is arrogant to suggest that only the minister can have any influence over this decision and that is the way it has to remain.

There was a Saskatchewan member quoted just a couple of days ago. When asked what was going to happen with this, his response was "read the Conference Board of Canada report". The Conference Board of Canada did a study on this and told the government that it should just sell it off. So much for members from Saskatchewan standing up for their constituents. They were actually advocating publicly that the Potash Corporation should be sold off.

The Premier of Saskatchewan had to go on television and radio, decry that statement and say that the member of Parliament from Saskatchewan did not know what he was talking about, that the Conference Board may have said that but it was not such a great idea for the people of Saskatchewan. I have the Conference Board report right here, if any of the members from the Conservatives would like to actually read it to see what they were supporting.

It seems to me that in the business environment, and we hear this from particularly the larger companies, a level of certainty is required to do business in Canada. The OECD, which looks at developed markets around the world, cited market uncertainty as the number one reason not to invest in Canada. It did not say labour costs. It did not say environmental protections. It did not say any of these things. It said that to invest in the Canadian market, the number one detriment, and the Conservatives have to get hold of this, was uncertainty, poor regulations in the stock market and a poor understanding of the rules surrounding foreign investment.

That is not me talking. That is the OECD, not exactly a left-leaning organization. It is saying this because it has surveyed the business community, the international investment community and the capital managers. The OECD found, in 2007, 2008 and again in 2009, the number one detriment to investing in this country was uncertainty.

The NDP is calling for more certainty today. It is saying that when companies step forward, looking to truly invest in Canada, in the true sense of the word invest, to enable communities to become stronger, to put more jobs into our marketplace, to put food on the table, because that is what investment should do, they must have clear and accountable guidelines. It should not be in the hands of one minister, not behind closed doors where deals are being made and the people are told to stand outside and wait patiently for the inspirational powers of intelligence of the current minister or whomever the minister may be. That is wrong.

• (1325)

We can do better. We can attract foreign investment and do it on terms that are favourable to the people of Canada, to the communities on which this would have the most impact, not just the investors on Wall Street and in London but the people whose lives often depend on these companies and their strength.

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC): Madam Speaker, my colleague across the way and I have had some good discussions on different things over time, but in respect of his attitude and whether it parallels that of some of his counterparts elsewhere in the country, particularly in the province of Saskatchewan, is it his view that Potash Corporation of Saskatchewan should be nationalized, expropriated? What would be his view in respect of that?

Business of Supply

Mr. Nathan Cullen: Madam Speaker, let me read what my view is in the case of not just Potash but what happens with all foreign investment proposals. It is the third point in the motion today, which states:

ensuring all conditions attached to approval of a takeover be made public and be accompanied by equally transparent commitments to monitoring corporate performance....

That is my view of this particular case and cases to come, because there are going to be more and we recognize that: “ensuring all conditions attached to approval”. So if a company has committed to keeping its headquarters in Saskatchewan, it should be made public, signed on the dotted line, so the constituents have something to hold up in a court of law to say the company broke its promise.

We know that, in case after case, companies acquiring Canadian firms make all sorts of promises. They are in a public relations mode. They are going to promise the sun, the moon and the stars, but when it comes to reality, six, 12 or 18 months down the road, they are not so committed and the government has taken some of those companies to court. Obviously the Investment Canada Act is not working and it would not have worked in the case of Potash. The government was right to refuse the sale. It was right to do this because it could not get this into the public light. Ultimately, it is the public that deserves to know these things.

• (1330)

Mr. Claude Gravelle (Nickel Belt, NDP): Madam Speaker, I would like to quote from the *Financial Times*, not exactly a left-leaning institution, and I would like the hon. member to comment on this quote. It states:

A Toronto-based mining banker said the conservative government’s “blindly free-market” attitude to takeovers was seldom matched in the home country of a bidding company.

“If Barrick became a \$300bn corporation, could it take over Vale?” the banker asked. He was referring to Vale, the Brazilian iron ore champion and Barrick Gold, the Canadian gold miner.

“Could Barrick take over Norsk Hydro? Shenhua Coal? Rio Tinto?” he continued. “No. That’s because the Brazilians and Norwegians and Chinese and Australians would never allow such a thing to happen. But in Canada you can come in and buy anything. You can come in and buy Barrick for the right price.”

Could the hon. member comment on that, please?

Mr. Nathan Cullen: Madam Speaker, sometimes the allies that come together over important issues are not originally conceived of, but we are hearing analysts of the stock market essentially saying to members of Parliament and the public to reverse the roles. Imagine, as my hon. colleague has said, a Canadian firm attempting to do what BHP Billiton was trying to do to Potash.

Would the foreign investment rules of the Brazilians, Chinese, Germans, and the list would go on, allow a Canadian firm to do the exact same thing with so few commitments and none of it in the light of day? The clear and obvious answer is, not on their life. They understand that, although this does not apply to all industries, there are key industries and sectors in our economy that are truly the foundations. If we take them out, the whole economy is weakened.

We are argue that the economy of Saskatchewan, and in effect, Canada, would be weakened by this takeover. I know the government is feeling conflicted about this decision. We can hear it in members' comments. They do not like what they just did,

because it banged right up against an ideology that the market solves all. Laissez-faire was always the answer. We know that our competitors, the Chinese and the Brazilians, have a free and open access market as well, but they put conditions on things that will always service their own interests.

For goodness' sake, if the Conservatives campaigned on standing up for Canada, they should do it from time to time. They should truly stand up for Canada and our net interests. Is that not what any government should promise itself and the Canadian people: to leave the country better than they found it? The current government cannot do that.

Mrs. Carol Hughes (Algoma—Manitoulin—Kapusking, NDP): Madam Speaker, I am privileged to be speaking right after my colleague from Skeena—Bulkley Valley, and I greatly appreciate his input to this extremely important issue.

We are standing at a crossroads right now. We have to decide what kind of country we want to be. Do we want to control our destiny, or do we want other people to do it for us? Will we chart our own course or will we be a source of materials and a branch plant for other countries and global corporate entities like BHP Billiton?

New Democrats welcome yesterday's developments and congratulate the government for putting the brakes on what looked a few weeks ago like a slam dunk for the Australian resource giant.

We recognize that it is a step in the right direction for this government and hope it uses the time it has created to reflect on the way that Canadians are waking up to the fire sale that is Canada.

We might say they are waking up on the wrong side of the bed, for the government's decision on BHP is largely a response to buy time and try to minimize political damage in Saskatchewan. I want to take this moment to thank Saskatchewan NDP provincial leader Lingenfelter for all the hard work that he and his caucus has done on raising this issue and pushing it to the forefront as well. We know that we could not rely on the 13 MPs in Saskatchewan. Normally we would call that a baker's dozen, but that is far from a baker's dozen.

People are getting angry in Canada. We have not been getting a fair shake when it comes to the trend of more and more foreign ownership of what we consider to be ours. In northern Ontario we have seen this all too clearly. We saw Essar buy Algoma Steel. We saw Vale buy Inco. Xstrata took on Falconbridge. We are under siege in northern Ontario, and it is our best assets that are going first.

In my constituency, lodge owners and outfitters came to me about a disastrous low water level in the Mississagi River and Tunnel Lake. Who runs those dams? It is a Brazilian multinational. Brascan bought the dams, but it is called Brookfield Asset Management now. The company was originally founded as a builder and operator of electricity infrastructure in Brazil. The company's earlier name of Brascan reflected this history: Brazil plus Canada. It has assets of \$94 billion and operates in North and South America, as well as in Europe.

Business of Supply

[Translation]

This is but one example of the abuses that can take place when foreign owners take over from Canadian ones. Obviously, despite the significance of this situation to the people who rely on fishing or who enjoy it, it seems minor in comparison to the hostile takeover that, we hope, will be avoided in Saskatchewan.

It may be tempting to blindly strike out at others during this debate. We saw that yesterday when the Prime Minister said that he could not remember a single instance when the NDP has agreed with foreign investment in Canada. We know that that is not true. Instead of claiming that we have a hidden agenda in order to badmouth our policies, it is time the government dealt with certain aspects of foreign ownership.

Canadians have nothing to gain from silly slogans and political manoeuvres that serve to avoid debate. We all want a prosperous economy. We want good jobs in our communities and low unemployment. No one wants to pay more than their fair share of taxes. We all agree on that.

What we tend to disagree on most of the time is the solution. For some time now, the NDP has been denouncing the fact that foreigners can have free access to our markets without providing appropriate guarantees. Frankly, that limits our options.

We have nothing against trade and investment; we are simply questioning the lack of control they are subject to. Not requiring guarantees to protect our country's and our communities' interests would mean trusting blindly in the market.

• (1340)

[English]

No economic theory can replace the inevitable need for exceptions in the name of the general good. Things such as health care, defence and social programs, for example, have unique needs and challenges.

We watched the events that took place in Sudbury. Vale flexed its muscles and ground the workers down in the year-long battle. My husband was one of those. The outcome has changed the culture there forever.

Now, new hires cannot look forward with any certainty to a reasonable or secure pension. These are people who saw the generation before them look forward to their future. They could buy camps and take trips. They were secure in the future they were building with their hard work, work that was the engine of the community and the spirit of it, too. It was like that for years, but not for the kid who gets hired on next.

It is like that all across Canada. So many communities are hurting. Budgets are tight and they are getting tighter. All kinds of costs are going up at the same time. We are in an economic squeeze play and it is getting harder for Canadians to accept.

In terms of excessive CEO salaries and bonuses, let me just talk for a minute about those. Let us look at the January report of the Canadian Centre for Policy Alternatives. It says that Canadians have been hit hard by a worldwide economic recession, but not Canada's 100 highest paid CEOs.

It goes on to show how the total average compensation for Canada's 100 highest paid CEOs was \$7,300,884 in 2008. Compare that to the total average Canadian income of \$42,305.

By a little after 1 p.m. on the first working day of the year, these CEOs had pocketed what takes Canadians earning an average income an entire year to make.

People such as J. M. Lipton, of Nova Chemicals Corp., took home \$19.7 million; or Hunter Harrison, of CN Rail, who took home \$13.4 million. That is something that will not sit well with the people of Hornepayne, who are struggling as that community lost the Northstar Centre, thanks in part to CN and the way the Liberals privatized it with no regard to the consequences.

It looks as though my colleague who used to sit in this House, Bill Blaikie, was right when he fought so hard against a deal that made no sense to the real stakeholders, the people of Canada.

We could even look at Patrick Daniel from Enbridge, who took home \$6.5 million. For people struggling to make a living in places such as Wharnccliffe, Webbwood, Smooth Rock Falls, Moonbeam, Iron Bridge, Dean Lake, South Baymouth, Manitouwadge or White River, this is a little hard to swallow. That is what I meant as I spoke about excessive CEO salaries and bonuses.

I can go on. The "Big Six" banks earned \$5.1 billion in the third quarter of 2010. Profits for 2010 now exceed \$15 billion with one full quarter to go, well ahead of last year's performance at this time.

There is more, and I will talk about that in a little bit.

For someone watching a neighbour not be able to sell his house because the market is so bad after a plant or a mill closure, that is pretty hard to accept.

If we make it clear that a goal of the Investment Canada Act is to encourage foreign investment that will bring in new capital, create good jobs, transfer new technology to Canada, increase Canadian-based research, contribute to sustainable economic development, and really improve the lives of Canadian workers and their communities, then we can say that we have an act that truly takes care of Canada and Canadians first. That is the type of act we need.

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Madam Speaker, earlier in this debate, about 20 minutes ago, we heard from the parliamentary secretary.

He talked about how we must ensure that these deals work in the best interests of the people who we, in our province of Newfoundland and Labrador, would consider the principal beneficiaries of a resource. In this case, it would be Saskatchewan and potash.

He also talked about what the government does not need to do and should not do: to build walls around itself so that foreign investment is not allowed in.

He talks about all of this and it almost sounds like an air of transparency.

Business of Supply

I would like the hon. member to comment on the fact that under ICA there are no requirements for the federal government to disclose the rationale on the approval or disapproval of the sale, nor are there requirements for public disclosure of the commitments made by companies, such as jobs and investment. The comments of the parliamentary secretary do not exactly jibe with what the motion endeavours to do.

Mrs. Carol Hughes: Madam Speaker, the member is correct. We need to ensure that jobs are protected. There needs to be a net benefit. Given the fact that the Liberals did not deny one takeover, I am glad they are finally realizing what needs to happen here.

I do want to add a couple more things with regard to the need to promote an economy that makes sense to more Canadians. We need an economy that does not create a few jackpot winners and so many losers, and this is exactly what my colleague just mentioned.

Spinoffs are not enough. When the majority of the money from our resources and our industries leaves the country, we all lose out. There is always a role for foreign investment, but control of homegrown industry and resources should stay in the hands of more self-interested parties, not huge multinationals.

• (1345)

Mr. James Rajotte (Edmonton—Leduc, CPC): Madam Speaker, my colleague across the way did raise some valid points as does the motion itself.

However, she talked about resources being very strategic. If we look at a lot of the resources in the energy industry, perhaps, and the companies there, a lot of people argue that we in Canada have some very large resource companies but they are dwarfed in size when compared to resource companies that are state-owned enterprises.

Would the member support specific changes to the Investment Canada Act with respect to state-owned enterprises?

Mrs. Carol Hughes: The answer is yes, Madam Speaker. We need to make sure that the other side ensures that when there are takeovers and when agreements are made, they are transparent. That is what we have been asking for all along. Let them be transparent, make sure there is a net benefit to Canada and protect our resources. That is the important part of it.

If we continue to allow Canadian assets to flow out of the country, we are cheating ourselves. We need to make sure our assets are protected. We are choosing an economic model at the expense of our social well-being.

Mr. Charlie Angus (Timmins—James Bay, NDP): Madam Speaker, Timmins—James Bay is one of the greatest mining regions in the world, and in the last six or seven years we have had two really stark examples.

De Beers invested \$1 billion on the James Bay coast. It set up the Victor diamond mine and signed impact benefit agreements with local communities. We have spoken with De Beers on numerous occasions about problems in some of the communities and about support throughout the region. The relations are not always perfect, but here is a company that invested in Canada and is building an asset.

On the other hand, we had the corporate raider, Xstrata, that had a pretty poor track record. All the government would have had to do was look into any reports about its record; it just had to Google Xstrata and it would have seen that this was a company to think twice about. Yet it was allowed to walk away with one of the world's premium mining companies, Falconbridge, and it gutted the company. Xstrata gutted our copper refining capacity.

Why does my hon. colleague think the government cannot tell the difference between targeted foreign investment and foreign takeovers that are gutting our resources and vandalizing our—

The Acting Speaker (Ms. Denise Savoie): The hon. member for Algoma—Manitoulin—Kapuskasung has 30 seconds to respond.

Mrs. Carol Hughes: Madam Speaker, the question would have to be asked of members on that side of the House, because they do not seem to know the difference.

Our motion spells out ways to amend the Investment Canada Act to make sure that it is transparent and that it works for Canadians. We want to ensure the views of those most directly affected by any takeover are considered.

Ms. Martha Hall Findlay (Willowdale, Lib.): Madam Speaker, needless to say, the topic today is about foreign investment in light of the government's decision yesterday, or sort of decision, we are not completely sure, but at least a decision for the next 30 days that, absent something significantly new, the government has said no to BHP Billiton acquiring PotashCorp.

I would like to commend the government, so far, for having come to that conclusion. I will suggest that it was too bad the government had to be dragged kicking and screaming to that decision. I would like to reinforce the fact that Canadians and the people of Saskatchewan in particular are thankful, and we all join them, for the incredible hard work from the dedicated, hard-working member for Wascana, who has worked day and night over the last number of weeks to make sure that the interests of the people of Saskatchewan, and indeed the interests of all Canadians, are kept front and centre in the decision making on whether or not this acquisition should proceed.

I would like to add to that a number of questions. The first question is, in fact, related to my comments about the incredible hard work by the member for Wascana. The question is this. Where on earth were the 13 other MPs from Saskatchewan? The 13 Conservative members of Parliament from Saskatchewan have been completely silent on this issue, completely silent.

This is not a comment on them as individuals. I know some of them and we certainly get along well. It is a comment on the atmosphere in the government that simply does not allow anyone to speak out unless it fits with the communications agenda from the Prime Minister's Office.

What on earth were each one of those Conservative Saskatchewan MPs elected for? What did they promise people when they campaigned? I am quite certain that they did not campaign on "I'm going to Ottawa, but don't worry; I won't speak out on your behalf; I won't actually say anything if I'm worried that my government is going to take any action contrary to what may be in your best interests".

Business of Supply

There is not a single comment that any Conservative member from Saskatchewan has said publicly in response to the overwhelming concern expressed by—

• (1350)

The Acting Speaker (Ms. Denise Savoie): Order. I regret to interrupt the hon. member, but I would ask hon. members to wait until questions and comments and to not speak over this hon. member's head. I am asking for order, please.

Ms. Martha Hall Findlay: Madam Speaker, clearly that pricked a little bit of a nerve over there, and I can imagine why.

I can absolutely imagine why, because when those people campaigned, they certainly did not campaign on the promise to stay silent. They certainly did not promise to stay quiet when the best interests of Saskatchewan and the best interests of Canada were at stake.

This was a situation where people of Saskatchewan, including the premier of Saskatchewan, were overwhelmingly saying that this would be a problem, and 13 Conservative members of Parliament from Saskatchewan were only able to sit on their hands. This is not criticism of them personally; it is a criticism of the atmosphere in the government that simply does not allow dissent, does not allow any other kind of debate, and I am very concerned about the fact that we have 13 members of Parliament who simply were unable to speak on behalf of their constituents.

I will go on to another question. When the Minister of Industry yesterday made his announcement, he said something I found rather extraordinary. He said the department, which he heads, made no recommendation. I might be not quite right, but if I remember correctly, the words were “the department made no recommendation”. This is the Investment Canada Act. This is the Ministry of Industry. This is part of its job and there are some extraordinarily talented, hard-working people in that department. For the last number of weeks there has been a great number of people focused on this. This is one of the biggest issues in Canada today, if not the biggest issue facing Canada right now in terms of what the ministry and what the department had to decide on. How is it possible, after all that time and guaranteed a significant amount of work by some very capable people, that the department made no recommendation?

I would suggest that is another example of the need by the government to control its message, to make sure there was no message before the Prime Minister made a decision. Let us not kid ourselves. This was very much from the Prime Minister's Office. This was not the Minister of Industry's decision on his own. But to deny the fact and to say that the entire department did not make a recommendation, I find extraordinarily hard to believe. It is another example of the deterioration of the entire governance process in this country that the people who we have working in government, supposedly on a non-partisan basis, to give advice to the government on an acquisition this significant for Saskatchewan, and for Canada as a whole, that those capable people apparently made no recommendation. We have to seriously question the role of the Prime Minister's Office and the minister in taking upon themselves alone the entire decision-making process in this regard.

I would also like to ask a question about net benefit. This does speak to the motion. I am not in agreement with all parts of the

motion that is being proposed, but I do support significant portions of it that do call for greater transparency. We do not know what the government thinks net benefit means. In that regard, I would like to stress that I, as a representative of the Liberal Party, support foreign investment. We very strongly support foreign investment. Indeed, as other members of the House mentioned, we have had a great number of acquisitions in the last couple of decades, whichever government was in power, whether it be Liberal or Conservative. This will only be the second refusal, the first one having been based on national security.

There have been a number of other acquisitions that did not proceed, not because there was an open door without any restrictions, but because the process that we had undertaken had established certain examples of what would be required. So in those discussions the members of the department were able to suggest to the proposed acquirers that they were not going to meet the net benefit test and therefore the acquisitions did not proceed. So it is a mistake to say that no acquisition was ever refused. However I would say that within that context, the ones that were approved were an indication of just how open we are to foreign investment. That is a very important process. It is a very important thing for the Canadian economy.

• (1355)

However, we do have to determine the parameters and the criteria associated with net benefit. We do have to make this clear not only for ourselves, not only for the departmental workers who work so hard to help these processes along, but we also need to clarify the criteria of net benefit specifically in order to encourage foreign investment.

A potential acquirer, no matter where it might be in the world, will look at Canada, and this one is an even more egregious example because it is such a big acquisition and we have had no description of what net benefit is, none. A potential acquirer somewhere else in the world could look at Canada and say it is a wonderful place to invest. It has a wonderfully educated population. It has great winters. In all seriousness, it has a tremendous investment climate. However, a potential acquirer would have to wonder what would be the decision at the end. If the potential acquirer does not know what the criteria are, for example, if it does not know that it needs to maintain a head office in Canada, if it does not know for sure that it will need to maintain a certain number of jobs, if it does not know that there are going to be certain other requirements, it will be that much more loath and less inclined to even start the process for a potential acquisition in this country.

We, as Liberals, are very concerned about the need to establish much more detailed definitions of what net benefit means. That would in fact encourage foreign investment because right now we have a government decision that negates all the efforts of the department, that does not clarify what net benefit means and thus creates more confusion than there was to begin with.

Madam Speaker, I will continue this speech after question period.

The Acting Speaker (Ms. Denise Savoie): The hon. member will have approximately nine minutes when this debate resumes.

*Statements by Members***STATEMENTS BY MEMBERS***[English]***REMEMBRANCE DAY**

Hon. Laurie Hawn (Edmonton Centre, CPC): Madam Speaker, on November 11, 1918, the guns fell silent on the battlefields of Europe and every year since, Canadians have gathered at the cenotaphs and legions across the country to commemorate those who laid down their lives for this nation.

On the 11th hour of the 11th day, the whole of our people stand in silent remembrance. We can never fully repay our veterans and their fallen comrades but we can honour them, and that is what we do again this year.

Our nation now has new veterans, younger veterans standing shoulder to shoulder with those who fought in Korea and to liberate Europe from the clutches of tyranny. Those who fight now in the deserts of Afghanistan deserve the same honour and recognition as our veterans in conflicts passed.

Veterans are our nation's heroes. Some of their exploits are well known. Others are known only to those who witnessed the countless unrecorded acts of courage and self-sacrifice, and some are known only unto God.

It is truly said that there is no greater sacrifice than one who lays down his life for another. We will remember them.

Lest we forget.

* * *

● (1400)

DIWALI AND BANDI CHHORH DIVAS

Mrs. Bonnie Crombie (Mississauga—Streetsville, Lib.): Madam Speaker, tomorrow is Diwali and Bandi Chhorh Divas, the celebration of the New Year and the Festival of Lights. It is one that I am particularly excited to celebrate.

My riding of Mississauga—Streetsville is home to one of the largest South Asian populations in Canada. The celebration of life, love, hope, enlightenment and peace is one that is embraced by the entire community.

The start of every new year is an opportunity to reflect on the past as well as to look ahead to the year that is just beginning.

Given the uncertain economic times we live in, it is sometimes difficult to see the light. The celebration of Diwali and the tradition of lighting "diyas" or lanterns is here to remind us of the hope that tomorrow can bring.

Madam Speaker, from my family to yours, Happy Diwali and Bindi Chhorh Divas. I wish everyone peace and prosperity in the New Year. *Diwali mubarek, Shub Dipawali, Nava sal mubarek.*

* * *

*[Translation]***FERNAND OUELLETTE**

Mr. Robert Carrier (Alfred-Pellan, BQ): Madam Speaker, a resident of my riding, Fernand Ouellette, recently received a

prestigious award, the 2010 medal of the Académie des lettres du Québec.

Fernand Ouellette's body of work spans the past 50 years. While poetry is a source of inspiration for him, it also serves to awaken the rest of us, allowing individuals and society to progress and excel. His rousing work has persistently promoted the value of this awakening within a society that was waking up from a long slumber.

It would be impossible to do justice here today to everything Mr. Ouellette has done for our society, which was hungry and thirsty for culture. Without a doubt, the lives of many of us here today would have been very different if his work had not emerged with so much intelligence and generosity towards Québec.

Mr. Ouellette, on behalf of my Bloc Québécois colleagues, I would like to congratulate you and tell you how very proud we are of your work.

* * *

*[English]***CANADIAN FORCES**

Mr. Charlie Angus (Timmins—James Bay, NDP): Madam Speaker, as we enter this final year of Canada's combat role in Kandahar, we think of our relatives and neighbours who are serving over there.

Many people from northern Ontario are serving there right now, people like Jennifer Spence from Fort Albany and Mark Misener from Iroquois Falls.

As Remembrance Day approaches, I encourage Canadians to send letters and parcels to our men and women overseas. The holiday season is a difficult time for soldiers to be separated from their loved ones. Receiving a card or a care package from home matters.

Until January 7 family and friends of Canadian Forces personnel can ship cards and packages free of charge to Afghanistan and other overseas theatres of operations. Canadians can bring their packages to one of Canada Post's 6,600 post offices.

We made a vow as Canadians that we will remember them and at this time of the year let us remember those who are serving in the forces right now.

* * *

SAINT ANDRÉ OF MONTREAL

Mr. Pierre Lemieux (Glengarry—Prescott—Russell, CPC): Madam Speaker, on October 17 I had the privilege to be a member of the Canadian delegation to the Vatican on the occasion of the canonization of Brother André, now Saint André of Montreal.

During the canonization mass, the Catholic Church formally recognized the humble Brother André to be a saint.

Statements by Members

[Translation]

The canonization of Brother André is an exceptional event for the Catholic community and for all Canadians. At a very young age, Saint André Bessette demonstrated profound devotion to Saint Joseph, the father of Jesus. This devotion led him to build an oratory dedicated to Saint Joseph. Today Saint Joseph's Oratory is the largest church in Canada, and honours the patron saint and protector of our beautiful country.

[English]

As a member of Parliament and a Catholic with a special devotion to Saint Joseph, I wish to honour Saint André of Montreal for his life of faith, continuous prayer, service to God and unflinching kindness.

Saint André, Saint Joseph, pray for us.

* * *

● (1405)

REMEMBRANCE DAY

Ms. Kirsty Duncan (Etobicoke North, Lib.): Madam Speaker, standing head bowed in front of a war memorial is humbling. Watching a veteran struggle to his or her feet from a wheelchair when a flag is raised in support of those who served brings tears to us all. Hearing the Central Band of the Canadian Forces play *Amazing Grace* reminds us of the 100,000 Canadians who never came home, the sorrow many military families face and the need to honour our sacred trust today and always.

We understand that they put their lives on the line each and every day for us. Lest we forget. There is no commemoration, no praise, no tribute that can truly match the magnitude of their service and sacrifices. Honouring our veterans should be done every day and not just once a year.

All those who are serving and all those who have served, we profoundly thank them. At the going down of the sun and in the morning we will remember them.

* * *

FOREIGN AFFAIRS

Mr. Deepak Obhrai (Calgary East, CPC): Madam Speaker, I rise today to express our concerns with the cases of Ms. Sakineh Mohammadi Ashtiani, Mr. Hossein Derakhshan and Mr. Hamid Ghassemi-Shall.

We are concerned by their continuing mistreatment at the hands of the Iranian authorities.

Iran is a signatory to the UN Declaration of Universal Human Rights. As such, Iran is obligated to ensure that the rights of these detained individuals are upheld. Failure to do so is a failure by the Iranian government to meet its legal obligations.

Yesterday the Minister of Foreign Affairs called in the senior representative of Iran in Canada to answer for his government's continued mistreatment of Ms. Ashtiani.

Today a motion was passed unanimously in this House to express the concern of Canadians regarding the treatment of Ms. Ashtiani.

Canada and the international community will continue to hold the Iranian authorities accountable to their international obligations.

* * *

[Translation]

SAKINEH MOHAMMADI ASHTIANI

Mr. Jean Dorion (Longueuil—Pierre-Boucher, BQ): Mr. Speaker, in July, Sakineh Mohammadi Ashtiani, a 43-year old mother of two, was sentenced to death by stoning by the Iranian justice system for committing adultery. As a result of international pressure, her sentence was overturned. However, Iran's attorney general has announced that Ms. Ashtiani's death sentence has been upheld and converted to death by hanging. She has been incarcerated since 2006 and was also subjected to 99 lashes.

The Bloc Québécois is joining its voice to that of the international community to ask that Sakineh Mohammadi Ashtiani not be executed, by stoning or any other method, and that the authorities conduct a full, impartial and independent review of her case. We are urging Iran to respect its international human rights obligations.

* * *

[English]

PEACEKEEPERS

Mr. LaVar Payne (Medicine Hat, CPC): Mr. Speaker, since as far back as the late 1940s, Canada has played a major peacekeeping role around the world. Canadians from all regions of our country have participated in peacekeeping efforts. The armed forces, Canadian diplomats, the Royal Canadian Mounted Police, provincial and municipal police forces, and even civilians have all done their part to support Canada's work at home and abroad.

In 2008, August 9 was declared National Peacekeepers' Day. Every year on that day, past and present, Canadian peacekeepers are honoured through events and activities held across this great country. However, our recognition of their service does not stop there.

We as a nation owe these men and women an everlasting debt of gratitude. The significant contributions made by our peacekeepers have helped shape Canada's identity.

This year during Veterans Week I ask all Canadians to recognize the sacrifices and successes of our peacekeepers, veterans, members of the Canadian Forces and the RCMP with whom this important tradition of service continues.

Statements by Members

[Translation]

REGIONAL DEVELOPMENT

Mrs. Alexandra Mendes (Brossard—La Prairie, Lib.): Mr. Speaker, in the House, where we are called to honour the best qualities of our humanity, I was deeply shocked by the comments of the member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup during question period on November 2. He stated that the Leader of the Liberal Party of Canada and Leader of the Official Opposition had announced that he would centralize Canadian regional development agencies. There is nothing further from the truth. In order to set things straight, I will quote what the member for Etobicoke—Lakeshore said:

I believe we must reassess CED. Regional economic development will be a major priority for a new Liberal government. [The Prime Minister] is not a fan of regional economic development. I believe in it. We have to revise priorities, make this agency important again, decentralize it...with the means to intervene and make decisions in the regions.

It is the duty of elected members of this House to respect truth and facts, even when they are contrary to the partisan ideology of those who oppose us. I urge my colleagues to respect the House.

* * *

● (1410)

CRIMINAL CODE

Mr. Steven Blaney (Lévis—Bellechasse, CPC): Mr. Speaker, the government is introducing a bill today and making a commitment to prevent sexual offences against children and ensure that adult sexual predators receive sentences that reflect the brutality of their crimes. The sexual exploitation of children is a very serious offence, and our government is committed to implementing tough measures to stop it.

The bill would amend the Criminal Code to increase mandatory prison sentences for those who commit sexual offences against children and young people. The bill would enhance protection for vulnerable children and young people from adult sexual predators.

Our government is unwavering in its commitment to protect our children. I urge the opposition parties to show the same determination.

* * *

[English]

CANADIAN FORCES

Ms. Irene Mathyssen (London—Fanshawe, NDP): Mr. Speaker, today I am truly privileged to honour the men and women who show and have shown their love and commitment to our country through their service in the Canadian Forces.

When our country was in danger during World War I and World War II, or when our country called upon them to go to Korea and now Afghanistan, or to be peacekeepers in places far from home, such as Somalia, Bosnia, Lebanon, East Timor and Suez, they did not hesitate. They went because their country asked them to and they went with dignity because of their loyalty and sense of duty to our nation.

Many came home and continue to come home with terrible injuries that scar the body and the soul, and, tragically, some never came home to their families.

Canada and Canadians promised these many men and women that they would be honoured and remembered by a grateful nation. And so today, we remember their sacrifice, courage and service because we must never break faith with them.

At the going down of the sun and in the morning, we will remember them.

* * *

FREEDOM OF RELIGION

Mr. Stephen Woodworth (Kitchener Centre, CPC): Mr. Speaker, our government strongly condemns the threatening statements by al-Qaeda that all Christians are to be considered legitimate targets.

These outrageous claims come only days after Catholic worshippers were attacked in church during Sunday mass. Fifty-eight were killed and more than 60 others were wounded. This was a vicious and shameful act. The deepest sympathies of all Canadians are with the families of those murdered on Sunday.

All violence against innocent civilians is deplorable. Our government condemns these acts in the strongest terms.

Terrorism and al-Qaeda's promotion of hatred and division in Iraq cannot be allowed to deter Iraqi efforts toward a peaceful and united democratic state. We stand firmly with the people and government of Iraq against these shameful acts of terrorism.

* * *

[Translation]

TÉMISCAMINGUE GREEN MARCH

Mr. Marc Lemay (Abitibi—Témiscamingue, BQ): Mr. Speaker, Témiscamingue is a big part of my riding. Its primary economic activities revolve around forestry and agriculture. It goes without saying that the people of Témiscamingue have been hit hard by the economic crisis. For the past few years, socio-economic organizations in the sector have been working to implement economic recovery projects, but without government support these projects have not succeeded.

People who want to make themselves heard and who want a better future for Témiscamingue will be participating in a huge demonstration, the green march through the streets of Ville-Marie on Monday, November 8, between 10 a.m. and noon. I will be participating in the march, which is being held to demonstrate that the people of Témiscamingue are fighting together in solidarity for their region's survival.

When will the Conservative government start listening to the regions of Quebec?

*Oral Questions***ORAL QUESTIONS**

●(1415)

*[English]***JOHN FINLAY**

Mr. Alan Tonks (York South—Weston, Lib.): Mr. Speaker, this weekend, former Liberal MP, the late John Finlay, will be laid to rest. John Finlay passed away last month after a courageous battle with Parkinson's disease.

John will always be remembered as a man of the highest integrity, as someone who was passionate about serving his country and his constituents in the riding of Oxford, and, in particular, passionate about education.

As the former superintendent with the Oxford Board of Education, John was renowned for his kindness, his compassion and his deep respect for the tenets of public education and those who delivered it.

When John became a member of Parliament in 1993, he was the first Liberal elected in Oxford in 44 years. He became a strong advocate for our first nations peoples as a member of the parliamentary Standing Committee on Aboriginal Affairs and Northern Development for five consecutive years, and as parliamentary secretary to the minister of Indian affairs and northern development from 2000 to 2003. John was a strong voice for the people of Oxford, so much so that they re-elected him two more consecutive times before he retired in 2004.

He will be remembered as an integral part of our parliamentary family. I am certain that all members of this House join with me in extending our condolences to John's family and friends.

* * *

KOREAN WAR VETERANS

Mr. Barry Devolin (Haliburton—Kawartha Lakes—Brock, CPC): Mr. Speaker, 60 years ago, the United Nations came to the aid of South Korea when advancing North Korean forces reached the capital of Seoul. I am proud to say that when South Korea needed us, Canada did not hesitate to support that United Nations force.

This week, as we mark Veterans' Week, we are reminded of the brave Canadians who left home to defend the values of freedom and democracy for others. Our troops fought in a severe climate and through unknown and rugged terrain. On July 27, 1953, after three long years, an armistice was signed at Panmunjom to bring an end to the fighting in Korea.

On Saturday, November 14, I will have the honour to attend a ceremony at the United Nations cemetery in Pusan, a place I used to live, where many of the 516 brave Canadians who made the ultimate sacrifice while serving with the United Nations forces are buried.

This week I urge all Canadians to proudly honour our brave Korean War veterans. Lest we forget.

*[Translation]***POTASH INDUSTRY**

Hon. Michael Ignatieff (Leader of the Opposition, Lib.): Mr. Speaker, a few weeks ago, when asked about the sale of PotashCorp, the Prime Minister said that he did not care whether it was under American or Australian control. That meant that he was in favour of the sale of PotashCorp. Yesterday the government did an about-face and said no, but it said we have to wait another 30 days to see if the buyer comes up with a better offer.

Will the Prime Minister put an end to all this flip-flopping and incompetence and clearly tell the House today that the answer is, and will always be, no?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, as I said, there is a process in place, set out by law. The government followed that process. The minister listened to the apprehensions and concerns of all Canadians and then made a decision. I commend that decision, and I am sure that all the members of this government congratulate the minister on a decision made in the best interests of the Canadian economy.

Hon. Michael Ignatieff (Leader of the Opposition, Lib.): Mr. Speaker, the question is this: which decision? A final decision or a decision that could be reversed in 30 days? That is the question.

[English]

The interesting thing here is that the Prime Minister has gone 180° on this issue. First he said that he did not care about the foreign control of this asset and then yesterday the government took a different position.

The Prime Minister likes to entertain us with his talk of high principle. How does he explain his own personal flip-flop on this issue?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, let me explain the process to the Leader of the Opposition.

The minister has rendered a decision and, under the law, the company has 30 days to make further representations to the minister. The obligation of the minister and the government has been to listen to all of the facts and to all points of view from Canadians.

As I said earlier, I congratulate, and I know all members of the government want to congratulate, the Minister of Industry on taking a decision that is clearly in the best interests of the Canadian economy.

●(1420)

Hon. Michael Ignatieff (Leader of the Opposition, Lib.): Mr. Speaker, it is still a flip-flop, and we still do not know why the government made its decision or even whether the decision is final. This suggests that we need a foreign investment review process that is more transparent and more accountable and with better consultation with the provinces.

Will the Prime Minister learn from his mistakes on this deal and reform the institutional review process for foreign investment?

Oral Questions

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the process is determined by legislation. Of course the government and Parliament can review that legislation and may want to do so at some point in the future.

However, no one should doubt this government's policy. The policy of this government is that, generally speaking, foreign investment is in the interests of the Canadian economy and an open global trading economy.

At the same time, we do have laws that require major investments to be reviewed to ensure they are in the best interests of this country and, when they are not in the best interests of this country, this government will not hesitate to block a transaction.

* * *

[Translation]

NATIONAL DEFENCE

Hon. Dominic LeBlanc (Beauséjour, Lib.): Mr. Speaker, today we learned that the person responsible for military procurement did not request any information in order to compare the F-35s to other planes.

Without any hard evidence, in 2006 he sent a secret memo saying that the F-35 was the only option for replacing the CF-18s.

This is the largest military procurement in the history of Canada. Why did the Prime Minister not take the time to consider what the competition had to offer?

[English]

Hon. Peter MacKay (Minister of National Defence, CPC): Mr. Speaker, the member knows there was a process because he was part of the process.

Jacques Saada, a former Liberal member of Parliament now working in the aerospace industry, said that the process led to nine partners to opt for the F-35. He went on to say that although there was no call for bids, there was a very serious selection process.

The current ADM materiel for the department states:

We did consider the Eurofighter. We did consider Super Hornets...and several other aircraft. We worked with our international allies and so on to identify costs of ownership.

There was a process and the member knows it. He is making it up.

Hon. Dominic LeBlanc (Beauséjour, Lib.): Mr. Speaker, the minister's process looks more like a summer student search on Wikipedia.

The Conservatives did not even ask the American or European governments for classified information on other fighter jets. It is becoming obvious that the government blindly chose the F-35 and considered in substance nothing else.

Our military deserves better and Canadian taxpayers deserve better than the handing over of a blank cheque. Why are the minister and the Prime Minister so irresponsible with taxpayer money?

Hon. Peter MacKay (Minister of National Defence, CPC): Mr. Speaker, I suggest the hon. member go online and find a position that he can stick to. He used to be in favour of this process. In fact, these

arguments are getting as old and as worn as the Sea Kings that the Liberal Party refused to replace for 13 long years.

This investment is good for the air force. It is good for the aerospace industry. It is a process that the member was a part of when he was in government. The Liberals should support Canadian jobs, especially those in the Montreal area.

When will we hear from Montreal MPs? When will they set their leader straight, that this is a good thing for our country?

* * *

[Translation]

INFRASTRUCTURE

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, the chair of the Conseil du trésor du Québec, Michelle Courchesne, said that she has sent all the necessary information to the federal Minister of Transport so that he can make a quick decision on extending the deadline for infrastructure projects.

Will the government listen to reason and extend the March 31, 2011, deadline, which is threatening 353 projects worth \$210 million? These numbers are not insignificant. They come from Quebec City.

● (1425)

Hon. Chuck Strahl (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, I had a good meeting with Ms. Courchesne. In fact, she gave me that information two days ago.

[English]

As promised, now we have the information in hand. We had a very good meeting with Madame Courchesne and Monsieur Lessard. As usual, we have an excellent relationship with the Government of Quebec. Now that we have the data, we can go through it and work together to get a fair and reasonable way of dealing with the issues that she has raised with us.

[Translation]

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, not only has Quebec sent all the necessary information for the government to make a quick decision—not in three weeks, we have been talking about this for months—but it has specifically proposed extending the deadline from March 30, 2011, to December 31, 2011. That is a specific proposal, and it would help save 353 projects worth \$210 million.

Will the government agree to Quebec's request to extend the deadline to December 31, 2011?

[English]

Hon. Chuck Strahl (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, we have been talking about it for months, but I just received the information two days ago. That is why it is important that we go through this information. That is exactly what I asked for.

Oral Questions

The Government of Quebec is working with us on that, which is excellent news. However, there are other questions we wonder about. We have been working on this for months. We have put hundreds of millions of dollars into Quebec. Why has the Bloc Québécois been opposed to every budgetary motion that we have brought forward? I do not understand. Why do those member not stand up for Quebec? Why do they not help us deliver the goods for Quebec?

* * *

[Translation]

QUEBEC CITY ARENA

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, when I reminded her that Mayor Labeaume needs an answer by December 31 on the multi-purpose arena, the minister responsible for the Quebec region answered, and I quote, "...the federal government also has its own deadlines". In other words, she reiterated, in an offhand manner, what she had already told Mayor Labeaume, that is, to take it easy because nothing is urgent for her.

Can the minister tell us when she plans to announce the government's contribution to funding for the multi-purpose arena?

Hon. Josée Verner (Minister of Intergovernmental Affairs, President of the Queen's Privy Council for Canada and Minister for La Francophonie, CPC): Mr. Speaker, once again, the member for Montmorency—Charlevoix—Haute-Côte-Nord is making false allegations. I have never addressed the mayor of Quebec City in that way.

On the contrary, on October 8, I had a very positive meeting with the mayor of Quebec City, when I advised him that it is vital for the federal government that there be a substantial contribution from the private sector for this project. I am not the only one to have said that. The true leader of the sovereignist movement in Quebec, Pauline Marois, said the same thing.

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, the minister must have a selective memory because that is what she said when discussing the 400th anniversary of Quebec City.

For weeks we have been trying to find out when the Conservatives will make a decision about funding for the Quebec City arena. Mayor Labeaume's deadline is December 31, 2010. If the Conservative government has another deadline, it must say so in order to determine whether Quebec City's Olympic bid will be in jeopardy.

When will we get a real answer? More importantly, when will the government announce that it will provide funding for the construction of a multi-purpose arena in Quebec City?

Hon. Josée Verner (Minister of Intergovernmental Affairs, President of the Queen's Privy Council for Canada and Minister for La Francophonie, CPC): Mr. Speaker, we also look forward to seeing what the Bloc Québécois's financial contribution will be. You can buy almost anything in Quebec with "Bloc dollars", but nothing tangible is ever delivered. Although the Bloc Québécois claims that it supports Quebec interests, that will not put up many walls or fill many seats in an arena.

[English]

FOREIGN TAKEOVERS

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, first, the NDP welcomes a decision by the government to reject the sale of our potash industry. All too rarely does democracy trump blind market ideology around here with the government. It never did with the previous government, that is for sure. Yesterday, the government listened to the people of Saskatchewan and the majority of Canadians and made the right decision.

My question today is simple. Could the Prime Minister explain what is different about the situation with potash compared to the situations regarding nickel, aluminum, cooper, steel and those takeovers? Why were they approved?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the nature of the law here, as I said earlier, is that there is a 30-day period for the company to make further representations to the minister. We are advised that it would be inappropriate in that period of time to explain the reasons for such decisions. However, I can certainly commit to the leader of the NDP and to the House that the government will make clear for the investment community its reasons when the process is concluded.

I also note, in direct answer to his question, that while there have been many other foreign investments made in Canada, this was a rare case where even a large number, if not most, of people in favour of foreign investment opposed this decision.

● (1430)

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, we are facing a rather clumsy approach to these issues by the government. I think that is acknowledged.

It is a good decision, but a lot of uncertainty has been created. It is time we cleared some of that up. Business analysts have echoed our call for some repair to the Investment Canada Act. In particular, we need to make it more transparent, and we are debating our proposals in that regard in the House today.

Will the Prime Minister agree that the culture of secrecy associated with this whole process has gone too far? Will he agree to amend the Investment Canada Act to ensure Canadians have a role in making the decisions when it comes to foreign takeovers, particularly of strategic industries?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, first, it is fair to say that while we have received the congratulations from the NDP on this issue, we do have very different views.

Our view is that the Canadian economy does require participation in foreign investment markets in a globalized economy. At the same time, we believe that major investments have to be reviewed to ensure they are in the best interests of our country.

The NDP has a broader opposition to foreign investment in principle, one that we think is out of step with the realities of the global economy.

Oral Questions

The leader of the NDP raises questions about the act and whether it should be reviewed. While I do not agree with all things in the NDP motion, the act should be reviewed.

[Translation]

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, the Minister of Industry is trying to make us believe that neither the Prime Minister nor the officials responsible for reviewing takeovers made any recommendations in the potash case. It was just the minister and his crystal ball. No one can believe that.

The process must be made public and transparent, so that the public can have a say on the infamous “net benefit”.

Why not change the legislation and support our proposals?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, according to the act, the minister is required to consider all points of view from Canadians and to consider the Canadian economy. That is why he is not allowed to express an opinion before making his decision.

However, as I just said, the minister made a decision that is strongly supported by the Prime Minister, by members of the government, by the members of the Saskatchewan caucus and by the members of the Conservative Party's national caucus.

* * *

OFFICE OF THE PRIME MINISTER

Hon. Denis Coderre (Bourassa, Lib.): Mr. Speaker, I would like to take advantage of the fact that the Prime Minister is here and that he was standing in order to ask him a question as we try to understand the motivation for appointing Nigel Wright, who is his right-hand man and number two in his office.

Not only does this man intend to do the dirty work because he knows that he will be going back to Onex in 18 months anyway, but he will also be in the middle of it all. He will have privileged information that could help him later in his private interests.

By signing this secret deal with Nigel Wright, has the Prime Minister shown his lack of judgment or does he simply have another agenda?

[English]

Hon. John Baird (Leader of the Government in the House of Commons, CPC): Mr. Speaker, Mr. Wright is an intelligent, capable individual who wants to make a contribution to public service. We should welcome people like that who are prepared to put aside their careers and come to Ottawa and serve Canadians. Mr. Wright has sought and followed the direction from the independent Conflict of Interest and Ethics Commissioner and will continue to do so.

[Translation]

Hon. Denis Coderre (Bourassa, Lib.): Mr. Speaker, Nigel Wright has connections with more than 13 companies and groups: EnSource, Onex, Allison Transmission Inc., Hawker Beechcraft and its ties to Lockheed Martin. Does F-35 ring a bell?

There is potential for conflict of interest with eight departments, including defence, heritage, transport, health and public works. We do not know how he will be used.

Why appoint this individual? I am putting my question to the Prime Minister again. Whose interests are served by this special agreement between him and Nigel Wright? We want to know.

• (1435)

[English]

Hon. John Baird (Leader of the Government in the House of Commons, CPC): What Canada needs, Mr. Speaker, is members of Parliament, particularly from the Montreal area, to stand up and support our aerospace industry, to stand up and support one of the most exciting, innovative opportunities for the Montreal economy. Where are Montreal members? Why are they not standing up for the aerospace industry? The member for Bourassa should stand in his place and join the growing number of his Liberal colleagues who are doing the right thing and supporting our armed forces.

Hon. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, allowing Nigel Wright to keep his interests on Bay Street while he works in the PMO is an obvious conflict of interest. For instance, he will retain his interests in a securities registration company, which connects businesses with the federal government and helps them navigate things like the Bank Act and the securities law. The five-year review of the Bank Act is coming up and Mr. Wright will help design a brand new national securities regulator.

Why can the Prime Minister not recognize the conflict here?

Hon. John Baird (Leader of the Government in the House of Commons, CPC): Mr. Speaker, Mr. Wright will follow all of the high ethical standards that this government introduced in the Federal Accountability Act.

In 1993 where was the member opposite on the first day the government was sworn in? Why did she not demand that Paul Martin relinquish all of his holdings in Canada Steamship Lines? Where was she, as a member of the Liberal caucus, when Belinda Stronach became a minister and still retained all her earnings? Where was she? She was missing in action.

Hon. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, for the record, they did.

Cosmetic companies constantly lobby the government about how their products should be regulated. Literally billions of dollars are at stake here. Meanwhile, Nigel Wright is allowed to keep his stake in a cosmetics company. Worse, he is allowed to be lobbied on the file to help amend those very regulations.

Junior ministerial staff require a brief cooling off period when they leave their jobs, but Mr. Wright can go back to his job in the time it takes him to fly to Toronto. Why does the Prime Minister allow this double standard?

Hon. John Baird (Leader of the Government in the House of Commons, CPC): Mr. Speaker, the independent Conflict of Interest and Ethics Commissioner has been very vigilant on these issues. Mr. Wright is working with her and will continue to follow her guidance. She is independent and has the independence to do her job properly.

Oral Questions

Let me say what people in Vancouver need. They need someone to stand up for \$500 million of investment in Avcorp, an aviation company. Where is the member opposite? Why will she not stand up for \$500 million of investment in the city of Vancouver?

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[Translation]

SALES TAX HARMONIZATION

Mr. Daniel Paillé (Hochelaga, BQ): Mr. Speaker, the Minister of Finance has again told us that talks about the \$2.2 billion he owes the Government of Quebec for tax harmonization are progressing.

I would like to believe that talks are progressing, but Quebec harmonized its sales tax 18 years ago.

What is going on? What is progressing? What is holding things up? When will we find out who is ragging the puck? Eighteen years is too long. Get it done.

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, discussions with Quebec's finance minister are ongoing. We have made progress, but there are still a number of important issues to deal with, including true harmonization of the two taxes, the federal sales tax and the provincial sales tax.

Mr. Daniel Paillé (Hochelaga, BQ): Mr. Speaker, this has been going on for 18 years. It is time to get on with things.

The government has all kinds of excuses to delay paying Quebec \$2.2 billion. The minister even attacked Quebec's fiscal autonomy by challenging the way the two harmonized taxes are collected.

Can the minister at least confirm that he is dropping this ridiculous condition and that he does not intend to collect harmonized taxes? That is Quebec's job and one it does very well.

Can he tell us that at least?

• (1440)

[English]

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, the goal is to have a true harmonization of the taxes, if there is to be harmonization at all. We have been discussing four or five variables, a couple of which we have been able to reach agreement on. This past week, I spoke with the minister about it. But there are still some obstacles, and we are working on them.

* * *

[Translation]

HYDROELECTRICITY

Ms. Paule Brunelle (Trois-Rivières, BQ): Mr. Speaker, the Minister of Finance hides behind a crown corporation when anyone asks if the government plans to help fund an underwater cable that would allow Newfoundland and Labrador to bypass Quebec and export its electricity directly to the United States. Given that it is the federal government that finances and appoints administrators to PPP Canada, the minister cannot evade the issue so easily.

Will the minister ensure that Quebecers' money is not used to compete unfairly with Quebec?

[English]

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, PPP Canada Inc. is a crown corporation. It has a strong board of directors, and the board has strong representation from Quebec. I am confident that its decision-making process will be fair and reasonable, taking into account all variables.

[Translation]

Ms. Paule Brunelle (Trois-Rivières, BQ): Mr. Speaker, the minister is hiding behind PPP Canada to conceal the federal government's intentions. The government wants to accommodate Newfoundland and Labrador and Nova Scotia in order to bypass Quebec. Otherwise, it would have already said no to that request.

How can the minister justify such an accommodation when he did not pay a single cent to help develop Quebec's hydroelectric infrastructure?

How can he justify such a double standard?

[English]

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, PPP Canada Inc. has a mandate to review all applications objectively. It does that whether the applications come from the province of Newfoundland and Labrador or from the province of Quebec. Recently, it has been dealing with one from the province of Quebec.

I am sure that the members opposite would want an independent crown corporation that looks realistically, fairly, and objectively at all applications that are received.

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GOVERNMENT SPENDING

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, yesterday, the Parliamentary Budget Officer said that the likelihood of the government's latest plan to balance the budget by 2014 is effectively nil. He forecast an \$11 billion deficit in 2015, compared with the government's projected surplus of \$2.6 billion. He also concluded that the government's fiscal structure is not sustainable, a view that the C.D. Howe Institute, the TD Bank, and the Bank of Nova Scotia did not disagree with.

How can we trust the government, which just blames others when it has no credible plan?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, people can trust the 15 independent economists that we consulted before we prepared the fall economic update. They can trust the mission statement and the mission that was here from the IMF this past month, which reviewed our economic projects and agreed with them. Or they can trust the Parliamentary Budget Officer who said, in August, "the sharp rebound from recession could put the federal government on the road to balancing its books a year ahead of schedule," which is a lot different from what he said yesterday. The member could ask him why.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the Parliamentary Budget Officer uses the same departmental budget and economic forecasts.

Oral Questions

The mandate of the Parliamentary Budget Officer is to provide independent analyses to Parliament on the state of the nation's finances, and he has a legislative right to access all information necessary to fulfill his responsibilities. Despite repeated requests for information, the finance minister has refused, claiming cabinet confidentiality, and now Conservative MPs are issuing veiled threats that the Parliamentary Budget Officer's budget will be cut.

Why will the government not respect the law and give the Parliamentary Budget Officer access to all the information he needs to do his job?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, we have the lowest deficit and the best overall fiscal position in the G7. Our deficit this year is lower than was originally forecast. Both the IMF and the OECD are of the view that Canada's fiscal position is the best in the G7. We are on track with our budget projections, and we are on track with our fall economic projections, and we will stay the course. We will maintain the track that we are on.

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NATIONAL DEFENCE

Hon. Bob Rae (Toronto Centre, Lib.): Mr. Speaker, we are told by General Natynczyk that today is the last day for the use of the base in the UAE. The Minister of Foreign Affairs also admitted last week in committee that he never discussed the situation with the ambassador from the UAE, because he had a policy of not bothering to meet with ambassadors.

I would like to ask the Minister of Foreign Affairs, how much has this serious gaffe cost the Government of Canada?

•(1445)

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, let me make this clear: negotiations on this matter were handled by senior officials in the Department of Foreign Affairs and International Trade. The fact of the matter is that the proposals submitted by the United Arab Emirates were not in the best interests of this country. We do what is in the best interests of this country.

[Translation]

Hon. Bob Rae (Toronto Centre, Lib.): Mr. Speaker, the Prime Minister took the time to try to answer my question. Unfortunately, he did not answer it. It is quite simple. I am not asking about the serious gaffe made by the Minister of Foreign Affairs, but Canadians want to know: how much will this gaffe cost the Canadian public?

[English]

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the minister and the government have taken the absolute right decision. What is ironic, and what is always the case when we have a legitimate disagreement between a foreign government and Canada, is that the Liberal Party immediately lines up on the side of the foreign government, in this case the UAE, without even knowing all the facts.

The facts are crystal clear. The government made the right decision. Everyone who is familiar with the case understands what we have done, and the opposition should be ashamed of itself for taking such an irresponsible anti-Canadian position.

[Translation]

Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC): Mr. Speaker, the aerospace sector across the country is pleased with the significant economic spinoffs from the purchase of the F-35s. That is especially true in Montreal, Quebec. However, Liberals from the island are keeping mum and have not said one word about it.

Why are the Liberals from Montreal refusing to defend the interests, jobs and spinoffs related to the F-35 purchase? Why are they allowing their leader to muzzle them?

Can the Minister of National Defence explain the real, significant economic spinoffs from the F-35s?

Hon. Peter MacKay (Minister of National Defence, CPC): Mr. Speaker, the bidding process was begun by the previous Liberal government, as we all know. This is a good investment for the Canadian Forces and for the economy. Our Canadian Forces will be able to replace the CF-18 planes, which are reaching the end of their useful life. Canadians will benefit from this because jobs will be created in the aerospace industry for many years to come.

[English]

On this issue, the Liberal members of Parliament, particularly those from Montreal, should stand up for their constituents, rather than behind their Liberal leader. They should get behind the air force

Some hon. members: Oh, oh!

The Speaker: Order, please. The hon. member for Vancouver East.

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HARMONIZED SALES TAX

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, for over a year the government has ducked, weaved, and hid behind the premier of B.C. over its role in the HST, but with Gordon Campbell's resignation, the Conservatives have nowhere left to hide. We know the HST is part of the Conservative agenda. We know it was the Conservatives who forced it on a premier desperate for cash. It takes two to tango and this dance is clearly over.

When will the government listen to the people of B.C. and take responsibility for its failure on the HST?

Hon. Jim Flaherty (Minister of Finance, CPC): There the hon. member goes again, Mr. Speaker, just making it up.

Provincial taxation is a provincial responsibility. Recently, two provincial governments decided to move to a harmonized value-added tax. One of them was British Columbia. That is a decision that the provinces are entitled to make.

With respect to the application of HST to various services, as I have said before, there has been no change in the treatment of the federal sales tax, the GST.

Oral Questions

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, Greenwood's Bookshoppe, a small, independent bookseller in my riding of Edmonton—Strathcona, is now being forced to pay HST when shipping unsold books back to the distributor in Ontario. With only a narrow profit margin, the owner says that this new additional tax is killing them.

The minister claims nothing has changed, but the invoices say otherwise. Prior to the HST in Ontario, only GST was applied to these shipments.

Why are the Conservatives dismissing this issue and helping Ontario tax Alberta businesses and residences?

• (1450)

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, provincial taxation is a provincial responsibility. Nothing has changed at the federal level with respect to the GST for mail and courier services. The GST has always been applied where the consumption takes place. This has not changed and has always been the case.

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[Translation]

CONSERVATIVE PARTY

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, lobbyists and speculators from the Mulroney government era are doing well for themselves.

We have learned that former Conservative minister P.H. Vincent, a friend of the mayor of Terrebonne—himself a former Conservative member of Parliament—got his hands on municipal land that he promptly resold, making a tidy profit of \$1.2 million.

Since an investigation has been requested in this matter, and since P.H. Vincent co-chaired the Conservatives' last election campaign, can the government assure us that Mr. Vincent does not hold any kind of position within the Conservative Party?

[English]

Hon. John Baird (Leader of the Government in the House of Commons, CPC): Mr. Speaker, this government, as its first order of business, brought in the Federal Accountability Act. It contained the toughest ethics reform and the toughest anti-corruption measures ever undertaken in Canadian history. We are tremendously proud of these reforms, and anyone who does not follow the law will face its full force, as they should.

[Translation]

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Mr. Speaker, another questionable lobbyist from the Mulroney era has resurfaced. Fred Doucet, Brian Mulroney's former chief of staff, who was notably involved in the Airbus affair, was the lobbyist for Multivesco. Members will recall that in 2009, after making a number of contributions to the Conservative members for Pontiac and Mégantic—L'Érable, Multivesco was awarded a \$300 million contract, without a bidding process, to relocate federal employees.

Will the Prime Minister admit that the key players and the financing practices from the Mulroney era are poisoning his government?

Hon. John Baird (Leader of the Government in the House of Commons, CPC): Mr. Speaker, ties between the Bloc Québécois and the RRQ keep appearing. Today we learned that the chief of staff of the Bloc leader himself also supports the RRQ.

I have a very simple question for the Bloc leader: will he fire his chief of staff?

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[English]

NATIONAL DEFENCE

Hon. Michael Ignatieff (Leader of the Opposition, Lib.): Mr. Speaker, further to the exchange just concluded with the Prime Minister, could the Prime Minister answer the question? What did the closure of Camp Mirage cost, and can he explain his incompetence to the Canadian military?

General Natynczyk said it was a scramble to get out of there. Why should the Canadian military be put through a scramble because of the incompetence of the Prime Minister?

Hon. Peter MacKay (Minister of National Defence, CPC): Mr. Speaker, what is most important is that this is not going to have an operational impact. Canadian Forces have performed brilliantly, as they always do, in the close-out of the mission in Mirage. We will continue to support our forces through bases in Cyprus and Germany.

With respect to a scramble, the air force would be scrambling years from now if the advice of the Liberal leader to cancel the F-35 was followed. That would lead to a scramble.

Hon. Michael Ignatieff (Leader of the Opposition, Lib.): Mr. Speaker, a simple question needs a simple answer. How much did it cost? Why will the government not explain itself? Why can the government not give an honest answer to the question of why the Canadian military was put to this scramble?

It cannot be true that this did not have operational consequences. Why will the government not be honest with the Canadian people and with this House?

Hon. Peter MacKay (Minister of National Defence, CPC): Mr. Speaker, I say again, we act on the advice of our military, and the military tells us that there will be no operational impact. We continue —

Some hon. members: Oh, oh!

The Speaker: Order. The Minister of National Defence has the floor. We will have some order. The hon. minister.

Hon. Peter MacKay: Mr. Speaker, I appreciate the opportunity to respond to the question. We have made alternative arrangements now to continue the operations in support of the Canadian Forces through Germany and through Cyprus. This is continuing with the whole of government effort in Afghanistan.

What we do not need though in the future is the inability to scramble, to scramble aircraft. When we have unidentified aircraft coming into our airspace, to not have the ability to scramble when we have threats to North America—

• (1455)

The Speaker: Order. The hon. member for Trinity—Spadina.

*Oral Questions***G20 SUMMIT**

Ms. Olivia Chow (Trinity—Spadina, NDP): Mr. Speaker, after sinking a billion dollars into gazebos and fake lakes, not a single penny has been given out to the downtown Toronto businesses who suffered huge losses from the Conservative G20 photo ops.

There is nothing for broken windows, nothing for damages, nothing for lost sales, absolutely nothing for these business owners and their workers, not even an apology.

When will the government pay up and apologize for the mess it created in downtown Toronto?

Hon. Peter Kent (Minister of State of Foreign Affairs (Americas), CPC): Mr. Speaker, there is a compensation policy in place and it is exactly the same as used by previous governments in past summits.

This is on the website. All claims must be submitted by November 18 of this year to be eligible.

The assessment of these claims will be made in close co-operation with Audit Services Canada, and payments will be administered in accordance with Treasury Board policy.

Ms. Olivia Chow (Trinity—Spadina, NDP): Mr. Speaker, the so-called process the Conservatives have set up is slow, complicated, expensive, bureaucratic and does not even guarantee anything. Many business owners just gave up. Ninety-three per cent of downtown businesses suffered staggering losses in sales.

They tell me that the boundary for compensation must be expanded. They want a fast, fair and transparent application process. They want to be compensated.

When will the government cut the red tape and get the compensation done?

Hon. Peter Kent (Minister of State of Foreign Affairs (Americas), CPC): Mr. Speaker, I would suggest that my hon. colleague get the complaining companies to get those claims in in the next two weeks. There are still two weeks.

For the member's benefit, I think that she and any other Canadians who have questions about the mechanism or who feel they may be eligible for compensation should consult the g20.gc.ca website.

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PROTECTION OF CHILDREN

Mr. Scott Armstrong (Cumberland—Colchester—Musquodoboit Valley, CPC): Mr. Speaker, sexual exploitation of children is a serious crime. Our Conservative government is getting tough on those who take advantage of our innocent children.

Today we introduced legislation that proposes mandatory jail sentences for those who commit these deplorable and heinous acts.

Can the Minister of Justice and Attorney General of Canada please inform us on this serious and important new bill?

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): I want to thank the hon. member for an excellent question, Mr. Speaker.

I am proud to be a part of a government that stands up for protecting children in this country. We have already raised the age of consent to protect 14- and 15-year-olds from adult sexual predators. We currently have a bill requiring the reporting of Internet child pornography.

Yes, I am proud to announce that today we tabled a bill that imposes, across the board, mandatory jail time for the sexual predators of children.

I call on the coalition to get behind this bill. As I said in Toronto earlier this morning, a minority Parliament is no excuse not to stand up for victims and law-abiding Canadians.

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CANADIAN HERITAGE

Mr. Borys Wrzesnewskyj (Etobicoke Centre, Lib.): Mr. Speaker, the City of Edmonton, the Province of Alberta, Ukrainian Canadian organizations and many individual Canadians have come forward with generous donations totalling almost \$8 million for the Ukrainian Canadian Archives and Museum.

There is just one missing partner, the federal Conservative government.

Will the Prime Minister commit to giving this museum national museum status, respecting the deep historical imprint of Ukrainian Canadians upon Canada, and provide the full \$8 million of matching funding the community has requested?

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, of course all Edmonton area residents and certainly the members of Parliament are very proud of the great philanthropic work that has gone on in the city of Edmonton to support this institution.

However, let us be clear. Our government has already created two new national museums in the term of our mandate.

We created the museum of immigration at Pier 21 in Halifax and we also have created the Museum of Human Rights in Winnipeg. So we have created two new national museums. That is a large capital and operational investment of this government, and we are not going to be entertaining new offers for new national museums.

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[Translation]

AIR CANADA

Ms. Monique Guay (Rivière-du-Nord, BQ): Mr. Speaker, in his last report, the Commissioner of Official Languages recommended that the Minister of Transport, Infrastructure and Communities “table a new bill as quickly as possible to protect and uphold the language rights of the travelling public and Air Canada employees, and make Jazz directly subject to the Official Languages Act.”

With another minister in this role, does the government intend to introduce a bill that would subject Air Canada, its subsidiaries and its partners to the Official Languages Act, as is being called for by the Commissioner of Official Languages and the committee?

•(1500)

[English]

Hon. Chuck Strahl (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, I thank the hon. member and the committee for their work on this. They made a strong representation as did members of the government.

The government is working on legislation that will address this issue, and we hope to have it tabled very soon.

* * *

NATURAL RESOURCES

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, my question is for the Minister of the Environment.

Last spring this House voted unanimously for a complete review of Canada's rules and regulations around risky oil and gas projects. Since then the Minister of Natural Resources has continually passed the buck to the National Energy Board. But on Tuesday the head of the NEB directly contradicted the minister, saying it is not responsible for this review and does not even have the mandate to do so.

I understand the minister is living under a cloud of controversy, but will he finally take responsibility, quit passing the buck and do his job?

[Translation]

Hon. Christian Paradis (Minister of Natural Resources, CPC): Mr. Speaker, what the member is saying is completely false. First, last May, the National Energy Board was proactive following the incidents in the Gulf of Mexico. It began a review of regulations concerning offshore drilling in the Arctic to better understand what happened in the Gulf of Mexico, draw conclusions and improve our regulations.

This is just the member from Skeena—Bulkley Valley trying, yet again, to discredit the National Energy Board, which has 50 unblemished years of experience in this area. This is shameful.

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[English]

EMPLOYMENT EQUITY

Ms. Candice Hooppner (Portage—Lisgar, CPC): Mr. Speaker, this past summer Canadians were shocked to learn that a woman in the Ottawa area was prevented from applying for a job within the federal government because the job was open only to applicants from an identified employment equity group.

In July the President of the Treasury Board and the Minister of Citizenship, Immigration and Multiculturalism announced that the government would review the rules on employment equity.

Could the President of the Treasury Board tell the House what this government is doing to ensure that hiring decisions are based on merit?

Hon. Stockwell Day (President of the Treasury Board and Minister for the Asia-Pacific Gateway, CPC): Mr. Speaker, I thank the member for Portage—Lisgar for her interest and her work on this file.

Business of the House

A review has been done. We have asked that the rules relating to employment equity be looked at. As a result, all departments are continually being encouraged to reach out to those who are from unrepresented groups.

We have also communicated that all department postings must not shut out any specific groups and must be open to all qualified candidates. Final decisions must be based on merit and on qualifications.

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THE ENVIRONMENT

Hon. Helena Guergis (Simcoe—Grey, Ind. Cons.): Mr. Speaker, the Canadian Nuclear Safety Commission held public hearings on Bruce Power's proposal to ship radioactive materials on the Great Lakes and St. Lawrence River system.

Three of my communities are situated along the largest body of surface freshwater in the world. Mayors Anderson, Patterson and Cooper have expressed opposition and serious concern about the commission's reluctance to discuss this matter with them. To quote the town of Blue, "It's because of this lack of openness that the general public has lost trust in government and their agencies and their commissions".

Will the ministers responsible commit to ensuring community leaders are fully included in the process so they may be in a position to address the real risks these shipments present to our constituents and the environment?

Hon. Christian Paradis (Minister of Natural Resources, CPC): Mr. Speaker, the Canadian Nuclear Safety Commission has received an application from Bruce Power for a licence to transport 16 steam generators to Sweden in order to recycle the metal. Public hearings were held in September. Following deliberations, additional analysis from CNSC staff was required and has been sent to every participant. They have until November 22 to provide their comments to the commission.

I am confident that the CNSC will make a decision that will safeguard the health, safety and security of Canadians.

* * *

PRESENCE IN THE GALLERY

The Speaker: I would like to draw to the attention of hon. members the presence in the gallery of Mr. Phillip Bradbourn, Chairman of the Delegation for Relations with Canada of the European Parliament.

Some hon. members: Hear, hear!

* * *

•(1505)

BUSINESS OF THE HOUSE

Mr. David McGuinty (Ottawa South, Lib.): Mr. Speaker, my question is of course directed to the government House leader.

Routine Proceedings

Could the government House leader give us an idea of what the balance of work is for this week, before we return to our constituencies for our constituency work, and for the week that is forthcoming afterwards, including a good idea of the nail-down date for the next opposition day motion for the official opposition? That would be very helpful so that we could adequately prepare.

Hon. John Baird (Leader of the Government in the House of Commons, CPC): Mr. Speaker, today we are debating the NDP opposition motion.

Pursuant to any order adopted by the House earlier today, the vote on that opposition motion will take place on Tuesday, November 16 at the end of government orders.

Tomorrow the House will have the occasion to debate at second reading Bill C-32, Copyright Modernization Act, and the backup bill, should debate conclude at second reading, will be Bill S-9, Tackling Auto Theft and Property Crime Act, which I know is a key priority of the Minister of Justice and Attorney General of Canada.

Next week, as the member opposite said, is a constituency week. I encourage all members to remember and recognize the sacrifices made by the men and women of our armed forces, on November 11.

When we return on Monday, November 15, we will call a number of bills, including Bill C-3, Gender Equity in Indian Registration Act, Bill C-31, Eliminating Entitlements for Prisoners Act, Bill C-35, Cracking Down on Crooked Consultants Act, Bill C-20, An Action Plan for the National Capital Commission, Bill C-28, Fighting Internet and Wireless Spam Act, Bill C-22, Protecting Children from Online Sexual Exploitation Act and Bill C-48, Protecting Canadians by Ending Sentence Discounts for Multiple Murders Act. We would also consider calling other bills that may have returned from committee by the time we return.

Thursday, November 18, shall be the next allotted day.

In closing, I wish all members a productive constituency week.

ROUTINE PROCEEDINGS

[English]

RESIGNATION OF MEMBER

Hon. Jim Prentice (Minister of the Environment, CPC): Mr. Speaker, after meeting with the Ethics Commissioner today, I have informed the Prime Minister that I am resigning from cabinet effective immediately. Furthermore, I will be resigning as the member of Parliament for Calgary Centre-North by the end of 2010.

When I entered federal politics in 2001, I made a commitment that my time in politics would last 8 to 10 years. It has now, remarkably, been 9 years, and it is time for me to pursue new opportunities outside of public life.

I have, therefore, today accepted a position with the Canadian Imperial Bank of Commerce as the vice-chairman of the bank and as the senior executive vice-president of the bank effective January 1, 2011.

[Translation]

This career opportunity will enable me to continue having an impact on Canadian society, but in a different way. My decision to leave was made in part because of the unique opportunity I was offered, and I am very excited to take up this challenge.

[English]

My continued support for the Prime Minister and for the government and my lifelong support of the Conservative Party of Canada, like my commitment to our country, is unwavering. I am proud of the accomplishments of Prime Minister Harper's government. I am proud of my contributions as Minister of Indian Affairs and Northern Development, Minister of Industry and Minister of the Environment.

I want to extend my sincere thanks to the people of Calgary Centre-North for their faith and support since 2004 and to all those who have contributed their efforts to my campaigns.

I thank the Prime Minister, in closing, for the opportunity to have served the people of Canada and to have been in his cabinet. It has been my honour to work with the Prime Minister, with my cabinet colleagues, my caucus colleagues and indeed with all members of the House of Commons.

• (1510)

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I hope the House will indulge me for just a moment.

I just want to say that I first dealt with the Minister of the Environment in 2002 when he was then a candidate for a byelection. He stepped aside in that by-election so that I could become the member of Parliament for Calgary Southwest and then Leader of the Opposition. Ever since then, it has been one of the most delightful relationships I have had.

In public life, of course, the minister was elected as the member for Calgary Centre-North in the elections of 2004, 2006 and 2008. Since this government assumed office in 2006, he has held a number of senior and trusted positions, the portfolios of which he just mentioned, but he was also chair of the cabinet committee on operations, which really has made him the chief operating officer of the Government of Canada.

I know that in all of those functions he has earned the highest respect, not just of me but of all his colleagues in the government, of all his colleagues in Parliament and of all Canadians who have worked with him or dealt with him in the numerous positions he has held.

I want to conclude by wishing him and wishing Karen all of the best in their future endeavours.

Mr. David McGuinty (Ottawa South, Lib.): Mr. Speaker, I would like to take a few moments on behalf of the official opposition to make some remarks about the Minister of the Environment, the member of Parliament for Calgary Centre-North.

*Business of Supply***POINTS OF ORDER**

STANDING COMMITTEE ON PROCEDURE AND HOUSE AFFAIRS—20TH REPORT

I have come to know the minister over the last several years and we have occasionally been sparring partners. I have come to know him and have watched his career flourish over almost a decade, first as a member of Parliament and then as the minister of Indian affairs, the minister of industry and now the Minister of the Environment.

On behalf of the official opposition, we would like to wish him well and thank him for his years of service, almost a decade of long hours, tough travel and demanding assignments.

I did have the opportunity to work with him, as I mentioned, but one of the most memorable moments I shall never forget was watching my 17-year-old, six foot five inch son put him into the boards during the Liberal-Conservative MP hockey game. It shall be a moment I will always relish.

He has been a man of principle. I have come to respect him greatly as a person. I think all of us here on this side and all of us in the House would like to offer our best wishes to the Minister of the Environment. We wish him and his family well and I am sure his wife and daughters will be glad to have him back.

● (1515)

[*Translation*]

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Mr. Speaker, I would like to join my House of Commons colleagues in saluting the Minister of the Environment. I would like to tell him that I remember the good times we spent together. Even though we did not always have the same vision of the future, I must say that he was a gentleman in the House. If there is one thing we can all wish him, it is the best of luck in his career pursuits.

I will remember the love of nature that the Minister of the Environment has personified. The creation of Nahanni National Park was probably one of his greatest achievements. We owe the creation of that park to the Minister of the Environment.

On behalf of my Bloc Québécois colleagues, I salute the member and wish him the best of luck in his future endeavours.

[*English*]

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, I will keep my comments short for my hon. colleague and friend. I know he is in a rush to start keeping his bankers' hours, and that will certainly shift some of his work day.

The hon. member for Timmins—James Bay just informed me that apparently the road to cabinet is through Timmins, from my hon. colleague's beginnings.

Like many other colleagues in this place, we share a great respect for our friend. While we have sometimes disagreed on particular issues, he has always held himself to a high standard of dignity when representing his government's views on whatever issue.

I congratulate him on an important decision he had to make just recently that I think was positive for all of us. This is a place where we often do not get to address the personal. The House of Commons can be a difficult place for that. However, at this moment I think it is an expression on behalf of all New Democrats that we wish our colleague the very best of luck in his future endeavours and that his family warmly welcomes him back to a little bit more of a regular life.

Mr. Joe Preston (Elgin—Middlesex—London, CPC): Mr. Speaker, I rise on a point of order in response to a point of order raised earlier today by the hon. member for Joliette concerning the 20th report of the Standing Committee on Procedure and House Affairs presented to the House during this morning's routine proceedings.

The report contains a list of members for the legislative committee on Bill C-49. The hon. member pointed out that an internal proceeding of the committee had not been respected prior to the tabling of the report.

The routine motion of the committee has delegated to the four whips the authority to act as the striking committee pursuant to Standing Orders 104, 113 and 114 and authorizes them to present directly to the chair, in a report signed by all four whips and their representatives, their unanimous recommendations for the presentation to the House on behalf of the committee.

Prior to this morning's tabling, all four whips had signed off on their own individual list but had not signed off on the report as a whole.

I can confirm that all four whips agreed to and signed off on the content of the report that I presented earlier today. Consequently, I would seek the unanimous consent of the House to present a copy of the report signed by all four whips and to substitute this copy for the one presented earlier today.

The Speaker: Does the hon. member for Elgin—Middlesex—London have the unanimous consent of the House to table this copy?

Some hon. members: Agreed.

GOVERNMENT ORDERS

● (1520)

[*English*]

BUSINESS OF SUPPLY

OPPOSITION MOTION—FOREIGN TAKEOVERS

The House resumed consideration of the motion.

The Speaker: Before this debate was interrupted, the hon. member for Willowdale had the floor. There are nine minutes remaining in the time allotted for her remarks plus, of course, the questions and comments consequent thereon. I therefore call upon the hon. member for Willowdale.

Ms. Martha Hall Findlay (Willowdale, Lib.): Mr. Speaker, I am pleased to resume my comments on the motion on the Investment Canada Act, in particular the current issue under discussion about the recently declined offer by BHP Billiton and the takeover of Potash. It is not completely a no. We are well aware of the fact that there are 30 more days for further developments.

Business of Supply

I am pleased to rise again after my initial remarks and I will take the opportunity to repeat a couple of things, although I will do so in French.

[*Translation*]

What we need is a strategic vision and a great deal more leadership for Canadian resources. We know that Potash Corporation represents resources that are extremely important, not only for Saskatchewan, but also for the entire country.

Yesterday evening the government, the minister and probably the Prime Minister made a decision, and we all thank the hon. member for Wascana, who is a special member, one of the 14 members from Saskatchewan, but the only one who worked very hard for the people of Saskatchewan and indeed for all Canadians. He is the one who demonstrated that foreign ownership of Potash Corporation would turn out to be a very bad decision because of the strategic importance of the company.

The 13 Conservative members from Saskatchewan had nothing to say. Nothing at all. In the midst of all these discussions and knowing the clear views of the majority of citizens in Saskatchewan, the majority of Canadians, the Premier of Saskatchewan, the Premier of Alberta, the Premier of Manitoba and so many others, the 13 Conservative members from Saskatchewan said nothing, and sat back and did nothing. But that is not necessarily their fault. What is really disappointing for us is that it is clear that the Prime Minister's Office controls everything.

Some members cannot even speak and cannot even act in the best interest of their constituents, the people of Saskatchewan and the people of this country. That is really unfortunate. Our country has a very serious problem right now if certain members of Parliament cannot speak and cannot defend the interests of the people who elected them.

[*English*]

It is a little awkward having a speech that gets broken up by question period and significant events. Therefore, I will reiterate a couple of concerns that I raised at the beginning of my speech.

There is value in foreign investment in Canada but it is important to have a clear delineation of what net benefit means in this country. We in the Liberal Party are very supportive of foreign investment. People have said a number of times over the last couple of decades that there have only been two, this being the second, proposed foreign investments that have been refused. The first one was based on security issues. During the Liberal government and the Conservative government before that none had been refused.

In past Progressive Conservative and Liberal governments, the Liberals have indicated sincere and enthusiastic support for foreign investment. What we are now seeing is the complete lack of transparency and understanding in this process of what on earth net benefit means.

We have a Prime Minister who has completely flip-flopped in the space of two weeks in terms of what his own personal preference might have been. We have a minister who said in his announcement that the department made no recommendation. How on earth could the department not make a recommendation when it has so many

people who are talented and hard-working? How the minister could say that there was no recommendation is beyond comprehension. It really speaks to the control of this kind of decision-making within the Prime Minister's Office.

The larger concern is that it completely muddies any understanding of what net benefit is in this country. Of all of the proposed acquisitions that we have dealt with over the last couple of decades, there have been a number that did not go through. They did not have to go through the formal process and did not have to be denied but there was enough involvement by members of the department and back and forth discussion with potential buyers.

● (1530)

In a number of cases acquisitions did not go through because that was clarified and made clear to the potential acquirers before they wasted their time and money going through the entire process.

We have seen now that this complete lack of clarity has allowed a company like BHP Billiton to go this far, only to be denied. Had we had a much clearer definition of net benefit to Canada, it would make foreign investment more likely. This is the point I very much want to stress. For those of us who are very strong supporters of increased foreign investment, this potash arrangement should not be seen as anything other than an issue related to a very distinct, strategic resource. This is not to be taken as an indication of Canada's overall enthusiasm in welcoming foreign investment.

What we do need is for potential foreign investors to know what the rules are before they waste time and money proposing acquisitions and investments in Canada. Although I do not support all of the aspects of today's motion, I do support a significantly greater level of transparency. Not only do we support the provision of a significantly greater level of detail in terms of what net benefit actually means, but we call on the government to provide it.

In that regard I want to mention the incredible work by the member for Wascana who has worked tirelessly in support of the best interests of Saskatchewan. I also want to mention the noticeable silence on the part of 13 Conservative members of Parliament from Saskatchewan. I have a real concern about the level of control by the Prime Minister's Office and the silencing of members of Parliament. On the commercial side, I want to stress that we do encourage foreign investment, but we are turning it away by being unclear in what we require in terms of net benefit.

I welcome any questions and look forward to having continued discussion with my colleagues.

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC): Mr. Speaker, the member opposite not yet having been in government and possibly never will be either, does not seem to be able to make the distinction between talking and making clear one's opinion privately and where it counts in some instances and also the other difference of keeping one's powder dry, so to speak, in the public domain, sometimes because of legal constraints. The member with her legal background should appreciate the nuances of this.

Business of Supply

Is the opposition member for Willowdale not aware that government caucus MPs have some greater responsibility incumbent upon them at such a time as this? I refer to the member for Wascana. I thought she was going to refer to the member for Saskatoon—Humboldt or one of the other good members of our Conservative caucus as she built up to that. However, the member for Wascana should know the need for there not to be even the appearance of imprudence. I think it was before her time, but she might recall a scenario involving the member for Wascana who was blamed for losing the 2006 election for the Liberals. There were allegations that the member for Wascana's office was not discreet enough in respect to a decision on income trusts.

Is the opposition Liberal member for Willowdale not aware of criminal sanctions that apply to government members who are not as yappy as opposition Liberal members?

Ms. Martha Hall Findlay: Mr. Speaker, I am not rendered speechless very often, but I am somewhat taken aback by the fact that one of the members from Saskatchewan has finally spoken and has had the nerve to refer to an incident that was in fact proved to be completely wrong. The member for Wascana was shown to have the utmost integrity and had nothing to do with any of the allegations. With all respect, the member opposite should be very, very careful about raising allegations that have been proved to be untrue.

I will also address the concern there might be in the process of the Investment Canada Act. The member opposite is absolutely right, in that I happen to have some significant familiarity with the legalities of Investment Canada rules. He knows very well there are not the restrictions he is pretending to hide behind. He also knows very well that of all of the people who do have an obligation during that period, members of the cabinet and the Prime Minister have the largest of those responsibilities. For the Prime Minister to stand in the House and suggest erroneously two things, that Potash Corporation was an American controlled company which is absolutely false, and that in his view an Australian company taking over an American company did not matter to him, one, is completely false and two, showed an immense amount of bias that was completely improper on behalf of the Prime Minister. It has sullied the process.

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, if I understand correctly, the hon. member for Willowdale said she cannot support the motion. I wonder what she finds wrong in the motion after the speech she just made.

The motion refers to “making public hearings a mandatory part of foreign investment review”. What is wrong with that? What is wrong with “ensuring those hearings are open to all directly affected and expert witnesses they choose to call on their behalf”? What is wrong with this? What is wrong with “ensuring all conditions attached to approval of a takeover be made public and be accompanied by equally transparent commitments to monitoring corporate performance on those conditions and appropriate and enforceable penalties for failure to live up to those conditions”? What does she find wrong with that? If she does not find anything wrong with that, could she tell us what she finds wrong with the rest of the motion?

• (1535)

Ms. Martha Hall Findlay: Mr. Speaker, I look forward to continuing the discussion about how to elaborate fully on the criteria

for net benefit, which the country so desperately needs. I do encourage much greater transparency in the process, as do all Liberals. We do support that, absolutely.

Personally, I have some concerns about the extensive list of required benefits, simply because from my business background, I do understand that in some cases there may be significant benefit in some areas but not necessarily in others.

It speaks exactly to the problem that we do need to clarify the criteria of net benefit. They may not all be cumulative. They may not all have to be there at the same time. In some cases, being able to accomplish one may prevent a business from accomplishing all of the others. It is in the nature of international businesses and the nature of foreign investment.

I appreciate the effort absolutely. There are some details in the motion that I personally struggle with, but I think the hon. member knows that my heart is in the right place.

Mr. Ed Komarnicki (Parliamentary Secretary to the Minister of Human Resources and Skills Development and to the Minister of Labour, CPC): Mr. Speaker, I am happy to see that the member was so easily convinced by the member for Acadie—Bathurst, but I can say just as a comment that she may be confusing the fact that a person making a lot of noise is actually accomplishing something. The member for Wascana certainly is not short of bluster or rhetoric, but during the 13 long, Liberal years, I do not recall the member not approving any application for a foreign takeover. In fact, since 1985, I do not recall one. I wonder what she might have done with the Liberal rubber stamp.

Ms. Martha Hall Findlay: Mr. Speaker, how I welcome that question, because the fact that there were no refusals addresses two of the points that I made in my speech.

One is that it reinforces how the Liberal Party very strongly welcomes foreign investment. That is a fundamental truth.

The other one is that when the process was undertaken, unlike apparently this one where the minister himself suggested last night that the department was not involved because the department did not come up with the recommendation, in all of those others cases, I can assure the hon. member that the department was very much involved in all of the discussions.

In fact, there were a lot more potential acquisitions which in those discussions did not proceed, because the acquirers were not led down the garden path to believe that they might actually succeed, and did not spend all sorts of time and money in order to get there, only to be told no at the last minute. At least in the process undertaken under a Liberal government, some of those acquisitions did not happen because of very good and extensive, substantive discussions prior to engaging in the process.

Mr. Claude Gravelle (Nickel Belt, NDP): Mr. Speaker, generally speaking, the Liberal members have spoken in favour of this motion, maybe the member for Willowdale excluded, but we are not sure yet.

Business of Supply

The Liberal Party has been known to speak in the House in favour of a certain bill and then not show up for the vote. Bill C-300 is a good example, where every Liberal member spoke in favour of the bill but when it came time for a vote, it was like entering a hunting camp in the fall and turning on the lights and the mice scatter all over the place.

Is that what the Liberals are going to do when it comes time to vote on this motion, scatter?

Ms. Martha Hall Findlay: Mr. Speaker, I do not even know where to start with that one.

I am proud to be a member of a party in which we are allowed to have dissenting opinions. I am proud to be a member of a party where that is allowed to show. I am proud to be a member where we are not only allowed but encouraged to engage in substantive debate on some of these tough issues.

I hope that my colleagues in the New Democratic Party understand that although I personally may have some issues with the specifics in the motion, that does not mean there is not support for the motion. It means that at least one of us is willing to offer constructive suggestions, to engage in debate—

• (1540)

The Deputy Speaker: Order, please. I will have to stop the hon. member, so we can continue with debate.

Resuming debate, the hon. member for Hamilton East—Stoney Creek.

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Speaker, I will be sharing my time today with the member for Nickel Belt. I have never seen such a demonstration of ice-skating in my life as I just saw.

Normally I would like to talk free and easy in my speeches and as relaxed as I can, but because of the nature of this debate and the impact on my community, I have written my remarks down today as I have a significant amount of frustration and anger about what has occurred there.

I am rising to speak to the New Democrat's opposition day motion as we debate and consider the situation facing Canadian companies and Canadian workers who either have been or are subject to foreign takeovers.

Over the last 25 years, since Conservative Prime Minister Brian Mulroney declared that Canada was open for business, thousands of companies have changed hands and tens of thousands of workers have lost their jobs.

My home town of Hamilton has seen these takeovers and the results where so many of my friends have lost their jobs. In many cases, we might say they lost their futures as well.

Since the inception of the Investment Canada Act in 1985, there has been 17,485 foreign investments under review. According to Industry Canada of those 13,516 have been takeovers.

Under the ICA, the Conservative government has turned down only one takeover prior to this one, and that was MacDonald Dettwiler. This happened after considerable pressure led by an NDP MP, Peggy Nash from Toronto.

During the 13 year term of successive Liberal governments, not one single takeover was blocked. In 2009, again according to Industry Canada, the government reviewed only 22 of 338 takeovers.

The United States accounts for over 60% of all takeovers in Canada since 1985 and continues to account for about half today, well ahead of the EU, which is at 27%. In 2007 foreign controlled firms accounted for 21.3% of Canadian corporate assets, 29.4% of total revenues and 26.2% of operating profits.

For the first time since 1999, in the year 2000, foreign-controlled companies operating in Canada held more than half, or 52.8%, of manufacturing assets, up from 46.8% in the previous year. Statistics Canada says that the increases are due largely to foreign acquisitions of Canadian controlled, especially in primary metals, wood and paper industries.

Today, as we talk about a net benefit to Canada, do we mean a net benefit for Canadian workers or Canadian investors and corporate boards?

Last evening on the CBC national news, the network compared two takeovers in Hamilton: Dofasco by ArcelorMittal and Stelco by U.S. Steel. Clearly these are two players in the manufacture of steel products that function with very different business models.

I remember well the enthusiasm in Hamilton when U.S. Steel came into the chase to purchase Stelco, the new-found hope that pensioners had that their pensions would be secure by promises made by U.S. Steel. The workers in the plant felt, at least tentatively, that could begin to plan their futures for them and their families.

Today as collective bargaining has stalled and many employees at the Hamilton plant wonder how it could even have been called collectively bargaining at all. Demands from the company are clearly designed to destroy their defined benefit pension plan and take away the ability of new employees to count on a dignified retirement in the future. That is the single major issue in this dispute.

The former Stelco, now U.S. Steelworkers, clearly remember the situation their brothers and sisters at U.S. Steel's Nanticoke plant faced, with many months on a picket line trying to defend their pensions. Hamilton workers now have to question what lies ahead for them.

• (1545)

United Steelworkers Local 1005 have labelled the situation at U.S. Steel as nation wrecking. It has done so because it has seen what happened to labour relations after Vale's purchase of Inco, when Xstrata laid off hundreds of workers and Rio Tinto closed operations in Quebec.

These companies came to Canada making promises to workers and their families, making promises to the federal government that they would maintain operations and employment. Our federal government said that the propositions put forward by these companies would be a net benefit for Canada. At these plants, workers are still waiting for this supposed net benefit.

Business of Supply

Older workers at all of these plants and at U.S. Steel in Hamilton wonder just how bad it can get. Are we actually in a race to the bottom?

Today U.S. steelworkers face what in collective bargaining is commonly called whipsawing. Normally, whipsawing happens when one plant in Canada that has a relationship with a company is played off against another unit in the same company during their collective bargaining process. However, the difference here today in the whipsawing of these workers at U.S. Steel is that they are being whipsawed against plants in the United States under the ownership of the same American employer.

Is it not simply logical to expect that an American company would protect its own citizens ahead of Canadian workers?

In Hamilton's situation, U.S. Steel has closed down the last operating blast furnace and has indicated that it will lock out its employees shortly unless workers accept a decimation of their defined benefit pension plan. Where is the net benefit for these Hamilton workers?

How is Canada a better country because we allowed Xstrata, Rio Tinto, Vale and U.S. Steel to bring their anti-worker labour relations to Canada? I would suggest nation wrecking does apply.

Today workers are not being asked to give up their own defined benefit pension plan. They are being asked to give up the possibility for future generations to retire with security. These Hamilton workers are being coerced into committing a major disservice to their own families future generations.

Canada has built on value-added manufacturing that turned our resources into the products needed around the world. Canadians must ask themselves how we have reached this point, where corporate demands that before had been considered out of the question are now quickly becoming the norm.

How is it possible that we are now faced with importing corporate control of not only our companies but potentially foreign corporate control of our resources? The reason is clear. This has happened as a result of successive governments in this place making terrible decisions in allowing foreign investment deals and company takeovers that clearly have failed to meet the test of net benefit to Canadian workers.

If members hear my voice tremble slightly today, it is because I am angry and I am hurting. I agree with United Steelworkers Local 1005 that nation wrecking is being allowed to take place across Canada.

I will close with a few of questions.

What will the government do to reverse this devastating calamity for Canadian workers?

Will the government take into account the status of existing collective agreements reached between workers and companies over many years and apply an aspect of net benefit to Canada to this part of any foreign ownership deal?

What limits is the government prepared to put on the ability of foreign corporations to roll back collective agreements using whipsawing between Canadian and non-Canadian companies?

When we talk net benefit to Canadians, we must include net benefit to the plant workers at the same time.

• (1550)

Mr. Mike Wallace (Burlington, CPC): Mr. Speaker, I want my hon. colleague for his particular focus on Hamilton and the steel industry, which I am familiar with, but maybe not as intimately as he as he was part of that industry before he was elected to this place.

I would like my colleague to do a comparison. He talked about the steel industry, but he focused on one side of it. U.S. steel has purchased Stelco and it had to come to some agreement with the Government of Canada based on the net benefits. At the present time, it has not met that agreement. Would the member admit that the reason why we are in the middle of a court case is because of that?

ArcelorMittal, another foreign company, has purchased Dofasco in Hamilton. It is in the process of not only meeting its obligations to our country, but is expanding and hiring folks.

What is the difference between one purchase of a steel company and its neighbour Stelco? Could the member explain why one deal is working and one is not?

Mr. Wayne Marston: Mr. Speaker, as I said in my speech, it is very clear that there are two different business models at work between these two companies in Canada. When I talked about Vale, Xstrata, U.S. Steel, labour relations and the management style that has been brought into Canada, that management style very clearly has been to at least minimize collective bargaining, if not destroy it, and to force workers into a position where they lose the defined benefit pension.

For those who may or may not know, a defined benefit pension means that on the day people retire, they know they will get a certain percentage of their pensions. If the market is down, the company has to make it up. On the other hand, with a defined contribution, on the day people retire, if that market is down, they will get only what the market will dictate. That is a major loss for Canadian workers.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, it is good to see the Conservatives' new-found interest in reviewing takeovers. I believe, though, that it has more to do with saving the political skins of their 13 Saskatchewan members of Parliament, who have been very quiet over this last period of time.

The issue is the fact that when Bill C-10, the omnibus budget bill from last year, passed with the help of the Liberals, there was a measure raising the general review threshold to \$1 billion over a four year period. Currently, the threshold is \$312 million in gross assets. That measure is streamlining the process for foreign takeovers, making it easier for them to occur.

Therefore, we have a history of both the Liberals, over a number of years, and the Conservatives, in recent years, approving almost all takeovers, even making them easier, with the help of the Liberals.

Business of Supply

Now, on a one-off basis, the Conservatives see themselves threatened in Saskatchewan, losing maybe all of their 13 members in the next election. Guess what? They have been converted at the last minute—

The Deputy Speaker: Order, please. I will stop the member there to allow the member for Hamilton East—Stoney Creek a chance to respond.

Mr. Wayne Marston: Mr. Speaker, to get to the motion today, we have asked the government to look at the act and understand that there has to be more clarity, more accountability, visibility of the activities that take place in this. Canadians do not trust the current government, and they did not trust the government before, on these deals because they do not see what the deal is. Nothing says that these deals are all 100% terrible. However, we are saying that Canadians need to know. They need to see them.

The member for Burlington pointed out that we have one deal in Hamilton that appears to work well. That is wonderful if it works well.

However, we need to know the transaction, what promises are made, what the ramifications are if the company fails. We have a lawsuit against U.S. Steel. That is wonderful, but Canadians need to know the totality of that deal. Everybody was asking what was in that deal so we knew as a country how we should respond. We could also hold our government to task if we knew that.

• (1555)

Mr. Claude Gravelle (Nickel Belt, NDP): Mr. Speaker, I am pleased to rise today to speak to this important motion.

For the record, the importance of this motion lies in its five key elements: one, making public hearings a mandatory part of foreign investment review; two, ensuring those hearings are open to all directly affected; three, ensuring all conditions attached to the approval of a takeover be made public; four, clarifying that a goal of the act is to encourage foreign investment that brings new capital, creates new jobs, transfers new technology to this country, increases Canadian-based research and development, contributes to sustainable economic development and improves the lives of Canadian workers and their communities; and five, asking that the House express its opposition to the takeover of Potash Corporation by BHP.

As a northern Ontarian, I experienced first-hand the impact of a bad foreign takeover where jobs have been eliminated while profits soared, pensions and nickel bonuses were under attack, and replacement workers were hired, contributing to the longest strike in our region's history.

My community is living proof of the current and previous governments' failures to protect the interests of Canadian workers and their communities. I worked at Inco for 34 years. Those workers became my extended family. To watch them suffer because a foreign company was intent on driving down their wages, taking away defined benefit pensions and reducing their bonuses while raking in billions in profit cannot in any way be defined as a net benefit to our community or to our country.

The nickel they are taking out of our mines is Canada's natural resources and my community's resources. Northern Ontarians will never forgive the Conservative government for approving the sale of

such strategically important mines, Inco and Falconbridge, to foreign companies without extracting guarantees that there will be measurable net benefits to our region and country or holding them accountable when they broke their contractual obligations.

It is the reason New Democrats have been sounding the alarm about the need to strengthen the Investment Canada Act. We heard my colleague from Windsor West earlier today point out that he warned the government years ago. We heard about the efforts of former NDP MP Peggy Nash, who worked diligently to help stop the sale of MacDonald, Dettwiler and Associates.

Since being elected in 2008 and appointed mining critic by my leader, I have worked with my community, concerned workers and other stakeholders to push for changes to the Investment Canada Act. I would remind the House that on April 28 of this year, Parliament passed my motion that called for lowering the threshold for public review of foreign takeovers, ensuring public hearings are held in affected communities, and requiring publication of the reasons for decisions and conditions to be met by approved foreign owners.

Today we build on that motion by articulating what constitutes a net benefit to Canada. Canadians are not naive. They understand the difference between foreign investment and foreign takeovers. There is not a single Canadian who does not get the importance of global trade.

However, Canadians also understand that certain sectors of our economy, particularly parts of our natural resources and telecommunication sectors, have strategic importance, and in some circumstances "open for business" cannot mean allowing a fire sale of our successful companies and strategic resources.

New Democrats understand that difference. Canadians understand that difference. One can only hope that the Conservative government has begun to understand that difference as well, but I will not hold my breath.

To be clear, there are positive examples of good foreign investment. Essar Steel Algoma Inc. in my colleague's riding of Sault Ste. Marie is one such example. There are others as well, all across the country.

During recent weeks we have heard concerns from some unusual corners about the sale of Potash Corporation. In the November 2, 2010 edition of *The Globe and Mail's* Report on Business, Roger Martin, dean of the Rotman School of Management and a leading advocate of free trade, said with regard to the possible sale of Potash Corporation:

Canada has been an unsophisticated player [...] There are tough, tough people in the world who couldn't care less what happens to Canada.

Business of Supply

• (1600)

Others have pointed to a lack of takeover reciprocity in a variety of countries such as Australia, which is home to BHP Billiton, and Brazil, which is home to Vale, and of course, we all know how China operates.

No one is suggesting increased protectionism, but the business community is cautioning the government about its often simplistic approach to foreign acquisition. In 2008, here is what was said about how Canada handles foreign takeovers:

Canada's policies are a worst-case scenario; ... Canada has lost more head offices than any other country; ... Canada has already been reduced to an industry "branch office" and is largely irrelevant on the global mining stage.

Who said this? It was Don Argus, former chairman of BHP Billiton, when warning his own country, Australia, not to become like Canada. Australia and other countries are heeding this warning.

We are living in a critical time of increasing global energy and food demands due to growing population and economics. Country after country has begun to view its supply of natural resources as an issue of national security. In addition to Australia, others such as China, Vietnam, Russia, India and Indonesia have all begun to strategically invest in natural resources at home and around the world. Why is Canada not assessing its key sectors such as natural resources, manufacturing, high tech, including green technologies, and telecommunications through the filter of long-term strategic need?

That is the very point that many in the business community are making. It is time the Conservative government began listening. Do not just take our word for it, take the government's. In this morning's paper, quoted with respect to one aspect of the Investment Canada Act, being confidentiality and lack of public debate, the University of Toronto's Rotman School of Management, Professor Joseph D'Cruz said that while he was normally not sympathetic to the NDP:

[On this issue] I think they're on the right track. I think having public hearings is pretty healthy.... I've always been a bit concerned that the commitments that the foreign companies make to Investment Canada are confidential and the public doesn't know what they are. On an important public...issue, I think confidentiality is not healthy.

On the issue of national security and strategic national interests, Canada, it seems, is also heading in the opposite direction of many countries by increasing significantly the minimum threshold upon which a federal review of a foreign takeover takes place.

In other words, the government is telling the world to help itself to our natural resources, our technologies and our intellectual property, and while it is at it, it is also signalling to them not to worry about those conditions of sale that the federal government imposes, because the federal government will not pursue them even when they break their contract. One only has to look at the government's disgraceful behaviour during the Vale Inco strike in my community. It chose to ignore the plight of the workers in Northern Ontario, but at least with respect to Potash it seems to have listened for the time being to the people of Saskatchewan.

I have a plea to the government not to treat this important NDP motion in a blindly partisan way but to see it for what it is, a critical, important motion that helps to restore the balance between sustaining

and growing global trade relations and securing strategic Canadian-owned resources for future Canadian generations.

The facts speak for themselves. In 2007, for the first time since 1999, foreign-controlled companies operating in Canada held 52.8% of manufacturing assets, up from 46.8% in 2006. Statistics Canada says:

The increase was due largely to foreign acquisitions of Canadian-controlled firms, especially in the primary metals and the wood and paper industries.

In one year alone, 2006, foreign control over Canada's mining sector rose from 12% to 40%.

In conclusion, I want to be clear that this motion is about protecting Canada's long-term strategic interests. It is not about stopping foreign investment in Canada, but it is about stopping foreign takeovers that are not of net benefit to Canada. The status quo is failing Canadians. The government has yet to articulate what exactly its net benefit test is when it approves takeover after takeover.

• (1605)

This motion addresses some of key weaknesses of the current system. I hope that, together, we as parliamentarians can begin to address this imbalance of protecting the interests of Canadian workers, their communities—

The Deputy Speaker: Questions and comments. The hon. member for Elmwood—Transcona

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, I want to thank the member for an excellent presentation regarding the motion today.

The fact of the matter is, as I indicated earlier, those 13 Saskatchewan MPs on the government side were the last people to be on board. The NDP leader in Saskatchewan, Dwain Lingenfelter, has been in front of this issue for a long time and drumming up support against it.

In response to the comments from the member for Saskatoon—Wanuskewin this morning, the fact of the matter is that the NDP has supported foreign investment in the past.

For example, the NDP did not oppose the Italian Fiat takeover of the Chrysler Corporation. During the carve-up and sell-off of the former technology leader, Nortel, the NDP did not oppose the sale to foreign companies of any Nortel division except LTE Assets, which had a national security component that the Conservatives chose to ignore when they let a foreign company buy that division, even though it was raised by many others, including the business community.

As well, when Cirque du Soleil, a renowned Canadian artistic and cultural champion, was having a majority stake purchased by the Disney Corporation, a foreign company, the NDP did not object to that. Also, there was the China Investment Corporation's majority purchase of a Penn West division, an oil and gas takeover, that was not opposed by the NDP.

Business of Supply

For the Conservatives to say that somehow the NDP is chilly towards foreign investment is just not borne out by the facts.

Mr. Claude Gravelle: Mr. Speaker, the facts speak for themselves. But let me say a few words on the leader of the NDP from Saskatchewan, Dwain Lingenfelter. He was the first at the plate on this issue, followed by the federal leader of the NDP. When the issue became too hot, the provincial government stepped in.

We never heard from the 13 Saskatchewan MPs. We did not hear a word from those guys. They scattered like the mice in the Liberal Party.

I hope that answers your question.

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, I want to thank the member for his very good speech. I wonder if he could talk a little more about the impact on workers. I know he alluded to it.

I also want to acknowledge the member for Elmwood—Transcona pointing out the other foreign takeovers that the NDP has not stood in the way of.

I know that a foreign takeover has had a serious impact on the member for Nickel Belt and his community. It is not just that the resources and profits go somewhere else, but there is an absolute impact on the workers and businesses in their communities because the workers no longer have well-paying jobs. I wonder if the member could talk a little more about the personal impact that he has seen in his community as a result of this.

Mr. Claude Gravelle: Mr. Speaker, the impact of foreign takeovers on my community was a year-long strike at Vale Inco because the company, Vale, did not want to negotiate. They make billions of dollars every quarter. I think the last quarter they made \$3 billion. Yet they were intent on taking away the defined benefits pension from the workers. They were intent on lowering the nickel bonus. They have laid off some workers. Some of our community's businesses, family-owned businesses, were forced to close.

So, yes, there was a definite impact on our community and it was not a net benefit.

• (1610)

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC): Mr. Speaker, it will be a pleasure to speak to the NDP opposition day motion, which seeks to make amendments to the Investment Canada Act. I will be sharing my time with the hon. member for Saskatoon—Rosetown—Biggar.

I should say at the outset that I believe all legislation from time to time needs to be reviewed. I believe that there should be reviews on a regular basis of all legislation to see whether or not current legislation can in some way be improved.

While there are some elements of the motion before us today that I agree with, there are others that I do not accept. I agree with the spirit of the motion, which states that we should be reviewing the Investment Canada Act to see whether there are ways to improve the current provisions of the act.

I would point out that, since we first came to power in 2006, our government has made changes to the Investment Canada Act. We

included provisions that required us to consider national security when determining whether foreign takeover bids should be approved. We did this a couple of years ago, when there was a proposed takeover of the MacDonald Dettwiler organization, which was heavily involved with robotic arms and other technologies for the aeronautics and aerospace industries. At that time, we turned down a bid from a U.S.-based company, because we felt that, in the interest of national security, it was best to keep that company in Canadian hands.

Beyond the motion itself, I want to speak to a political dynamic that I think has seized the House and the country over the course of the last couple of days. Most important, I want to talk about the role that the Saskatchewan members of Parliament have played in the deliberation process during the last few weeks.

More specifically, I want to talk about the role we have played in helping the Minister of Industry to decide whether or not to accept the BHP bid in the proposed takeover of the Potash Corporation of Saskatchewan.

The 13 Saskatchewan members of Parliament have been fully engaged on this issue for several months. We had meetings with the Premier of Saskatchewan. We had meetings with many ministers of the Crown in the province of Saskatchewan. Even more important, we met with our constituents, the people of Saskatchewan, to get their feelings about this proposed takeover.

Opposition members, in a self-important exercise, have gathered themselves before the nearest camera or reporter to tell the world of their efforts to influence the government. I can assure all members of the House, however, that their attempts to influence the government in its decision-making have been futile. They have had no effect whatsoever. I would also point out that actions speak louder than words. Opposition members, particularly the member for Wascana, have tried to convince the public that they were leading the charge on the rejection of the BHP bid. But in fact, the opposite is true.

They had no influence. The member for Wascana had absolutely no influence on the government decision, nor did the leader of the NDP. But day after day in this House we heard them asking, "Why will the 13 members of Parliament from Saskatchewan not stand up and oppose this deal?" The answer is quite simple. If the members had taken the time to review the Investment Canada Act, they would find under "disclosure" that members on the government side were prohibited from expressing opinions or commenting on the merits of the proposed takeover bid. In fact, members of Parliament, departmental members, and cabinet ministers can be criminally charged if they do not follow this part of the law. We observed these legal prohibitions, but we worked diligently behind the scenes with the Minister of Industry, expressing our opinions and the views of our constituents on the proposed BHP takeover.

• (1615)

Opposition parties attempted to get publicity, feather their own nests, and convince their constituents that they were working on their behalf. But it was political pandering and nothing more.

Business of Supply

Our members of Parliament, by contrast, worked hard and long to express the wishes of the people of Saskatchewan, talking to constituents, consulting with members of the provincial government, and speaking with ministers of the Crown. Let me say once again that opposition members had no influence on the government. Opinions on the government side count. The opinions of the opposition members, in contrast, have no impact whatsoever.

I hear a lot of caterwaul, bombast, and bluster from members opposite. This is only another attempt to get their message heard through the media, to convince Canadians that they are actually relevant. On this issue, however, they are not relevant at all.

I want to congratulate all of my colleagues from Saskatchewan, because I know how hard they worked on this file. We were under intense pressure from the media and members of the opposition, who stated incorrectly that we were invisible, that we were not standing up for our province.

I know different. Every one of the 13 members of Parliament from Saskatchewan also knows different. We know the effort that we put in to speak with the minister and the Prime Minister, to gather information to assist the Minister of Industry in making his final decision. Our efforts were entirely successful.

For the next 30 days, we will be prohibited from making extensive comments on the decision. However, after that 30-day period, the minister and all members of Parliament from Saskatchewan will be more than pleased to explain to all Canadians what went into the decision and what we did to bring it about.

We will not ignore or oppose legal prohibitions, now or in the future. We will comply with all legal provisions contained in legislation in the House. Members opposite, of course, being in opposition, do not have to observe these legal prohibitions. They can comment, scream, yell, and whine, but they have no influence. They have absolutely no influence.

In this case, which was one of the most controversial foreign takeover bids of the last 20 or 30 years, the opposition members had nothing to offer the debate. Knowing that government members were prohibited from speaking publicly, they tried to make a political case to further their own interests. It was nothing but partisanship, pure and simple.

On the other hand, the deliberations of the Minister of Industry were in great part shaped by the information he received from Canadians, business people, the bidder, the Potash Corporation of Saskatchewan, and members of the Saskatchewan caucus. I will not stand and say that our efforts alone caused the Minister of Industry to come up with his decision, but I will state emphatically that the members from Saskatchewan played an integral part in the minister's decision process.

I am proud of each and every one of my colleagues from Saskatchewan, and I know the people of Saskatchewan are proud of us as well.

Mr. Mario Silva (Davenport, Lib.): Mr. Speaker, I am pleased that the government has decided to reject, at least for 30 days, the PotashCorp deal, because potash is an important industry in this country.

This opposition day motion has provided us with an opportunity to discuss the loss of some of our head offices in this country, the loss of jobs, and various takeovers of Canadian marquee companies. I am speaking as a parliamentarian who laments the loss of companies that were once the jewels of Canada. We have a responsibility to protect these companies so that our economy remains strong, and so that we maintain our commercial identity as Canadians.

Algoma Steel, Dofasco, Inco, Falconbridge, Labatt's, Alcan, Nortel, and Four Seasons are all companies that we have lost. Of course, Nortel is a more complex issue. These marquee companies put Canada on the map. We have to do everything possible to secure companies such as these. The government has to intervene to make sure that such companies continue to play a leading role in our economy.

The government's decision is a positive step. I hope that it will go further and block this deal because—

• (1620)

The Deputy Speaker: I hate to stop the hon. member, but I have to allow enough time for the parliamentary secretary to respond.

Mr. Tom Lukiwski: Mr. Speaker, my hon. colleague is wondering whether we will actually block the deal after the 30-day period, that is, after we have heard interventions from the bidding company.

As I mentioned in my earlier address, we cannot comment publicly on the decision that the Minister of Industry made yesterday. There is a 30-day period during which we are legally obligated to wait and see if there are further interventions or undertakings from BHP. We cannot, as the opposition would have us do, make a decision today. It is against the law. We are legally obligated to wait 30 days.

My colleagues on the opposition benches are calling for an immediate answer. That just shows how ill-informed they are. It is against the law. I urge my colleagues to inform themselves better by reading the act.

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, I listened to the speech given by the parliamentary secretary, and I noted that he said the 13 members from Saskatchewan consulted various people. Did they consult with the Premier of Saskatchewan? If not, is that the reason that the premier decided that, if the government did not change its mind and support Saskatchewan, he would take it to court?

Mr. Tom Lukiwski: Mr. Speaker, normally my colleague from Acadie—Bathurst hangs on every word I say in debate, so I am surprised that he did not listen to what I had to say in the main body of my speech. I said we met with the Premier of Saskatchewan.

The premier and I have known each other as friends for over 25 years. As all my colleagues from the Saskatchewan side would know, we consulted with Premier Wall extensively, as we did with his ministers. For the member opposite to suggest otherwise shows how ill-informed he is. Frankly, the approach he is taking is one of partisanship rather than benefit to the nation.

Business of Supply

Mrs. Kelly Block (Saskatoon—Rosetown—Biggar, CPC): Mr. Speaker, I am pleased to rise in my place to respond to the motion tabled by the hon. member for Toronto—Danforth, concerning foreign investment in Canada and the Investment Canada Act.

I would like to take this opportunity to speak to my constituents and thank them for their patience and for their support over these past few weeks.

The Minister of Industry announced last night that, in his opinion, the BHP proposal was unlikely to provide a net benefit to Canada. I fully support him in his decision and would like to thank him for his diligence and hard work on this very important issue.

I would also like to thank my colleagues for their tireless efforts over the past number of weeks to ensure that the people of Saskatchewan and, indeed, all Canadians were effectively represented.

Canada has had a longstanding debate, and some would call it a perennial debate given the length of time it has been ongoing, over the benefits and costs of both inward and outward foreign direct investment.

Fears about foreign investment in Canada are rooted in protectionist thinking from bygone days. This type of thinking does not reflect the new realities of globalization, whether it is in relation to trade or investment flows. In a word, these fears are outmoded.

The idea that foreign-controlled companies operating in Canada will turn our economy into a branch-plant economy is simply not based on fact.

Open markets and globalization have disaggregated production processes to the point that supply chains are now global. Our challenge is to ensure that Canadian businesses can maintain and enhance their positions within these global supply chains, so that they can be cost-effective and successfully compete against competitors from other countries. In order to be successful in today's globalized economy, Canada must attract more inward foreign investment and Canadian businesses must continue to invest abroad.

The concern for Canada is not too much inward foreign direct investment in Canada or too much outward Canadian investment abroad. Rather, the real concern is to ensure that Canada is not falling behind other countries with respect to attracting foreign direct investment. Canada has to maintain and improve its share of investments to secure associated benefits.

In today's globalized economy, investment is linked to trade, and we all know that our economy is heavily dependent on trade for our prosperity and standard of living. We cannot be complacent and rely on outmoded policies, which impose undue cost on Canadian businesses and Canadians. We simply cannot afford this. We must ensure that Canada remains an attractive destination for foreign investment.

In fact, based on data from the World Investment Report 2010, over the period 2003 to 2009, Canada was the world's seventh-largest recipient of the global foreign direct investment flows, attracting more foreign investment than Germany and Italy among

the G7 countries; Canada attracted some 3% of global inward foreign direct investment flows, well above its share of global GDP of 2.3%; and Canada also ranked second only to the United Kingdom among G7 countries in terms of foreign direct investment flows per capita.

Access to foreign markets is essential for a small economy such as Canada's. We are working aggressively to open markets in foreign countries for Canadian goods, services and investment through trade negotiations and free trade agreements.

I would now like to speak briefly about foreign direct investment in Canada and some of the benefits that are associated with it.

Until as recently as the late 1970s, many countries were highly suspicious of foreign investment, particularly from large multinational enterprises. Indeed, many countries limited foreign investment or banned it entirely in key sectors.

Canada was also cautious of foreign direct investment. In fact, in 1973, Canada created the Foreign Investment Review Agency to screen inward direct investment.

However, in today's global economy, countries have taken a completely different and new tack, as is the case for Canada.

● (1625)

Countries now seek, and in fact compete, to attract foreign investment as they recognize its many benefits. This is why it is important for Canada to maintain its open policies and continue to welcome foreign investment. Foreign direct investment contributes positively to Canada's economy and is critical to our long-term growth and prosperity.

Let me be more specific about some of the benefits of foreign direct investments in Canada. First, foreign direct investment is a key source of jobs, especially those that are highly skilled and pay high wages. Studies have shown that 1 in 10 jobs in Canada can be attributed to foreign investment. Moreover, foreign-controlled firms in Canada pay higher wages than their Canadian-controlled counterparts.

Second, foreign investors make strong contributions to the Canadian economy, including the much-needed capital for our Canadian economy to grow. While the majority of capital is sourced domestically, a growing proportion comes from international sources. Foreign investment provides much-needed additional capital that would otherwise not be available. Canada is competing with other countries to attract foreign investment, and we are successful at it in light of our fair, predictable and stable business environment.

Third, foreign investors provide access to new goods and services and exposure to different management styles and processes. Foreign investors often do bring innovative marketing strategies and new perspectives on management, people and technology. This expertise is often passed on to Canadian firms. This ultimately enhances the ability of Canada's business to compete and raise the overall level of productivity of the economy.

Fourth, foreign investment is also an important source to access new technologies. Considering the high costs of research and development, Canada must recognize the role foreign investment plays to ensure that Canadian firms continue to have access to leading-edge technologies.

Finally, foreign investment contributes to Canada's success in international trade. Foreign firms often produce goods and services not just for their domestic market but for their international affiliates. Research has shown that foreign firms operating in Canada are more export-oriented. In 2002, foreign-controlled establishments operating in Canada accounted for only 9% of the total number of exporters but contributed almost half of Canada's exports.

I am thankful for this opportunity to address my colleagues in the House and to articulate the importance of foreign investment in our economy.

• (1630)

The Deputy Speaker: 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 Davenport, poverty.

Questions and comments, the hon. member for Elmwood—Transcona.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, clearly November 2, 1989, was the day that Conservative premier Grant Devine sold off Potash Corporation of Saskatchewan to private investors and at that time neither Brian Mulroney, the prime minister, nor Liberal opposition in the House raised any opposition to that privatization.

Now we have all 13 Saskatchewan Conservative members of Parliament missing in action. They have done nothing to stop PotashCorp from being taken over by BHP Billiton in this hostile bid. They said nothing in the House that I am aware of over the last month on this issue. It has only been through the efforts of Dwain Lingenfelter, the NDP leader in Saskatchewan, and the national leader of the NDP, the member for Toronto—Danforth, who voiced vocal opposition and forced the Prime Minister to take a second look and stop this takeover.

Mrs. Kelly Block: Mr. Speaker, I am not sure if that was a question or not. It seems to me that it is simply more rhetoric coming from that side of the room. While members of the opposition were busy trying to politicize this process, the members from Saskatchewan were honouring the process and the requirements of the act. We held several meetings, as was mentioned already, with the minister and with members of the Saskatchewan legislative assembly, and we met as caucus. We listened to the people of Saskatchewan and, indeed, all Canadians to ensure that they were and are effectively represented.

• (1635)

Mr. Brad Trost (Saskatoon—Humboldt, CPC): Mr. Speaker, I listened with interest to my colleague's comments and I know she has been very active on this file. I think by some accounts Saskatchewan MPs have had 17 meetings on this, going back to September.

Business of Supply

I was listening to some of the comments from the other side of the aisle and indications from the public that were arguing from the NDP perspective that this corporation should be renationalized, bought again by the government. I find that particularly interesting since it was the Romanow government in Saskatchewan, which Mr. Lingenfelter was a part of, that actually changed the act affecting the privatization of PotashCorp and allowed non-Canadians to buy a majority of the shares.

To prevent a future sale to non-Canadians some of the NDP are suggesting to nationalize it.

I wonder if my colleague would care to comment on whether or not nationalizing a \$40 billion company is a wise investment?

Mrs. Kelly Block: Mr. Speaker, I thank my colleague for his question and I thank him as well for all the hard work he has done over the past few weeks to ensure that Saskatchewan residents are well represented on this issue.

PotashCorp is a successful business, one that is dominant in world markets. This is a Canadian resource beneath Canadian soil. The potash resources in Saskatchewan are owned by the people through their federal and provincial governments.

Under the Investment Canada Act, each case is considered unique and is reviewed on its own merits. I am proud to be part of a government that remains committed to maintaining an open climate for investment while protecting the interests of Canadians.

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, I would like to ask the member how she feels about the fact that the minister came to the chamber this morning and talked about this being an interim decision. That is different language from what he used yesterday. He never used the word "interim" and it is different language than on the MacDonald Dettwiler file, where that was not used either, and they actually closed that door right away.

Why are there unusual special circumstances for BHP, and why is the story still going?

Mrs. Kelly Block: Mr. Speaker, the simple answer is that we are following the law.

Let me be clear. Canada is open for business. Under the Investment Canada Act, each case is considered unique and is reviewed on its own merits.

Canadian companies have a strong record of competing globally, with Canadian companies overall investing far more overseas than foreign companies invest in Canada.

We will continue to support being open for business and standing up for Canadians and their interests.

[*Translation*]

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, I will be sharing my time with the hon. member for Hamilton Centre.

I am proud of the New Democratic Party motion being debated today in the House of Commons.

The text of the motion calls for improvements by:

Business of Supply

(a) making public hearings a mandatory part of foreign investment review; (b) ensuring those hearings are open to all directly affected and expert witnesses they choose to call on their behalf; (c) ensuring all conditions attached to approval of a takeover be made public and be accompanied by equally transparent commitments to monitoring corporate performance on those conditions and appropriate and enforceable penalties for failure to live up to those conditions; (d) clarifying that a goal of the Act is to encourage foreign investment that brings new capital, creates new jobs, transfers new technology to this country, increases Canadian-based research and development, contributes to sustainable economic development and improves the lives of Canadian workers and their communities, and not foreign investment motivated simply by a desire to gain control of a strategic Canadian resource; and that the House express its opposition to the takeover of Potash Corporation by BHP.

I do not see how the government can vote against this motion unless it has something to hide.

[English]

While I was listening to the members from Saskatchewan, 1 of the 13 Conservative members from Saskatchewan said they all play a big role and that they talk to people in Saskatchewan, to the government, to the caucus and to the party caucus in Saskatchewan.

I wonder if the threat by the premier of Saskatchewan to take the federal government court played a part in the government's decision yesterday. When the premier of Saskatchewan and his party said that if the government did not give Saskatchewan what belongs to them, which is the potash of Saskatchewan, then they would take the federal government to court, I wonder if that figured into the federal government's decision.

Knowing that there will probably be an election at the beginning of 2011, the government had to wonder what would happen to the 13 Conservative members of Parliament from Saskatchewan if it did not change its decision. Is that what made the government change its decision?

When we talk about foreign companies coming to Canada, we say that we welcome them but, as motion reads, it needs to be good for Canada.

Yesterday, the Minister of Industry said that he looked at this issue and found that it was not good for Canadians, so the government would stop the sale for 30 days. He would not tell us why under the law.

Today we hear that the 13 Conservative members worked so hard that they were the ones who stopped the sale. That is what the government has been telling us all day. It did not tell us that the sale was stopped because it was not a benefit to Canadians. It said that it was stopped because of the 13 Conservative members working so hard because they did not want to lose in an election. Talk about politics, the government is making this political.

We have experience with foreign companies. In 1914, a paper company was built in Bathurst, New Brunswick. In 1989, Stone, a company from the United States, bought it. In 1989, Smurfit, another company from the United States joined with Stone and became Smurfit-Stone.

What did that company give to the people of Canada? What did it give to the people of Bathurst and New Richmond?

Well, not long after that, in 2007, the company decided to close down and go back home to the United States. One of the conditions

to buy the pulp and paper mill in Bathurst was that the company could not be in competition with the United States. How can a pulp mill be sold without being competition to a company with a pulp mill?

Today in Bathurst, it is sad to see this mill going down every day. The whole building is being torn down, a building that was built in 1914 and a mill that gave good jobs to the people in Bathurst, New Brunswick. It also gave good jobs to people in New Richmond and in Quebec but they also lost their jobs.

What happened to Bowater when it bought Abitibi in Dalhousie? Abitibi bought it and then Bowater came in and in 2007-08 it decided to close it down. Where is the mill today? The mill is being torn down in the same way the mill in Bathurst, New Brunswick is being torn down.

The only thing foreign companies have done is to walk away from us and people have lost their job. What about Vale Inco, the company from Brazil? The government did not stop that company from coming in. Nothing stopped it from coming in. First, it supposedly had a guarantee for Canadians. Was the only problem in Sudbury the fact that it did not have 13 members from the Conservative Party? Is that the only problem it had in Sudbury? This company came in and it put people on strike and out of work for 10 months. The company took away part of their pension plans and their bonuses and put the workers on the streets.

At the same time, in Voisey's Bay, Newfoundland, the workers are still on strike. That is what foreign companies have done. On top of that, company told the workers they should learn about the type of living in Brazil.

How many times were questions put to the Minister of Industry and he kept defending the company? At the same time, the government was ready to give the company a \$1.2 billion loan, a company that put Canadian workers out on the street.

This motion is calling on the government to be open and transparent, which is why the government was elected in 2006. It said that it would be more open and transparent, that it would talk and share decisions with Canadians and that it would not hide.

This motion is all about sharing with the House of Commons and sharing with Canadians. So far we have not seen too many companies that have helped Canadians once they took over a company. They just exploit everything that we have and, once it is time for them to go, they just go.

● (1645)

That is what happened in the forestry industry. I am happy with what the NDP did. After we put pressure on the government, it finally saw the light or was forced to see the light as a result of a threat from the premier of Saskatchewan that it would take the government to court if that company went into Saskatchewan. The government must have felt the threat pretty strongly when it knew that 13 Conservative members of Parliament in Saskatchewan did not stopping the deal. That is what stopped the deal.

Business of Supply

However, it should go further than that. That is not what should stop a deal. What should stop a deal is truth and transparency being given to Canadians and a decision being taken on behalf of Canadians. That is what needs to be done.

The Conservatives are telling us that they are a responsible government and they feel the opposition parties are playing politics. If somebody is playing politics, it is the Conservatives. If they are not playing politics and if they believe in transparency, on November 16 when we vote on this motion they should stand and support it.

Outside of that, they have something to hide and that will be sad because we have lost too many companies in our country. We have lost too many jobs and for the people who are working their wages are going down. Too much of that has happened because of foreign companies coming here. We are a country with sovereignty and we could run our own businesses when we look at our natural resources. Very soon we will not own this country anymore because the Conservatives and the Liberals will have given it away to other countries around the world.

I ask this House to support this good motion because it is a good one. The motion did not come just yesterday. In 1985 a motion like this was brought to the House by the hon. Ed Broadbent and the Liberals and Conservatives never supported it. I will be surprised on November 16 if they are here to defend—

The Deputy Speaker: Questions and comments, the hon. Minister of Canadian Heritage and Official Languages.

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, I was having some meetings but I noticed that my hon. colleague, the official languages critic for the NDP, was here in the House to speak in this debate. I just noticed that we have had over the past day and a half very good debates in the House on copyright reform. Different parties have come forward with their views and hopefully that legislation will go to committee.

Obviously, there is plenty of room for discussion and debate with regard to foreign direct investment, the degree to which it is beneficial to Canada and the degree to which the government should or should not respond to the regime in which we approach these considerations, but there is no need to yell and scream and attack people's motives on this issue. There are plenty of examples.

As a matter of fact, the largest employer in the riding of the NDP member for Burnaby—New Westminster is Electronic Arts Sports, an American-owned video game software company that is hiring thousands of his constituents in Burnaby—New Westminster in the video game and software development industry. It is massively profitable. That is a direct example of foreign direct investment into his own riding. That is the largest employer in his riding, with high-paying, high-quality jobs in the tech sector. That is foreign direct investment hiring Canadians.

There are examples, certainly with regard to natural resources in different regions of the country that have different pressures and different dynamics, and members opposite are more than welcome to raise those concerns. We can have a debate about them and that is fine. However, the one thing I wanted to underline is that it is not all bad but it is not all good and the government has a responsibility to

make decisions that are in the best interest of Canadians, the net best interest as the legislation describes.

What I wanted to clarify is the member's attack, frankly, on the members of Parliament from Saskatchewan. There are 14 members of Parliament elected from the province of Saskatchewan and 13 of the 14 are Conservatives. It is different when one is on the governing side of the House of Commons. I can say that the members of Parliament who are over here, including you, Mr. Speaker, and I see the member from Saskatoon and others, work incredibly hard, and just because they do not turn red and yell it into a television camera does not mean that they are not working very hard for the people of Saskatchewan. I can say that they are.

This is a very difficult issue and they took their responsibilities seriously to balance the best interests of all of Canada and their constituents, and they did their job.

• (1650)

Mr. Yvon Godin: Mr. Speaker, I am not ashamed of turning red when I believe in something. I am not ashamed of speaking from my heart. Too many workers have lost their jobs because of the previous government and the government of today. The people at Vale Inco did not deserve what they got. The people of UPM in Miramichi, which I did not talk about, did not deserve what they got. After the company bought it in 2000, hundreds of people lost their job.

NDP members welcome foreign companies that create good jobs and respect workers. We have said that all along. When a company comes to Canada, we need to know whether it will be a good corporate company that respects workers and Canadians. This motion is all about being able to study companies and not have backroom deals where Canadians cannot find out what is happening. I hope the Conservatives support it because that is what the Minister of Canadian Heritage and Official Languages was saying.

If it upsets him that I get red and emotional, it is because I also serve people. Even if I am not on the government side, people come to my office with tears in their eyes when they lose their job, their pensions and everything for which they have worked for over 35 years. That is what I am talking about, if he were listening.

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, it is important to point out the difference between a hostile takeover and investment. NDP members support investment like EA Sports and others that come to mind but this is a hostile takeover.

I would like to ask my colleague a quick question. The government failed to protect the workers of Inco and Falconbridge where the U.S. courts tied up the chance for us to have a great mining Canadian champion. It allowed Vale and Xstrata to come in and basically suck the blood out of the community, especially when we look at Vale, as opposed to creating a corporate champion in Canada. There is a difference between takeovers and investment and that is what the government does not understand.

Mr. Yvon Godin: Mr. Speaker, I agree with the member. How would the country of Brazil feel if Canada were to buy one of its companies and then throw its workers out of a job for ten months? I think it would tell the company where to go.

Business of Supply

That is what happened with Vale Inco. It came in under the Conservative government with no protection at all for the workers. The minister had the guts to get up in the House and kept saying that the company promised the government this and it promised it that. Guess what? Vale Inco just asked for \$1.2 billion loan when it has people on strike. I bet the government will be ready to give it to the company. That is what we are talking about, protecting the interests of Canadians, and the government is not doing that. That is why this motion is so important. If those members do not vote for it, it is because they want to continue the same trend.

Mr. David Christopherson (Hamilton Centre, NDP): Mr. Speaker, I appreciate the opportunity to join in the debate.

Coming from Hamilton, we are dealing with a very different reality than the citizens of Saskatchewan in terms of the Potash Corporation. We were in the overwhelming majority of companies, that category where there was just a rubber stamp and was allowed to go on.

When we look at what the legislation is ultimately supposed to be about, it is about a net benefit to Canada. Last time I checked the map Hamilton was a part of Canada. Therefore, there ought to be a net benefit in the home town of where the plant is.

As of today, we are on the brink of U.S. Steel locking out its employees, the ones who are left after they shut down product and laid off a whole whack of other workers. If it gets what it wants in their negotiation demands, the steelworkers who are currently retired will lose their inflation protection going forward.

That may not seem like an awful lot when we are talking about 1% or 2% inflation, but a lot of us believe, with everything that has gone on in the last few years, there is likely somewhere in the lifetime of those steelworkers going to be a period of inflation. At the end of that, their income is going to be a lot less and their quality of life is going to be a lot less and their net benefit to being a Canadian is going to be less than it was.

Not only that, the company wants to change the collective agreement further so that every employee hired from here on in does not get the same pension benefit as the workers who came even the day before them. In fact, they will not have a pension. They will be caught into this nightmare scenario, which I think is coming for a lot of people who are invested totally with RRSPs. This is not nearly the same as negotiating a defined benefit, so one knows how much money one is going to get every month when one retires, as opposed to down on bended knee praying to the free market gods that one will be lucky enough, when one cashes out, that the market is on an upswing.

That is what the government has done to my constituents, my family members, my friends and my fellow Canadians. Where is the net benefit?

Lest one thinks this is only the NDP members doing the stuff that they do, let us have a look at what the Hamilton *Spectator* had to say on October 6, just a few weeks ago. It said:

It's instructive to cut through the rhetoric surrounding the shutdown under way at the U.S. Steel Hamilton plant...Essentially, it has become clear that U.S. Steel's Hamilton plant is not considered a primary site for production. A primary production site does not shut down regularly and have its production shifted to plants in the United States. Call the Hamilton plant a backup location, an overflow operation,

whatever. The plant in our city is nowhere near the top of the steel giant's list of important places...But Canadian government approval of the purchase was contingent on commitments from U.S. Steel on maintaining certain employment and production levels.

It ends with, "U.S. Steel owes it to us", meaning Hamiltonians, "to fulfill its employment and production commitments. If not, it should be seeking Canadian based buyers for a plant that still has productive life in it".

Quite frankly, it is anything other than just washing its hands of it, which is what the government is doing. Make no mistake, the minister I believe yesterday, in response to a question from my colleague from Hamilton Mountain, said:

We are the first government in the history of the Investment Canada Act to actually take a company to court to enforce the undertakings that it promised with the government and the people of Canada.

That is interesting.

● (1655)

I will go back to the Hamilton *Spectator* so it makes it just a little more difficult for the government to say that this is just partisan NDP politics, because it is not. This is about people's lives. What did the *Spectator* say, on May 8, 2009, about that? It said:

As for the threat of \$10,000-a-day fines? That is \$3.65 million a year—chump change to U.S. Steel. By comparison, a Dundas optician has been subject to fines of \$50,000 a day since November 2006 for operating in violation of Ontario health regulations. If Ottawa is serious about enforcing its foreign investment legislation, it needs to up the penalties considerably.

Ottawa should also change the Investment Canada Act so that future agreements and commitments would be public (with the reasonable exception of sanctions that could put a company at competitive disadvantage)...U.S. Steel has an obligation to honour its agreement—or explain how and when it can do so. Ottawa has a duty to push for answers..

Where was the government?

The minister was in Hamilton on October 15. This is what he said, and I am quoting from a document they circulated in the *Local*. He said:

At this point obviously U.S. Steel is beyond the undertakings that it made with the Government of Canada. Those undertakings ended some time ago now, they were for a period of time that has now expired, so they can make decisions, good, bad or indifferent, according to their own timetable and their responsibilities.

Rolf Gerstenberger, the president of USW Local 1005, had something to say about that. I am again quoting from a document they circulated in the *Local*. He said:

Visiting Hamilton for a funding announcement at McMaster University on October 15, 2010 Industry Minister...made a factually wrong, socially irresponsible and politically stupid statement. Asked about the activities of US Steel about which all of Hamilton is understandable very concerned...

[The industry minister] should know that the 3 year commitment that U.S. Steel made to the Government of Canada is not "beyond the undertaking it made to the government of Canada." He should know that "those undertaking" DID NOT END "some time ago" but in fact expire on October 31, 2010. [The industry minister] should know that U.S. Steel has yet to recognize its commitments to keep employment at 3,105 workers and production at 4.3 million tons of steel a year and that furthermore it has now shut down the blast furnace at Hamilton Works for a second time and is thereby producing no steel at all.

My contention is there is the evidence that the government has washed its hands of those steelworkers at U.S. Steel and of aluminum workers and of workers all across Canada. The only reason the potash deal was stopped was because there was such an uproar across the province of Saskatchewan that it had no choice.

Business of Supply

Had the government put the interest of steelworkers first, had it put the interests of the Canadian steel industry first and had it put the interest and net benefit of Canadians first, it would have also turned down the U.S. Steel deal because it was just as bad for the workers.

What we are trying to do with this legislation is really not that radical. It is to throw some light on the situation and say that these deals happening in the background cannot go on. We are saying a number of things, but these are the main ones. There ought to be some public acknowledgement, some public involvement. Perhaps there ought to be some public negotiations. However, the government cannot just wash its hands based on the Holy Grail of the market, which it has now shown to be a rather elusive goal.

I hope, at the end of the day, when all the yelling, mine and everyone else's, on behalf of people who are being hurt, who are not getting any net benefit, we will finally have a Parliament that is prepared to come head-to-head and properly put rules and protection in place for workers and the communities in which they live. Without that, we will be back here over and over again trying to defend job by job.

• (1700)

It would just be so much easier if we had a government that believed that the interests of those working people and the net benefit of Canadians really was the top priority rather than the almighty buck, which always comes first with this government.

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, I congratulate my colleague on a very good speech detailing the issues around U.S. Steel and the effects on workers.

One of the more interesting things we have had take place during this debate, and I agree with my colleague's assessment, is that if it were not for the good people of Saskatchewan and Canadians from across this country pushing the potash issue, there is no way the government would have turned away from this actual deal. This is one of the reasons I think the minister is now using the language of "interim" decision.

The member has pointed out quite correctly that the Liberals never had a case turned down on their watch.

They turned down MacDonald, Dettwiler and Associates, thanks to the good work of Peggy Nash.

One of the other interesting things is that the minister has been bragging that he is taking U.S. Steel to court. When we back this up, it is rather odd. U.S. Steel comes in and the minister sits down with U.S. Steel and decides that this will be a good business partner for them, sets out the terms and conditions for their partner, and their partner basically backhands them at the expense of Canadian families and workers, and he is bragging about how he is taking U.S. Steel to court.

It is unbelievably ignorant and absolutely arrogant of the minister. How does it help the workers and the people of Hamilton, just because the Conservatives are having to take their business partner to court?

I would like my colleague to answer that question, because I cannot understand. If individuals do not have a job, they are sitting at home. They have paid into their pension. They have paid to the

United Way and have done all their good diligence over the years as good, hard workers to be productive, and because the company uses us as a branch plant and shuts down operations to feed its Americans, just because the government is taking the company to court, they should be grateful.

• (1705)

Mr. David Christopherson: Mr. Speaker, I thank my colleague for his observations.

I think it is interesting that the *Hamilton Spectator* took exactly the same position. A fine of a few million dollars to a multinational corporation such as U.S. Steel is nothing really more than just a licensing fee to do business.

They think that somehow steelworkers will take comfort, that those who are already thrown out of work and those who may be forced out of work will feel comfortable because the Minister of Industry is taking the company to court for a fine of a few million dollars, which probably covers a couple of weeks of operation costs at a plant that size, certainly in terms of their whole organization.

That is not what we want. What we really want at the end of the day is a government that deals with this at the front end. Once we are at the back end dealing with penalties and punishment, we have already lost. What we need is deals up front and deals that make sense for Canadians.

The government member who spoke tried to say that we do not support any foreign takeovers. I know for a fact my colleague was on his feet just a while ago reading a list of them. No, there is not a great big long list, because quite frankly, most of them are not very good for the people of Canada, and we just wish the Conservative government would act in the same vein.

[*Translation*]

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, it will be difficult to cut a 20-minute speech down to 6 or 7 minutes, but I believe it is important for me to address the House, even if I only have a few minutes left.

We all know that PotashCorp owns 20% of the world's potash reserves. Potash is a rare mineral used to make fertilizer. We all saw what happened in mid-August when there was a hostile takeover bid and an outcry against it because BHP Billiton was offering \$28.5 billion, or \$130 per share. The day after the bid, the President and CEO of PotashCorp, Bill Doyle, more or less called the deal an attempt to steal the company. However, he also quickly stated that he was not saying that the company is opposed to the sale, but that it is opposed to "a steal" of the company.

We can see what is happening. Shareholders and owners of a very important company are not bothered by the fact that they are permitting a Canadian company to be taken over by foreign interests, but more so by the fact that they will have less money in their pockets. With the 30-day deadline, the government has the opportunity to jump up and purchase the company for less than it is worth. We must consider that the share price was \$250 two years ago, before the recession. There may be hope yet for Billiton.

Government Orders

Today, shares are trading at around \$145, which is more than the \$130 per share offered by Billiton. Furthermore, this will obviously depress share prices, probably for a number of years. From a financial standpoint, Saskatchewan is afraid that it will lose up to \$3 billion per year if PotashCorp is sold to foreign interests. In response, BHP offered to compensate Saskatchewan with a \$370 million payment into a future infrastructure fund, which the provincial government rejected as being completely inadequate to offset the loss.

Even the Prime Minister indicated that he was not uncomfortable with a foreign takeover of PotashCorp. The government is rather dogged in its determination. Earlier, I mentioned a 30-day period. This will allow the government to quickly rebound.

The NDP motion is very clear. It would amend the act “to ensure the views of those most directly affected by any takeover are considered, and any decision on whether a takeover delivers a 'net benefit' to Canada is transparent”.

The first part of the motion would make “public hearings a mandatory part of foreign investment review”. I should point out that the second paragraph of section 4 of the Investment Canada Act already enables the Minister of Industry to consult with industry and labour stakeholders.

However, such consultations are voluntary, not mandatory. Also, there is nothing to state that these consultations must be public. The Conservative government loves voluntary elements. That is what it is doing with the census.

In exercising his or her powers, the minister may, if the situation calls for it—again, this is not an obligation, but the motion would make it obligatory—hold consultations by organizing conferences and meetings. With this government, everything is “may”, “maybe” or “possibly”, but this motion would make these things mandatory.

● (1710)

The Bloc Québécois does not believe that the government's approach to investment in Canada is the best possible approach. When discussing the Investment Canada Act, we have to keep in mind the 2009 Budget Implementation Act, which allows the government to issue an order raising the minimum threshold for automatic review of a foreign investment in Canada set out in the Investment Canada Act.

That threshold could gradually increase from the current \$300 million to \$600 million in one year, \$800 million for the following two years and \$1 billion for the years after that. Some very important players in Canada's and Quebec's economies, such as Nortel and aluminum producer Alcan, which is now just a subsidiary of giant Rio Tinto, have already been transferred into foreign hands.

Foreign investors benefit from a favourable conflict resolution system internationally. A \$1 billion threshold could result in many leading lights of the Quebec economy passing into foreign hands without the government ever having the opportunity to assess whether such takeovers are good for local economies. As such, the Bloc Québécois demands that these provisions be scrapped and that the threshold for review be set at \$300 million.

● (1715)

[*English*]

The Deputy Speaker: It being 5:15 p.m., pursuant to an order made earlier today all questions necessary to dispose of the opposition motion are deemed put and a recorded division deemed requested and deferred until Tuesday, November 16, 2010, at the expiry of the time provided for government orders.

* * *

[*Translation*]

SUSTAINING CANADA'S ECONOMIC RECOVERY ACT

The House resumed from November 3, consideration of the motion that Bill C-47, A second Act to implement certain provisions of the budget tabled in Parliament on March 4, 2010 and other measures, be read the second time and referred to a committee.

The Deputy Speaker: The House will now proceed to the taking of the deferred recorded division at second reading stage of Bill C-47. Call in the members.

● (1755)

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

(*Division No. 126*)

YEAS

Members

Abbott	Ablonczy
Aglukkaq	Albrecht
Allen (Tobique—Mactaquac)	Allison
Ambrose	Anders
Anderson	André
Armstrong	Arthur
Ashfield	Asselin
Bachand	Baird
Bellavance	Benoit
Bernier	Bezan
Blackburn	Blaney
Block	Boucher
Boughen	Bourgeois
Braid	Breitkreuz
Brown (Leeds—Grenville)	Brown (Newmarket—Aurora)
Brown (Barrie)	Bruinooge
Cadman	Calandra
Calkins	Cannan (Kelowna—Lake Country)
Cannon (Pontiac)	Cardin
Carrie	Casson
Chong	Clarke
Clement	Cummins
Davidson	Day
Dechert	Del Mastro
Demers	Desnoyers
Devolin	Dorion
Dreeschen	Dykstra
Faïlle	Fast
Finley	Flaherty
Fletcher	Gagnon
Galipeau	Gallant
Généreux	Glover
Goldring	Goodyear
Gourde	Grewal
Guay	Guergis
Harper	Harris (Cariboo—Prince George)
Hawn	Hiebert
Hoback	Hoepfner
Holder	Jean
Kamp (Pitt Meadows—Maple Ridge—Mission)	Keddy (South Shore—St. Margaret's)
Kennedy (Calgary Southeast)	Kent
Kerr	Komarnicki

Kramp (Prince Edward—Hastings)	Laframboise
Lake	Lauzon
Lebel	Lemieux
Lobb	Lukiwski
Lunn	Lunney
MacKay (Central Nova)	MacKenzie
Malo	Mayes
McColeman	McLeod
Ménard	Menzies
Merrifield	Miller
Moore (Port Moody—Westwood—Port Coquitlam)	
Moore (Fundy Royal)	
Nadeau	Nicholson
Norlock	O'Connor
O'Neill-Gordon	Obhrai
Oda	Pailé (Hochelaga)
Pailé (Louis-Hébert)	Paradis
Payne	Petit
Poillievre	Pomerleau
Prentice	Preston
Raitt	Rajotte
Rathgeber	Reid
Richards	Richardson
Rickford	Ritz
Saxton	Scheer
Schellenberger	Shea
Shipley	Shory
Smith	Sorenson
St-Cyr	Stanton
Strahl	Sweet
Thompson	Tilson
Toews	Trost
Tweed	Uppal
Van Kesteren	Van Loan
Vellacott	Verner
Wallace	Warawa
Warkentin	Watson
Weston (West Vancouver—Sunshine Coast—Sea to Sky Country)	
Weston (Saint John)	
Wong	Woodworth
Yelich	Young — 162

NAYS

Members

Allen (Welland)	Andrews
Angus	Atamanenko
Bagnell	Bélanger
Bevington	Byrne
Cannis	Charlton
Chow	Christopherson
Coderre	Comartin
Cotler	Crowder
Cullen	Cuzner
D'Amours	Davies (Vancouver Kingsway)
Davies (Vancouver East)	Dewar
Dhaliwal	Dion
Donnelly	Dosanjh
Duncan (Edmonton—Strathcona)	Easter
Folco	Fry
Garneau	Godin
Goodale	Gravelle
Hall Findlay	Harris (St. John's East)
Holland	Hughes
Jennings	Kennedy
Layton	LeBlanc
Lee	Malhi
Maloway	Marston
Martin (Esquimalt—Juan de Fuca)	Martin (Winnipeg Centre)
Masse	Mathysen
McGuinty	McKay (Scarborough—Guildwood)
Mendes	Mulcair
Murphy (Moncton—Riverview—Dieppe)	Murphy (Charlottetown)
Murray	Neville
Pacetti	Patry
Pearson	Proulx
Rae	Rafferty
Regan	Rodriguez
Rota	Savoie
Scarpaleggia	Siksay
Silva	Simms
Simson	Stoffer
Thibault	Valeriote

Private Members' Business

Wrzesnewskij Zarac — 78

PAIRED

Members

Duceppe Duncan (Vancouver Island North)

Paquette Storseth — 4

The Speaker: I declare the motion carried. Accordingly, the bill stands referred to the Standing Committee on Finance.

(Bill read the second time and referred to a committee)

[English]

The Speaker: It being 5:55 p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

[English]

CRIMINAL CODE

Mr. Earl Dreeshen (Red Deer, CPC) moved that Bill C-576, An Act to amend the Criminal Code (personating peace officer), be read the second time and referred to a committee.

He said: Mr. Speaker, I am honoured to speak during this hour of debate to my Bill C-576, which deals with the crime of personating a peace officer.

I would like to thank the hon. member for Kitchener—Conestoga for seconding this bill. I am grateful to my colleagues in the House who recognize the merit of this minor yet important addition to the Criminal Code.

I was inspired to table this bill following a horrible crime that took place in my constituency. The offender was charged, tried, convicted and sentenced. The case is no longer in the court. But I have had discussions with the victim of this crime and I would like to talk about what I have learned.

Flashing lights and a police uniform were used as weapons to abduct a 16 year old girl. She had just earned her driver's licence and was driving alone, as many of us do. She was held captive for 46 hours and brutally assaulted before she managed to escape from her attacker. She was brave. She survived.

It is a fact that she was abducted because she was led to believe that she had been pulled over by a police officer. When citizens see a police uniform, they naturally trust the authority that comes with it. Personating a police officer is a serious breach of the public's trust, and it has the same effect as using a weapon. It forces the victim to submit.

This crime involved personating a police officer, but I recognize that there are other occupations besides police officers that serve to keep the peace in our great country and they are all covered by the Criminal Code's definition of a peace officer.

Private Members' Business

As I describe the specific points of this bill, let me start by explaining the definition of peace officer in the Criminal Code. They are positions that demand a significant amount of trust from the Canadian public. Anyone who falsely represents these occupations to commit a crime against a person is committing a serious breach of that person's trust and that of all of us.

The Criminal Code defines peace officers as Canadian officers of customs and excise, immigration, corrections, fisheries and the Canadian Forces. It includes pilots in command of an aircraft, mayors, wardens, Reeves, sheriffs, justices of the peace and, of course, police officers.

When I began researching this issue I found that what had happened in Penhold and Red Deer was not a rare crime. This is happening in small towns and large cities all over Canada. Criminals are using authentic police lights and dressing in police uniforms in crimes such as auto theft and fraud in Kelowna; highway robbery in Oakville, Barrie and Brampton; assault and robbery in Ottawa; abductions in Scarborough and Calgary; break and enter and subsequent assaults in Sydney Mines and Oshawa; intimidation in Mississauga; unlawful confinement in Lethbridge; and fraud in King's County, Brantford and Toronto.

This bill has a basic objective. It would make personating a peace officer in the commission of another offence an aggravating circumstance to be considered for sentencing purposes. It would add one clause to the Criminal Code following section 130. Because it is short, I would like to read my bill into the record:

1. The *Criminal Code* is amended by adding the following after section 130:

130.1 If a person is convicted of an offence under section 130, the court imposing the sentence on the person shall consider as an aggravating circumstance the fact that the accused personated a peace officer for the purpose of facilitating the commission of another offence.

That is all. It does not seek to affect any interpretation of the crime. My bill would simply direct a sentencing court to consider this as one factor when dealing with someone convicted of personating a peace officer.

In carrying out the objectives of sentencing, which are in section 718 of the Criminal Code, a judge can take into account aggravating circumstances, which tend to increase the length of a sentence, or mitigating circumstances, which tend to shorten the length of a sentence.

There are aggravating circumstances that are defined in section 718 that apply to all offences and there are also special cases of aggravating circumstances that apply to specific offences within the code. But to clarify, this bill seeks to be a special aggravating circumstance for a sentencing court to consider for the crime of personating a peace officer.

● (1800)

The decision of what sentence is appropriate always rests with the court, but it is our role as legislators to maintain the Criminal Code and establish sentencing provisions. I note that this offence used to be punishable as a summary conviction and had a maximum penalty of only six months' imprisonment.

This Parliament passed into law former Bill S-4, which increased the maximum penalty for this offence to five years' imprisonment

and made it a hybrid offence. I commend the Department of Justice for its work on increasing the maximum sentence for this crime, which came into force on January 8 of this year. I applaud all of my colleagues in the House who voted in favour of Bill S-4 and brought this change into law.

On behalf of the people Red Deer, I was proud to vote for Bill S-4. I am also proud to support all of the government's tough on crime initiatives. Bill S-4 successfully tackled the problem of identity theft and fortunately, it also significantly addressed the problem of lax sentencing for personating peace officers. This was absolutely justified, as predators are deliberately posing as peace officers to lure their victims. I believe that with this increased maximum sentence, we must now also recognize that this crime can have varying degrees of harm as well, and should be penalized accordingly.

A number of factors come into play in a sentencing decision, such as the criminal record of the offender or the severity of harm caused to a victim. Aggravating circumstances are just one more factor that sentencing judges are required to consider that tend to, but are not guaranteed to, increase the severity of the sentence.

When we look at aggravating circumstances that are in section 718 of the Criminal Code, one of them is evidence that the offender, in committing the offence, abused a position of trust or authority in relation to the victim. This would apply in situations where an offender has an existing relationship with the victim, such as a teacher or a coach, or indeed a bona fide peace officer.

However, those who personate peace officers do not fall into this category. I have many esteemed colleagues in the House who are legal experts. I am not a lawyer, but it seems to me that offenders who personate peace officers have not abused a position of authority, for they do not have that position to begin with. This circumstance in section 718 cannot be used, since this would apply to real police officers who would abuse their position of trust. It does not apply to those who are posing as police officers.

If I may reiterate, an offender's false representation of himself or herself as a peace officer is intended to deceive and breach trust and authority, but this deceit is not captured by the existing circumstances that speak to these abuses. I hope that my colleagues in the House will recognize this gap in the law and work with me to fill it as my bill seeks to do.

The House is graced with some former police officers who bring valuable experience to our debate on justice issues and many other issues. I have had discussions with these hon. members about my bill, and I appreciate their support, for they have the unique perspective of having served as police officers. They are very busy people, but they have taken the time to read my bill and offer their support, and I thank them for that.

Private Members' Business

Police officers are often victims themselves. They serve us all with great courage. They keep us safe from those who would do harm and rarely see justice for crimes that are committed against them personally. We know that the Crown sometimes drops charges of assault against police officers to obtain guilty pleas. As victims who have not been vindicated by the courts would surely confirm, it must be an agonizing outcome for someone to personally deal with, no matter who the person is. I want to recognize and honour all peace officers in Canada. They are all affected by the crime that we are discussing today.

People who have been hurt by someone posing as a police officer understandably would become fearful and have difficulty trusting real police officers. This is very unfortunate, as it affects these victims every single time they encounter a real police officer. It also affects police who are trying to do their job.

There was a case in Calgary where a man personated a police officer and used flashing lights to attempt to pull people over to abduct young females. CBC News quoted a sergeant with the Calgary Police Force who stated that the false representation of a police officer was "a very serious offence". He went on to say, "We cannot have our confidence in the public eroded. It is very important that we are able to conduct our jobs, and if people do not trust the police or they are worried, it can make our jobs very difficult".

• (1805)

As that police officer stated, this is a serious crime that has far-reaching consequences, which is further proof that the government did the right thing by significantly increasing the maximum penalty for this crime as former Bill S-4 did.

Police will often remind the public how we can recognize if someone is actually posing as an officer. As police have said, they always carry photo ID and badges. People should never be opening their doors or get out of their cars without seeing photo ID and a badge. An officer will show these when requested. If Canadians are in doubt as to whether or not someone is actually a police officer, they are advised to call 911.

For 34 years I worked with children and young adults. As their teacher I shared their joys of accomplishment as well as their concerns about the future. I was always there to help them through difficult times when they had to deal with terrible ordeals, being a receptive ear to their voices gave me an understanding of how difficult and fragile life can be.

As a member of Parliament I have once again heard such a voice. I shared the same concerns as others in our community when I heard of the disappearance of a young girl from Penhold. Prayers were all that I could offer. No one knew why her car would be left where it was. There was nothing to indicate that she would have strayed from the errand that she was on, nothing. Her parents were frantic and our community of central Alberta empathized while we all waited. Finally the news broke. She had been found.

Only then did the pieces of this horrible ordeal start to make sense. The weapons used by her attacker were flashing lights and an RCMP uniform. That is why the car was left where it was. Her trust of the uniform and the false sense of safety and authority that it presented

to her resulted in the most horrendous 46 hours that anyone could imagine.

The subsequent trial of her abductor forced the girl and her family to relive this ordeal. Finally a verdict and a sentence was rendered, but two things haunted them: first, the knowledge that the crime of personating a peace officer amounted to only six months' imprisonment, which was the maximum sentence allowed before the passage of Bill S-4; and second, that in the commission of this crime the weapons used to lure her into a trap would not be recognized for what they really were. She had been deceived of the trust she had in the police and the weapon of deceit was considered as more of a side issue than being the catalyst for the crime.

Personating a police officer to force someone to do something in the hands of a criminal is just as effective as pointing a firearm. It is no less aggravating than breaking and entering with the knowledge that a residence is occupied nor many of the other situations that fall into the category of aggravating circumstances. It is no different to a victim than having been abused by a real, existing position of authority.

Crimes involving firearms and break and entering with intent to encounter a resident necessitates special circumstances in the courts. They are rationalized as aggravating circumstances to ensure that they are treated as seriously as they should be. This is what my bill is designed to do.

As it now reads in section 130 the crime is in the deception of the public about a person's status as a peace officer. It does not differentiate whether or not it was for a specific purpose of facilitating another crime or whether or not another crime is actually attempted or committed. In cases where the deception is intended to and in fact does facilitate the commission of another more serious crime, this is an extremely serious instance of the offence of personating a peace officer and therefore deserves an appropriately high sentence. This bill would give the sentencing courts the tools they need to apply appropriate sentences in these cases.

The day that this brave young lady and her mother came to me for help was the day I knew that my receptive ear that was necessary as a teacher would also be part of my job as a member of Parliament.

I appreciate the help that has been provided to me by representatives in the justice department, the Minister of Justice and the rest of my caucus. I would also like to acknowledge the great work of the talented researchers in the Library of Parliament. I also appreciate the support and understanding that I have received from my colleagues in other parties.

It is my hope that all of my colleagues can recognize the importance of this bill and will see that it is worth supporting.

Private Members' Business

•(1810)

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Mr. Speaker, I would like to sincerely thank the hon. member for bringing forward this important piece of legislation. I am supporting it. I would like to congratulate him on his very heartfelt speech. He shared some emotional stories with us, stories that he is quite familiar with, and I want to thank him for sharing them in the House.

As I am not as familiar as he is with this issue, I have one quick question on a technical point. As far as the aggravating factor is concerned about impersonating a peace officer, would the judge in any particular case allow the sentences to run concurrently? I would ask him to answer that. Otherwise I would just like to congratulate him on the work that he has done on this issue. Indeed I will be supporting his bill.

Mr. Earl Dreeshen: Mr. Speaker, I thank the hon. member for his support. I truly do appreciate it.

Consecutive sentencing is something that does happen, but it is something certainly that is up to the courts. There are things that a person can do to show the significance of the offence and truly, by turning this into an aggravating circumstance, it gives that momentum to that particular type of sentence.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, I want to thank the member for Red Deer for Bill C-576. I believe that we will be supporting the bill as well. I believe our critic, the member for Windsor—Tecumseh, has spoken to the member about a potential amendment that may be able to be accomplished at committee.

Before I had researched this subject, I was only familiar with this sort of activity relating to the St. Valentine's Day massacre, John Dillinger and issues in Mexico and so on. When I looked into it, I was surprised to find many recent examples of this activity going on. I did not expect to find that many cases, just in this year alone. Clearly, it has either been a problem that has been around a long time or we have just become aware of it in the last little while, but certainly his bill is on the right track.

I would ask him to tell us whether there have been many more examples than what we currently know about.

•(1815)

Mr. Earl Dreeshen: Mr. Speaker, I had the same type of opinion when I first looked at the issue. I knew how serious it was and how terrible it was for our community, but then when I started to research it and I was looking for information, there was page after page of cases, some of which I alluded to in my speech. Most of them were simply the ability to disarm a person and that really became the significant component.

Amendments that would further the public's confidence when it comes to supporting victims of crime are all worth consideration, and certainly I would take those things under advisement.

Mr. Harold Albrecht (Kitchener—Conestoga, CPC): Mr. Speaker, I too want to congratulate my colleague for a great speech. He started out with a very heart-wrenching story, but the problem, as has been pointed out by my colleagues, is that this is not an isolated incident. The government's primary responsibility is to ensure the

safety and security of its citizens, so I do applaud my colleague from Red Deer.

My question, as I am listening to this dialogue, is how do the criminals access the gear that they use, the uniforms and the flashing lights? I would like the hon. member to shed some light on how these are so readily available.

Mr. Earl Dreeshen: Mr. Speaker, again in the research that I did, I came across a story the *Calgary Herald* ran about this on March 4, 2009 which found that people are going online to buy official gear. In interviewing police officers and looking at the materials that are publicly available, it was found that people can buy lights at security supply stores that look an awful lot like the lights that are used on police cars, and uniforms can be bought on eBay and altered to look like authentic police officers' uniforms.

People can buy just about anything anywhere. That is significant, but again, the key thing for the public to know is that police actually carry photo ID and badges. People should make sure that they take appropriate care.

Mr. Brian Murphy (Moncton—Riverview—Dieppe, Lib.): Mr. Speaker, it is my great pleasure to rise and speak to this initiative. It is a very case-oriented position.

If we are not reacting as members of Parliament to real situations that happen in our communities, and reacting in a compassionate and thoughtful way, then what are we doing here?

The bill seeks to amend section 130 of the Criminal Code, which provides for the offence of personating a police officer or a public officer. The phrase in the Criminal Code has existed since the inception of the code itself. The code states:

Everyone who

(a) falsely represents himself to be a peace officer or a public officer, or

(b) not being a peace officer or public officer, uses a badge or article of uniform or equipment in a manner that is likely to cause persons to believe that he is a peace officer or a public officer, as the case may be,

is guilty of an offence punishable on summary conviction.

That offence originally carried a maximum penalty of six months. In 2009, it was amended to carry a maximum sentence of five years by indictment and no time limit for a summary conviction. I am drawn by his example of Penhold. I am curious.

The Liberal members of the justice committee have decided to support this bill and send it to committee. At committee, however, we will have many questions.

This bill was driven by a desire to address the Penhold incident, in which the criminal pretended to be a police officer in order to persuade a person off the road and into the woods, where he committed a heinous crime. We have to make sure that this bill reacts to this incident appropriately.

In the Penhold case, we have to examine whether the criminal received concurrent or consecutive sentences. He was convicted of the much more serious offence of aggravated sexual assault and received a very long jail sentence. He also received a sentence of, I believe, six months for personating an officer under section 130.

Private Members' Business

I want to explain why this is important. Usually, in my limited experience with criminal law, a judge will look at the most serious offence and will say, "We need to remove this person from the community because he or she committed a very serious offence." In this case, I believe it was 16 or 18 years, indicating that the judge thought it was a very serious offence and removed that person from the public subject to statutory release.

He also accepted that the accused was guilty of personating an officer, which at that time carried a sentence of six months. Did the judge make them run concurrently, the 6 months and the 18 years, or did he take the 18 years, 17.5 years, and add the 6 months?

My experience tells me, looking at the case briefly, that the sentences would run concurrently, not consecutively. In other words, the fact that there was a guilty finding on the personation aspect of the case did not lengthen the sentence.

The amendment to the code, which says there should be aggravating circumstances considered in the section 130 offence of personating an officer, could lengthen the sentence in these situations. But if the judge still makes the two sentences run concurrently, even if there were two years given for personating in the same situation, and 18 overall for the violent sexual assault, there would still be an 18-year sentence.

This is one of the questions we have to ask at committee. We have to do our due diligence in support of this bill to make sure that it is delivering the goods to the good people involved, the victims. That would be one of our first questions at committee.

● (1820)

The motivation for this was due to the victim's bewilderment, perhaps the general public's bewilderment, in regard to the case. The thing that started it was the personation, and that got only six months. There is something wrong with that, because it was such an egregious offence.

The amendment came in 2009, and we now know that the maximum is five years. If we were pretending to be judges, would we give the personation aspect of this crime five years, with 18 years for the aggravated sexual assault, which lasted for some 46 hours? It is difficult to know whether these sentences would be different under this law. I think the drafter of the bill intends that they would be. In these circumstances, the uniform and the cruiser lights should be an aggravating factor in the section 130 offence of personating an officer. Without the personation, the sexual assault would not have happened.

I understand the motivation for the bill. But we have to remember that a police officer and a prosecutor can lay an indictable charge for this offence, and that a judge can impose a sentence of up to five years for personating a police officer. We have to think of all the situations that do not lead to egregious offences. Someone who personates a police officer with no resulting crime is very unlikely to get a five-year sentence.

Clearly, the drafters on the government side increased these maximum sentences to five years. It was a government bill. They had the idea that these offences alone could be very serious, but that the important thing was to deter the commission of further offences. Why else would someone personate a police officer? There are many

cases, other than George Leahy on *Trailer Park Boys*, in which some clearly unstable people personate police officers. But some people personate them without any ulterior intent of doing serious harm. In this case, it was used to do very bad things to Canadian citizens.

In cases where someone is not going to use the personation to do something further, there would not likely be as harsh a sentence. However, I believe the government was thinking that, if personation was coupled with another offence, the judge, the prosecutor, and the police ought to have the discretion to make this a very serious offence.

There are reported cases in our communities of people personating police officers to get entrance into offices, homes, and private businesses. They are personating police officers to gain the trust of young people. They are personating police officers to steal money from charitable organizations. All these things are happening and they are serious offences. There are gradations, however. And though they are not as serious as the Penhold case, I think Parliament was thinking that the five-year sentence would be imposed when the personation led to a serious offence. We need to make sure at committee that this is enough.

Bill C-576 simply says that the judge "shall consider this as an aggravating factor". It is not permissive. It is not "may". It is something the committee might want to look at. In the end, we have to have faith in our judicial system and in the judges who apply it.

In conclusion, I commend the member for drawing the attention of the House to section 718. Every justice bill that comes through the House should be in the lens of section 718, which sets out the principles of sentencing. These are based on denunciation, the removal of a convicted person from the community, rehabilitation, deterrence, and restitution. Without this balance, none of these laws make sense. I commend my friend for bringing such a thoughtful bill to the House, and we will certainly send it on to the committee.

● (1825)

[*Translation*]

Mr. Serge Ménard (Marc-Aurèle-Fortin, BQ): Mr. Speaker, I have to say that when I saw this bill my first reaction was to think it was useless. I cannot imagine that anyone uses a police uniform or other articles for anything other than committing a criminal offence. It is true that people are somewhat fascinated by police uniforms.

Private Members' Business

In fact, I remember seeing someone walking around the Montreal courthouse in a uniform that he had probably had made for him, and it really looked like a police uniform. He had a marshal's baton and was always impeccable. He really enjoyed talking to people. He had a straight-back demeanour. Everyone figured he was a little crazy but not dangerous. No one ever thought of accusing him of impersonating a police officer. His uniform did not really look that much like a police officer's. His baton looked more like a marshal's baton or one that belonged to a commander of a military establishment on parade.

It seemed clear to me that if someone was dressing up as a police officer, they must have dishonest intentions. And that is already covered in the Criminal Code.

I have to say that I am impressed with the research that has been done by the member who introduced this bill. I think that, as he said, his proposal fills a gap in the Criminal Code. As a consequence, we will support it.

I am not as impressed with some of the reasons he gives for supporting it. I even started questioning whether or not we should support it when he said that the bill is important because we need to be tough on crime. That is the answer to everything.

When will the government understand that being tough on crime and lax on arms gives results like those in the United States? The incarceration rate in the United States used to be comparable to Canada's, but in one generation it has become seven times higher than Canada's. What has that achieved? Why are their homicide rates three times that of Canada and five times that of Quebec?

It seems to me that this combination of tough on crime and lax on arms should convince everyone who knows that they are going in the wrong direction. We must not be tough on crime; we must be smart on crime. And smart on crime can mean giving harsh sentences when they are warranted, but it can also mean giving restorative sentences, sentences that promote rehabilitation, when they are warranted. In general, the public tends to support harsh sentences in theory, but in practice, it tends to favour rehabilitation, especially when they learn that children they know have ended up involved in a crime. They would like judges to take that into account.

We are balanced in Canada. Our incarceration rate is fairly comparable to rates in western Europe. England has a slightly higher rate than we do, as does Scotland, but generally, France, Germany, Spain, Italy and the Netherlands all have lower incarceration rates than Canada. Our crime rates are generally comparable.

However, the free country, I will say, that has the highest rate of violent crime is the same country that has the harshest sentences. Also, people seem to forget that it also has the remarkable distinction of having beat out Russia. No one ever would have thought that the United States would incarcerate more people than Russia. But it has. Today, the United States is at about 730 prisoners for every 100,000 inhabitants, while Russia is at about 680.

● (1830)

It is even said that half of all inmates in the world are found in American prisons. Frankly, are people any safer in the U.S. than they are here? Some people will say it depends on the neighbourhood. If there are some safe neighbourhoods in the U.S., then, considering the crime rate in that country, that means that others are extremely

dangerous. Why do people in the United States feel the need to carry a weapon to protect themselves? That does not give the impression of a safe society, even though it has the highest incarceration rate in the world.

I would love to see the member forget about his tough on crime principles. I prefer his patient, precise and intelligent work. He discovered a weakness in the Criminal Code and then exposed it and documented it. He has convinced us that his work was far from useless. That is why we will support him. He deserves our congratulations and our thanks for this work.

[English]

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, I rise to speak to Bill C-576, An Act to amend the Criminal Code (personating peace officer). The bill seeks to amend section 130 by adding the following:

If a person is convicted of an offence under section 130, the court imposing the sentence on the person shall consider as an aggravating circumstance the fact that the accused personated a peace officer for the purpose of facilitating the commission of another offence.

I want to acknowledge the good work that the member for Red Deer has done on this. I am sure the pain and suffering for the family would have prompted the member to take some action.

I want to refer to the section that is being amended. Section 130 states:

Everyone...who

(a) falsely represents himself to be a peace officer or a public officer;

or

(b) not being a peace officer or public officer, uses a badge or article of uniform or equipment in a manner that is likely to cause persons to believe that he is a peace officer or a public officer, as the case may be...

is guilty of an offence punishable on summary conviction.

The member for Red Deer ably outlined the terrible circumstances that led him to propose his private member's bill. It stemmed from an incident that took place in his riding in 2009, where a 16-year-old girl was abducted and sexually assaulted by an individual who posed as a police officer.

The individual pleaded guilty to several charges and was given an 18-year sentence for kidnapping. He was also sentenced to six months for personating a police officer but, and this is the piece that is troubling for people, that sentence would run concurrent to his other sentence. Many in the community felt that it should have been made consecutive.

There is one thing each and every one of us takes to heart. As a mother, when my son was young, I used to tell him that if he ever was separated from me, he should go to a police officer. We talked about what a police officer looked like and I showed him pictures. What becomes really important is this element of trust. It is fundamental to our justice system that we look to our police officers to protect us and to be safe people so we can tell young people to go to them when they need help.

The kinds of incidents that we are seeing are, sadly, not isolated incidents, and I will talk about a couple of others. If they were isolated incidents, we could take care of it. What we are doing is undermining the trust people have in our police forces.

Private Members' Business

The other element of this, before I talk about some specific cases, is this is a really important opportunity to educate people. As the member for Red Deer rightly pointed out, every police officer has certain protocols and procedures that he or she undertakes when stopping people, such as showing identification, having a badge and a number of other things.

It is an important aspect of the debate in the House to remind people that they also have rights when they are being stopped by who they believe is a police officer. They should always be comfortable in taking the step of contacting their local station or calling 911 to verify that the person they are interacting with is actually an officer.

I want to touch on a couple of other instances. One example was in the Hamilton *Spectator* in October. A man was stopped by a woman and the woman who pulled him over was not dressed in an officer's uniform, but her demeanour and questions led him to believe she was a police officer. The fake officer demanded that the man pay the speeding fine on the spot. He did not have enough money with him and subsequently went to an ATM to withdraw cash. It is also a good reminder that people personating police officers are not just men. They are also women.

In Kelowna in May, police were trying to find out who was responsible for stealing a car by impersonating a police officer and trying to defraud the car owner. The women called to report the theft and also reported that a so-called police officer on the phone had asked for her bank card and personal identification number so he could secure her bank cards. The real police officer who responded to the theft report knew that questioning about bank information was not what police would ask in an investigation and told the woman to cancel her bank cards immediately.

• (1835)

That is a really important reminder. As the article in the *Kelowna Capital News* reports, the fact is no authentic police officer will ask someone to hand over cold, hard cash on the spot, nor will he or she ask for bank card information.

There is the case in Mississauga where a Mississauga councillor candidate is charged with impersonating a police officer and trying to intimidate a rival candidate to abandon her campaign. Sometimes we have public figures who are, sadly, misusing their position to do something like intimidation.

There was another case in Alberta where a man impersonated a Mountie and used his phoney authority to terrorize two university students. He has been sentenced to two and a half years in jail. Around 4 a.m., he entered a 7-Eleven store, identified himself to the clerk as a police officer and asked to use the phone. The clerk became suspicious and immediately contacted the Lethbridge Regional Police. Here we have an example where somebody who was suspicious about whether or not this person was a valid police officer. The clerk took the steps, and we need to encourage people to do this, and contacted the Lethbridge Police Department to ensure that the store was dealing with somebody who had the authority to be there.

The *Globe and Mail* talked about an officer is defrauding students. I know many of us have probably seen these emails that go

around, asking people to send money because somebody is in trouble. In this case, the police were warning the public to be on the lookout for a man who was pretending to be a Chinese police officer and was defrauding Chinese students. The police allege the man contacted his victims and then, under the guise of conducting a security check or investigation, asked for personal banking information, such as a PIN numbers or security codes.

There are a lot more of these circumstances.

Others have pointed out that some questions need to be raised at committee.

The NDP will be supporting the bill going to committee. I know the member for Windsor—Tecumseh has talked to the member for Red Deer and has told him we support sending it to committee. However, the member for Windsor—Tecumseh said that he had some concerns that the present wording would not likely achieve the desired outcome, particularly as most judges would already consider personating a police officer as an aggravating circumstance.

The member for Windsor—Tecumseh is proposing amending the bill to require the judges to provide a rationale if they did not make a section 130 offence consecutive to any other offence. The reason he has proposed this is it would make the action explicit. When judges made the sentencing, they would explicitly state that they had considered the aggravating circumstances and that there was a rationale for making the sentence concurrent rather than consecutive. Also, he wants to maintain the confidence the public has in the justice system, that there is some credibility. It should be explicitly stated that the judge has considered the aggravating circumstances when making the sentence and it would be part of the decision being rendered.

I acknowledge the good work the member for Red Deer has done on this matter. It is an important matter to raise in the House. When it goes to committee, I am sure there will be opportunities for witnesses to come and talk about the impact on their lives and their families. We will also hear from other members of the House about how the bill can be improved to ensure it has the intended effect, which I am sure the member for Red Deer is interested in achieving. We will be supporting the bill.

• (1840)

Mr. Rick Norlock (Northumberland—Quinte West, CPC): Mr. Speaker, I am pleased to speak today in support of Bill C-576, which deals with the offence of personating a peace officer. The offence essentially criminalizes the act of pretending to be a peace officer or public officer when one in fact does not hold such an office.

This offence, located at section 130 of the Criminal Code, was a straight summary conviction offence until recently. Summary conviction offences carry a maximum of six months in prison and a maximum fine of \$5,000 or both. Our government hybridized these offences in former Bill S-4, An Act to amend the Criminal Code (identity theft and related misconduct).

Private Members' Business

Bill S-4 made a number of important changes to the Criminal Code. In particular it enacted a new offence called identity theft, which prohibits the obtaining or processing of another person's identity information with the intent to use that information in the commission of another criminal offence. It also changed the name of the existing offence of personation to identity fraud. Personation is an offence for pretending to be another person with the intent to gain advantage or cause a disadvantage.

Identity theft is usually followed by identity fraud. First one obtains another person's identity information. This is identity theft. Then it can be manipulated into false documents or combined with other information to create a false identity, and finally, the information is used to deceive someone about the identity of the person in front of them.

Identity crime is flourishing, as we all know, and these criminal law amendments are a crucial element in the struggle to keep Canadians' identities and their property safe.

In addition to these important amendments, Bill S-4 also hybridized the offence of personating a peace officer or public officer. As of January 8 of this year, personating a peace officer is no longer a straight summary conviction offence. It is now a hybrid offence. When prosecuted on indictment, this offence is now punishable by up to five years in prison.

It is interesting to note that in many countries like Canada, peace officer personation is still considered a relatively minor offence. In a number of U.S. and Australian states, as well as the United Kingdom, peace officer personation is punishable by a maximum of a few months or a year or two. Only in a few jurisdictions does the maximum penalty rise to five years.

This new sentencing regime for police personation in Canada is therefore above average for similar jurisdictions.

As of the passing of Bill S-4, this offence is no longer treated as a minor offence. It is now a serious offence, which protects the integrity of important government institutions and offices and guards against the many harmful consequences that could flow when a citizen is misled about whether a person has the authority to act in an official capacity.

For instance, a motorist who has just witnessed an accident might report the accident to someone he or she believed was a peace officer but who in fact was not. The good Samaritan might genuinely believe he or she had fulfilled a civic duty by reporting the incident to law enforcement and might believe that the matter would be acted upon and any injured persons would be provided with adequate care. But the impostor likely intends to move on without taking any action to assist those involved in the accident. This kind of situation poorly serves everyone involved. The importance of public trust in the police can never be underestimated.

Fortunately, charges for personating a peace officer are relatively rare in Canada, but I must admit they are increasing in numbers and severity.

But still there are concerns about this kind of crime, as Bill C-576 reminds us. Sometimes people impersonate the police for the simple

thrill of feeling powerful or for other relatively minor objectives, such as obtaining information.

• (1845)

But other times, as we have heard here tonight, police personation is closely associated with other offences. In these cases, a criminal will pretend to be a police officer in the hopes that this deception will make it easier to commit other crimes. Most members of the public will acquiesce to the authority of someone they believe to be a police officer. The personation of police in these cases is an attempt to exploit a person's trust and confidence in law enforcement. These kinds of situation are the most troubling and are especially deserving of condemnation by sentencing courts as well as this Parliament.

This is precisely what Bill C-576 does by making it a mandatory aggravating factor on sentencing for the crime of personating a peace officer if the offence was committed for the purpose of facilitating the commission of another offence. Bill C-576 draws attention to this rare but devastating practice.

It is true that sentencing judges already have the discretion to consider any and all aggravating factors that might be applicable in any given case. The codification of aggravating sentencing factors does not really allow the courts to do anything they are not already empowered to do. Each factor that is mentioned in the Criminal Code adds to the complexity and size of it, so this is not a form of legislation we should endorse as a matter of routine practice.

Bill C-576 is worthy of support because it speaks to a horrific kind of criminality, which has so many negative consequences. Using someone's trust in the police as a weapon against them is extremely disturbing to us all.

There are the direct consequences suffered by a victim of such a deception, whether it is the theft of their property, an invasion of their home or a violation of their sexual or bodily integrity. The victim may also suffer a host of indirect harms, such as loss of trust in the police. Society at large suffers a reduction in its ability to trust public institutions if this crime becomes more common.

It is premature to say that this crime is increasing in frequency, but there have been a number of incidents reported in the papers in the last few years. There was a case involving drivers being stopped by a police impersonator and requested to pay immediately for an alleged speeding offence. We heard that just recently. Another case involved motorists who were followed after leaving a casino and then pulled over and robbed of their winnings. There have also been profoundly disturbing cases involving police personation in order to get someone into a car to kidnap them.

Adjournment Proceedings

The case in the sponsoring member's riding of Red Deer was a devastating case involving the abduction and sexual assault of a teenaged girl. The perpetrator in that case was apprehended, pleaded guilty to a number of offences and is currently serving an 18-year sentence. There are occasionally other stories of sexual assaults that have been facilitated by police personation, and I am aware of several myself.

All Canadians should be concerned about these cases. However, we do not want Canadians to become suspicious of all police officers. This will make the work of law enforcement even more difficult. Nor do we want Canadians to be at an elevated risk of being victimized by blindly trusting the mere assertion of authority. It is a difficult balance to achieve.

The exercise of a little caution is a good thing. An attentive citizen who is approached by someone representing himself or herself as a police officer should look for suspicious behaviour, such as unusual requests by the officer or unusual actions. It is reasonable and acceptable to ask questions of police officers or to ask to see their badge or warrant card specifically and closely verify that the uniform they are wearing bears the name of the locality one is in, rather than just being a generic-looking uniform. People should look for specifics.

• (1850)

This kind of verification process should always be done respectfully and cautiously, but in general, Canadians should not be afraid to seek confirmation that the person who claims to have a certain authority actually does have that authority.

Raising awareness in Canadians of this tremendous and horrific crime of personating a police officer and then using that to commit a crime should be supported by everyone in the House, and I certainly do, as does my friend's Conservative caucus.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, I am very pleased to start my speech today regarding Bill C-576. The bill amends the Criminal Code to establish that personating a police officer for the purpose of committing another offence shall be considered by a court to be an aggravating circumstance for sentencing purposes.

When I first read the bill, I thought initially that if it was that important it should be a government-sponsored bill, but the more I think about it, the more I think that the member's taking this on is actually the proper approach to take. We heard the member from the Bloc indicate that he too was suspicious of it in the beginning, but the more he thought about it, the more he recognized that the member has had an excellent idea, something that he can support, so perhaps the member will have success where his entire government is having no success at all on its crime bills that it rains down upon the House on a daily basis. This member's bill may be the one bill that actually gets through the House.

I had indicated in my question that initially I really thought this kind of thing only happened in the cases of John Dillinger and the Saint Valentine's Day Massacre, but we have all heard stories about Mexican police. We have heard stories about police in Peru. In other parts of the world on a constant basis people personate police in an effort to take advantage of others, steal money from them and do much harm.

It should not really be a big surprise that it is an increasing activity. As the previous member pointed out, not all of the cases we have uncovered actually involve physical harm to individuals. We have had several cases where people have been pulled over by the fake police, who have attempted to collect speeding fines from the people. Obviously they have been doing this on a continuous basis and using it to raise money.

There was a case in the United States where a young person was pretending to be a probation officer and broke into a police headquarters, stole a bunch of equipment and ended up taking a bunch of youth who were on probation out for a drive in some stolen cars.

Not all of these examples show serious criminal intent, but there is a rising tide of these things. I do not know whether it is encouraged by some of the television programs and movies we see, but nevertheless it is increasing. I have a—

• (1855)

The Acting Speaker (Mr. Barry Devolin): Order, please. The time provided for the consideration of private members' business has now expired and the order is dropped to the bottom of the order of precedence on the order paper. The hon. member for Elmwood—Transcona will have seven minutes remaining when this matter returns before the House.

ADJOURNMENT PROCEEDINGS

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

[English]

POVERTY

Mr. Mario Silva (Davenport, Lib.): Mr. Speaker, the great Irish poet W.B. Yeats once said of poverty:

But I, being poor, have only my dreams;
I have spread my dreams beneath your feet;
Tread softly because you tread on my dreams.

For millions of Canadians the reality of poverty is not a dream but a daily hardship they face with growing disenchantment. It is a chain that anchors them to lives that cannot possibly realize their fullest potential. It is a woeful destroyer of youthful dreams and once hopeful ambitions.

Recently, on April 29, 2010, the Senate of Canada unanimously approved its report on poverty, *In From the Margins: A Call to Action on Poverty, Housing and Homelessness*.

This report confirmed yet again what we all know. Poverty is a real and growing problem here in Canada, one of the world's most prosperous nations. The report went on to make recommendations on how to address poverty and homelessness across Canada.

I implore the government to reconsider its decision to reject the recommendations made in the Senate report and to take action on the meaningful and wise suggestions put forward in the study.

Adjournment Proceedings

We know that statistics can at times seem to be mere numbers on a page, but they also tell a story that cries out for a voice. In my home province of Ontario, for example, there are 357,000 people who receive social assistance and live below the poverty line. Food banks have experienced a 15% increase in demand in this year alone.

The same food banks also report that so desperate are some of their clients that 28% of them have had to use credit cards or lines of credit just to pay for food and shelter.

These are Canadians not unlike any other person we know. They are hard-working people caught up in difficult economic times who simply want to provide for their families and live decent and dignified lives. They are not looking for a hand out, but a step up.

Many of those who daily face the torment of poverty are society's most vulnerable: children, people with disabilities and senior citizens.

All too often in the midst of hurried lives and demanding schedules these are people who are invisible to many Canadians who do not know the burden of poverty. But the truth is, more than ever, that they are not invisible, they are unnoticed. It is not the same thing.

In many respects their lives are uncomfortable reminders to us all that we too are vulnerable. We owe it to them and to our country's future to see that we hear them, see them and do whatever we can to help them from the painful reality of poverty that can so often be cloaked with indifference.

We must remember that we all Canadians. All children deserve the same chance. All older people deserve the same dignity. All of us share this same vast and blessed land. We belong to it as to each other.

Mother Teresa once said:

If we have no peace, it is because we have forgotten that we belong to each other.

I ask the government once again, will it reconsider its decision with respect to the Senate's report on poverty and homelessness and take decisive and desperately needed action on these issues?

● (1900)

Mr. Ed Komarnicki (Parliamentary Secretary to the Minister of Human Resources and Skills Development and to the Minister of Labour, CPC): Mr. Speaker, we have taken a number of steps and a number of initiatives to ensure that we can address the issue of poverty. We have not just looked at reports or talked about it; we have actually taken concrete steps that have had meaningful results and have had an impact.

Our view is that the best way to fight poverty is to get Canadians working, and our economic action plan is doing just that by helping grow our economy and increasing the number of jobs. In fact, we have created over 400,000 jobs since July 2009. We have done a number of things such as preserving and protecting jobs by job sharing. Over 250,000 jobs were protected.

We absolutely have made sure that the economy will go forward. We have reduced taxes. We have reduced the GST from 7% to 6% to 5%. We have reduced taxes right across the board. We have ensured that an average Canadian family of four will have \$3,000 more in its

pockets than it would otherwise have had under the previous government. We have done a number of things in that direction.

We have invested moneys to ensure that people get the skills and training they need so they can get jobs that will be meaningful to them and will help them along.

Every action we have taken has been to help Canadians and their families become independent.

We have introduced an interesting benefit called the working income tax benefit, to make work pay and help low income Canadians over the welfare wall. It helped over 900,000 people in the first year.

I can say that regarding members of the member's party, the Liberal member for Dartmouth—Cole Harbour had this to say:

I support very much the direction on the WITB. I think improving the working income tax benefit is a very positive thing.

While we were at the human resources committee, the then minister of children and youth, Deb Matthews said:

...I was happy to see in the budget that there are some initiatives that will directly improve the quality of life and the standard of living for kids living in poverty. The increase to the WITB will directly help low-income families. Thank you for that. The housing initiatives are, of course, very helpful. The increase in the CCTB is also appreciated.

That is one initiative that has been particularly helpful.

At the human resources committee, Ken Battle, the president of the Caledon Institute of Social Policy, said that the working income tax benefit is “very important in terms of reducing poverty among the working poor, who make up about half of low income Canadians”.

As I have mentioned, we have invested about \$4 billion in training to help over 1.2 million Canadians.

We have also increased the amount that families in the two lowest personal income tax brackets can earn before paying taxes.

We have taken a number of initiatives with respect to housing. It is important to ensure that people have a place to stay and a roof over their heads. We have invested \$2 billion to repair and build new social housing. We have provided specific amounts for seniors and for persons with disabilities, and specific amounts for first nations and those in the north. These have all been very significant amounts of money. We have close to 9,000 projects completed or under way under the economic action plan.

All of these are steps to ensure that there is more funding.

Adjournment Proceedings

•(1905)

Mr. Mario Silva: Mr. Speaker, *Time* magazine once reported that Canada is one of the planet's most comfortable and caring societies. This is true for most of us. However, if we are to realize the fullest potential of this great and youthful land, then we must ensure that all of us feel part of the dream that is this country. It is difficult to feel that when one is hungry, without shelter or in desperate need. Poverty is the great divider. It separates us from one another instead of bringing us together. Generations to come will not cast their gaze upon those of us alive today and reflect upon our words. They will look back to our times and seek the truth of our actions.

The Senate report on poverty, along with long lists of statistics and anecdotes all tell the same story. Poverty is all too real for too many Canadians, and if we are to succeed in confronting it, we must show leadership and resolve.

I ask again, will the government hear the call and find the resolve to take the action we all know must be taken?

Mr. Ed Komarnicki: Mr. Speaker, we have taken action. We have renewed the homelessness partnering strategy with \$390 million per year over a five year period, for \$1.9 billion.

Here is what Geoff Gillard, a member of the Canadian Housing and Renewal Association, had to say:

We're pleased with and commend the Government of Canada for its active support of the housing first principle through the homelessness partnering initiative, which was a big step for this country in the area of homelessness.

Wellesley Institute's federal housing consultation submission stated:

The federal government's investments in affordable housing and homelessness services are making a positive difference in the lives of many Canadians.... [F]ederal housing and homelessness dollars are helping to build new homes, repair existing homes, provide vital services for people who are homeless or insecurely housed and strengthen successful community-based housing collaborations.

We are taking specific initiatives and specific action to address the issues that the member raised.

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

(The House adjourned at 7:07 p.m.)

CONTENTS

Thursday, November 4, 2010

ROUTINE PROCEEDINGS

Supplementary Estimates (B), 2010–11

Government Response to Petitions

Mr. Lukiwski 5795

Protecting Children from Sexual Predators Act

Mr. Baird (for the Minister of Justice and Attorney
General of Canada) 5795

Bill C-54. Introduction and first reading 5795
(Motions deemed adopted, bill read the first time and
printed) 5795

Committees of the House

Procedure and House Affairs

Mr. Preston 5795

Business of Supply

Ms. Davies (Vancouver East) 5795
Motion 5795
(Motion agreed to) 5796

Petitions

Animal Welfare

Mr. Valeriote 5796

Public Transit Safety

Mr. Valeriote 5796

Aerospace Industry

Mr. Guimond (Montmorency—Charlevoix—Haute-Côte-
Nord) 5796

Copyright

Mr. Angus 5796

Bullying

Mr. Benoit 5796

Veterans Affairs

Mr. McTeague 5796

Seeds Regulations

Mr. Cannan 5797

Breast Cancer

Ms. Foote 5797

Questions on the Order Paper

Mr. Lukiwski 5797

Points of Order

Procedure and House Affairs

Mr. Paquette 5797

Mr. Baird 5797

GOVERNMENT ORDERS

Business of Supply

Opposition Motion—Foreign Takeovers

Mr. Layton 5797

Motion 5798

Mr. Abbott 5799

Mr. Martin (Esquimalt—Juan de Fuca) 5800

Mr. Angus 5800

Mr. Masse 5800

Mr. Rajotte 5801

Mr. Gravelle 5802

Mr. Clement 5802

Mr. Masse 5804

Mr. Bagnell 5804

Mr. Bouchard 5804

Mr. Ritz 5804

Mr. Angus 5806

Mr. Martin (Esquimalt—Juan de Fuca) 5806

Mr. Bouchard 5806

Mr. Goodale 5806

Mr. Maloway 5809

Mr. Clarke 5809

Mr. Regan 5810

Mr. Calandra 5810

ROUTINE PROCEEDINGS

Foreign Affairs

Ms. Fry 5810

Motion 5810

(Motion agreed to) 5810

GOVERNMENT ORDERS

Business of Supply

Opposition Motion—Foreign Takeovers

Motion 5810

Mr. Bouchard 5810

Mr. Vellacott 5813

Mr. Maloway 5813

Mr. Thibeault 5813

Ms. Charlton 5814

Mr. Angus 5815

Ms. Duncan (Edmonton—Strathcona) 5816

Mr. Thibeault 5816

Mr. Calandra 5817

Mr. Angus 5818

Mrs. Yelich 5818

Mr. Simms 5819

Mr. Maloway 5819

Mr. Vellacott 5820

Mr. Anderson 5820

Mr. Cullen 5821

Mr. Scarpaleggia 5822

Mr. Cullen 5822

Mr. Vellacott 5823

Mr. Gravelle 5824

Mrs. Hughes 5824

Mr. Simms 5825

Mr. Rajotte 5826

Mr. Angus 5826

Ms. Hall Findlay 5826

STATEMENTS BY MEMBERS

Remembrance Day	
Mr. Hawn.....	5828
Diwali and Bandi Chhorh Divas	
Mrs. Crombie.....	5828
Fernand Ouellette	
Mr. Carrier.....	5828
Canadian Forces	
Mr. Angus.....	5828
Saint André of Montreal	
Mr. Lemieux.....	5828
Remembrance Day	
Ms. Duncan (Etobicoke North).....	5829
Foreign Affairs	
Mr. Obhrai.....	5829
Sakineh Mohammadi Ashtiani	
Mr. Dorion.....	5829
Peacekeepers	
Mr. Payne.....	5829
Regional Development	
Mrs. Mendes.....	5830
Criminal Code	
Mr. Blaney.....	5830
Canadian Forces	
Ms. Mathysen.....	5830
Freedom of Religion	
Mr. Woodworth.....	5830
Témiscamingue Green March	
Mr. Lemay.....	5830
John Finlay	
Mr. Tonks.....	5831
Korean War Veterans	
Mr. Devolin.....	5831

ORAL QUESTIONS

Potash Industry	
Mr. Ignatieff.....	5831
Mr. Harper.....	5831
Mr. Ignatieff.....	5831
Mr. Harper.....	5831
Mr. Ignatieff.....	5831
Mr. Harper.....	5832
National Defence	
Mr. LeBlanc.....	5832
Mr. MacKay.....	5832
Mr. LeBlanc.....	5832
Mr. MacKay.....	5832
Infrastructure	
Mr. Paquette.....	5832
Mr. Strahl.....	5832

Mr. Paquette.....	5832
Mr. Strahl.....	5832
Quebec City Arena	
Mr. Guimond (Montmorency—Charlevoix—Haute-Côte-Nord).....	5833
Ms. Verner.....	5833
Mr. Guimond (Montmorency—Charlevoix—Haute-Côte-Nord).....	5833
Ms. Verner.....	5833
Foreign Takeovers	
Mr. Layton.....	5833
Mr. Harper.....	5833
Mr. Layton.....	5833
Mr. Harper.....	5833
Mr. Layton.....	5834
Mr. Harper.....	5834
Office of the Prime Minister	
Mr. Coderre.....	5834
Mr. Baird.....	5834
Mr. Coderre.....	5834
Mr. Baird.....	5834
Ms. Fry.....	5834
Mr. Baird.....	5834
Ms. Fry.....	5834
Mr. Baird.....	5834
Sales Tax Harmonization	
Mr. Paillé (Hochelaga).....	5835
Mr. Flaherty.....	5835
Mr. Paillé (Hochelaga).....	5835
Mr. Flaherty.....	5835
Hydroelectricity	
Ms. Brunelle.....	5835
Mr. Flaherty.....	5835
Ms. Brunelle.....	5835
Mr. Flaherty.....	5835
Government Spending	
Mr. Szabo.....	5835
Mr. Flaherty.....	5835
Mr. Szabo.....	5835
Mr. Flaherty.....	5836
National Defence	
Mr. Rae.....	5836
Mr. Harper.....	5836
Mr. Rae.....	5836
Mr. Harper.....	5836
Mr. Généreux.....	5836
Mr. MacKay.....	5836
Harmonized Sales Tax	
Ms. Davies (Vancouver East).....	5836
Mr. Flaherty.....	5836
Ms. Duncan (Edmonton—Strathcona).....	5837
Mr. Flaherty.....	5837
Conservative Party	
Ms. Gagnon.....	5837

Mr. Baird	5837
Ms. Bourgeois	5837
Mr. Baird	5837
National Defence	
Mr. Ignatieff	5837
Mr. MacKay	5837
Mr. Ignatieff	5837
Mr. MacKay	5837
G20 Summit	
Ms. Chow	5838
Mr. Kent	5838
Ms. Chow	5838
Mr. Kent	5838
Protection of Children	
Mr. Armstrong	5838
Mr. Nicholson	5838
Canadian Heritage	
Mr. Wrzesnewskyj	5838
Mr. Moore (Port Moody—Westwood—Port Coquitlam)	5838
Air Canada	
Ms. Guay	5838
Mr. Strahl	5839
Natural Resources	
Mr. Cullen	5839
Mr. Paradis	5839
Employment Equity	
Ms. Hoepfner	5839
Mr. Day	5839
The Environment	
Mrs. Guergis	5839
Mr. Paradis	5839
Presence in the Gallery	
The Speaker	5839
Business of the House	
Mr. McGuinty	5839
Mr. Baird	5840

ROUTINE PROCEEDINGS

Resignation of Member	
Mr. Prentice	5840
Mr. Harper	5840
Mr. McGuinty	5840
Mr. Bigras	5841
Mr. Cullen	5841
Points of Order	
Standing Committee on Procedure and House Affairs—20th Report	
Mr. Preston	5841

GOVERNMENT ORDERS

Business of Supply

Opposition Motion—Foreign Takeovers

Ms. Hall Findlay	5841
Mr. Vellacott	5842
Mr. Godin	5843
Mr. Komarnicki	5843
Mr. Gravelle	5843
Mr. Marston	5844
Mr. Wallace	5845
Mr. Maloway	5845
Mr. Gravelle	5846
Mr. Maloway	5847
Ms. Crowder	5848
Mr. Lukiwski	5848
Mr. Silva	5849
Mr. Godin	5849
Mrs. Block	5850
Mr. Maloway	5851
Mr. Trost	5851
Mr. Masse	5851
Mr. Godin	5851
Mr. Moore (Port Moody—Westwood—Port Coquitlam)	5853
Mr. Masse	5853
Mr. Christopherson	5854
Mr. Masse	5855
Mr. Cardin	5855
Division deemed demanded and deferred	5856

Sustaining Canada's Economic Recovery Act

Bill C-47. Second reading	5856
Motion agreed to	5857
(Bill read the second time and referred to a committee)	5857

PRIVATE MEMBERS' BUSINESS

Criminal Code

Mr. Dreeschen	5857
Bill C-576. Second reading	5857
Mr. Simms	5860
Mr. Maloway	5860
Mr. Albrecht	5860
Mr. Murphy (Moncton—Riverview—Dieppe)	5860
Mr. Ménard	5861
Ms. Crowder	5862
Mr. Norlock	5863
Mr. Maloway	5865

ADJOURNMENT PROCEEDINGS

Poverty

Mr. Silva	5865
Mr. Komarnicki	5866

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